



รายงานประจำปี 2559  
ANNUAL REPORT

2016



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## Message from the Chairman

The Company aims to become the Investment Management Company with high performance and growth opportunities in the future in order to maximize the returns on investments. For the past four years, the Company has exponential growth. At the end of 2013, the Company had total assets of Baht 1,547 million and the shareholders equity of Baht 1,224 million or Baht 0.68 per share, while, at the end of 2016, the company had total assets of Baht 5,432 million and the shareholders equity of Baht 3,224 million or Baht 0.71 per share.

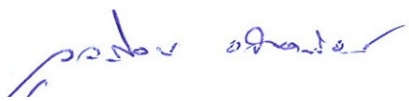
The Company has been able to generate the profit from operations continuously. By 2013, the Company was able to generate positive retained earnings (as at the end of 2012, total deficit was Baht 69.40 million) and started the dividend payment to the shareholders. For the Annual General Meeting of Shareholders for the year 2017, the Board of Directors considered and proposed to the shareholders to approve of dividend payout of Baht 0.01 per share, which is lower than last year's payout rate. The reasons are that, during the end of 2016 throughout 2017, the Company has set out the investment plans in order to expand the business and create growth to the Group company. Therefore, cash reserved for investments will be necessary during this period. In addition, in 2016, the Company had its financing through the issuance and selling of the short-term debt securities (B/E) with the limit of not exceeding of Baht 800 million as another source of funds.

Main businesses of the Group company consist of (1) advertising media (2) Warehouse for rent and services (3) real estate for rent and services, which is anticipated to realize the revenues in quarter 2/2017 (4) comprehensive printing and publishing as well as the renewable energy. All four businesses have good operating performance and reflect back to the Company in the form of dividends.

During 2016, the Company realized the whole income from investment in AWH, a subsidiary of TCDC, which contributed to the profit from operating warehouse for rent and services amounting to Baht 25.16 million or an equivalent of 15.25% of investment amount. Also, the Company has invested in construction of property with the characteristic of resorts and rent the entire property to The Cabin Chiang Mai Co., Ltd for operating the retreat center for 10 years, with an option to renew the terms for another 10 years. Total value of this investment is estimated at Baht 450 million. Such investment is anticipated to generate the revenue starting from April 2017 going forward. The return on this investment is approximately 12% per year.

The Board of Directors and managements of the Company aim to generate growth along with care and give back to the society, community, and environment. Every year, the Group company set the budget specifically for supporting activities and projects involving education, social and community development, and environment protection, and encourages the executives and employees to participate in all activities. The "AQUA fulfilling and creating dream and sharing happiness" project is the project that the Company will participate in social and community developments or activities. The Project was launched for the first time in early 2014 and has been conducted continuously ever since.

In conclusion, on behalf of the Board of Directors of Aqua Corporation Public Company Limited and all executives, I ensure that we will perform our duties in order to maximize the benefits for the shareholders in compliance with the good corporate governance, and would like to say thank you for the cooperation and trust of shareholders, business partners, employees, and any other parties as being part of the success of the Company with all the supports. We hope that the next year will be another year that all of us will appreciate and be proud of the growth, strength and stability of the Company, which is the results from the cooperation from all of you.



**(Mr. Chulasingh Vasantasingh)**

**Chairman of the Board**

**28 February 2017**

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## Message from the Chairman of the Audit Committee

The Audit Committee of Aqua Operations Public Company Limited consists of three independent directors, Pol.Lt.Gen. Wiboon Bangthamai as a Chairman of the Audit Committee, Ms. Pranee Rattakam and Mrs. Podchanee Phaosavasdi as Audit Committee with Ms. Rewadee Whanchid, Executive Vice President of Accounting and Finance as a secretary of the Audit Committee.

The Audit Committee has performed its duties and responsibilities as set out in the Charter of the Audit Committee and as assigned by the Board of Directors. This is consistent with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. In 2016 the Audit Committee has held total of 5 meetings with the auditors, internal auditor and the managements of the Company which can be summarized as follows:

- 1. Reviewed the quarterly financial statements and the annual financial statements for the year 2016.** The Audit Committee reviewed the quarterly financial statements and the annual financial statements for year 2016 of the Company and its subsidiaries, including related party transactions, transactions that may have a conflict of interest with the management and the internal auditor. The independent auditor was invited to attend every meeting that considered the quarterly financial statements and the annual financial statements. The Audit Committee inquired the auditor about the accuracy and completeness of the financial statements, significant adjusting entries which have impacts on the financial statements, the sufficiency and appropriateness of accounting methods, and the scope of auditing the accuracy and sufficiency of the disclosure, and independence of the auditor, to ensure that the preparation of the financial statements meets legal requirements and the accounting standards in accordance with generally accepted accounting principles, is reliable and timely, including the disclosures in the financial statements to be sufficient and useful to the investors or users of financial statements.
- 2. Reviewed the internal control systems and internal auditing.** The Audit Committee reviewed and assessed the internal controls together with the internal auditors as well as monitored the performances, the audit results, the recommendations, and the progress of implementation on a quarterly basis. In addition, the Company has assessed the adequacy of the internal control system based on the internal control frameworks in accordance with the international standards (The Committee of Sponsoring Organizations of the Treadway Commission: COSO), to achieve more confidence. The managements, internal auditors and the Audit Committee had the opinions that the internal control systems of the Company was adequate and appropriate.
- 3. Reviewed the corporate governance.** The Audit Committee reviewed the performance according to the defined systems. The Company has operated based on the moral, been compliance with laws governed by Securities and Exchange Commission and terms of the Stock Exchange of Thailand as well as other laws and regulations related to the business operations of the Company, particularly, the connected transactions and related party transactions

between group Companies in order to ensure that the Company has operated based on the normal course of business sensibly. The Audit Committee also reviewed the process of complaint and report the fraud of the Company in order to comply with the good corporate governance principles and business philosophy of the Company, including supporting for anti-corruption policy. Furthermore, the Audit Committee has evaluated the performance of the Audit Committee which included the self-assessment panels based on the best practices of the Audit Committee of the Stock Exchange of Thailand.

- 4. To appoint the auditors for the year 2016.** The Audit Committee has approved the office of Pitisevi Co., Ltd. as auditors of the Company and its subsidiaries for the year 2016 and presented it to the Board of Directors to consider and ask for approval at the annual general meeting of shareholders of the year 2016 in order to appoint auditors and approve the audit fees.

In conclusion, the Audit Committee has performed its duties and responsibilities as outlined in the Audit Committee Charter as approved by the Board of Directors by using knowledge, abilities, carefulness, and independence sufficiently for the benefits of all stakeholders equally. The Audit Committee has the opinions that the financial statements of the Company were accurate, reliable, and consistent with the generally accepted accounting standards. The Company has sufficient risk management, internal control systems, appropriate and effective internal auditing, and operates in accordance with the good corporate governance systems, in compliance with laws, requirements, and obligations related to the business operations of the Company.

W.B.B. (Signature)

**(Pol.Lt.Gen. Wiboon Bangthamai)**

**The Chairman of Audit Committee**

**February 28, 2017**

## Financial Highlights

(Unit: Million Baht )

	2016	2015	2014
<b>Financial Position</b>			
Total Assets	5,432.01	5,621.26	4,068.90
Total Liabilities	2,163.06	2,234.02	599.13
Total Shareholders' Equity	3,268.95	3,387.24	3,469.77
Equity holders of the Company	3,223.58	3,220.83	3,080.45
Minority interest	45.37	166.41	389.32
<b>Operating Results</b>			
Total Revenues	637.82	654.17	686.81
Revenues from sales and services	592.97	561.93	405.02
Gross Profit (Loss)	402.08	357.72	223.91
Net Profit (Loss)	242.63	304.69	362.98
Equity holders of the Company	236.58	285.17	284.24
Minority interest	6.05	19.52	78.74
Basic Earning Per Share (Baht per share) *	0.0518	0.0621	0.0755
Book Value Per Share (Baht per share) *	0.70	0.70	0.67
<b>Financial Ratios</b>			
Current Ratio (times)	2.55	4.98	1.64
Debt to Equity Ratio (times)	0.66	0.66	0.17
Gross Profit (Loss) Margin (%)	67.80	63.66	55.28
Net Profit (Loss) Margin (%)	35.50	40.68	47.02
Return on Assets (%)	6.74	8.75	17.24
Return on Equity (%) *	7.29	8.89	15.11

Remark : \* Only the owners of the parent company

As of December 31, 2016, fully paid-up ordinary shares capital 4,593,000,000 shares of par value Baht 0.50 each and there are 86,038,700 treasury shares, representing the value of treasury shares. Amount of Baht 66,385,213.71



**As at February 28, 2017, the Board of Directors consists of:**

**Board of Directors**

1.	Mr. Chulasingh	Vasantasingh	Independent Director and Chairman of the Board
2.	Pol.Lt.Gen. Wiboon	Bangthamai	Independent Director and Chairman of Audit Committee
3.	Mr. Arak	Ratboriharn	Director and Chief Executive Officer (Acting)
4.	Mr. Phonlasit	Phumiwasana	Director
5.	Mr. Siriwat	Vongjarukorn	Director
6.	Mr. Grisada	Jarreonkonkit	Director
7.	Mr. Korchoke	Saengtongaram	Director
8.	Ms. Pranee	Rattakam	Independent Director
9.	Mrs. Podchanee	Phaosavasdi	Independent Director

**Remarks:** Mr.Siriwat Vongjarukorn has resigned from the position as a director and an executive committee since March 15, 2017. The Company is in the process nominating and appointment to fill this vacant position.

**Executive Committee**

1.	Mr. Arak	Ratboriharn	Chief Executive Officer (Acting)
2.	Mr. Phonlasit	Phumiwasana	Executive Director
3.	Mr. Korchoke	Saengtongaram	Executive Director
4.	Mr. Siriwat	Vongjarukorn	Executive Director

**Remarks:** Mr.Siriwat Vongjarukorn has resigned from the position as a director and an executive committee since March 15, 2017. The Company is in the process nominating and appointment to fill this vacant position.

**Audit Committee**

1.	Pol.Lt.Gen. Wiboon	Bangthamai	Chairman of Audit Committee
2.	Ms. Pranee	Rattakam	Audit Committee
3.	Mrs. Podchanee	Phaosavasdi	Audit Committee

**Nomination and Remuneration Committee**

1.	Pol.Lt.Gen. Wiboon	Bangthamai	Chairman of Nomination and Remuneration Committee
2.	Ms. Pranee	Rattakam	Member of Nomination and Remuneration Committee
3.	Mrs. Podchanee	Phaosavasdi	Member of Nomination and Remuneration Committee

**Company Secretary**

1.	Ms. Rewadee	Whanchid	Company Secretary
2.	Mrs. Orathai	Nateruang	Assistant Company Secretary

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**Executives**

As at February 28, 2017, the Board of Executives consists of 12 person as follows:

- |     |                |               |   |
|-----|----------------|---------------|---|
| 1.  | Mr. Arak       | Ratboriharn   | Chief Executive Officer (Acting)  |
| 2.  | Mr. Paul       | Edmond Scales | Executives subsidiary – warehouse group, Position Chairman of the Board         |
| 3.  | Mr. Phonlasit  | Phumiwasana   | Executives subsidiary – warehouse group, Position Chief Executive Officer       |
| 4.  | Mr. Thitivat   | Kosiyakul     | Executives subsidiary – warehouse group, Position Managing Director             |
| 5.  | Miss Pornradee | Tangkaseranee | Chief of Finance and Accounting – warehouse group                               |
| 6.  | Miss Atitaya   | Pongsittisak  | Director of Sales and Marketing – warehouse group                               |
| 7.  | Mr. Pakorn     | Mongkoltada   | Executives subsidiary media group, Position Managing Director                   |
| 8.  | Miss Rewadee   | Whanchid      | Chief Executive of Finance and Accounting, Position Assistant Managing Director |
| 9.  | Miss Suwanna   | Sermrat       | Director of Finance and Accounting  |
| 10. | Mr. Maitree    | Techasriudom  | Director of Marketing   |
| 11. | Miss Wanee     | Srasom        | Director of Operations  |
| 12. | Mr. Supachai   | Stivimol      | Director of Legal   |

## Business Policies and Overviews

Aqua Corporation Public Company Limited ("The Company"/"AQUA") has been listed on the SET since September 17, 2004 with the name DE Capital Plc. ("DE"). During 2007, the Company had a policy to cease hire purchase household electrical appliances, office equipment and taxies due to the unworthiness of the operating cost. The Company collected the debts from old portfolio which increased the cash on hand and used them for investing in other potential businesses that becomes new major businesses of the Company, as follows:

- **Investment in advertising media business**

In 2007, the Company invested in J.R. Deal Co., Ltd. (later changed name to AQUA Corporation Plc. and later changed to Aqua Ad Plc. ("AA"/"AQUA AD")) in portion of 50% of the registered capital of Baht 300 million company which operated renting and supplying of the advertisement billboard space, including supplying the space, production and installation for various kinds of advertisement works with the focus on outdoor advertisements (Out of Home Media). Later on, the Company had change of the shareholding proportion in AA for several times as detailed below:

- ❖ In 2011, the Company purchased more shares of AA from other shareholders totaling 225,513,053 shares with par value of Baht 1 per share by issuing new common shares totaling 451,026,106 shares at par value of Baht 0.50 per share. The fair value at the date of registration of the capital increase was Baht 0.56 per share with share premium of Baht 27.1 million. This purchase resulted in the Company holding 100% of the paid-up capital of AA.
- ❖ In 2013, the Company sold and assigned its property rights related to media and billboards to AA in order to reorganize the business structure to be clearer. The Company sold its investment in common shares of AA totaling 105,151,997 shares at par value of Baht 1 per share, representing 26% of paid-up capital of AA, at the price of Baht 2.66 per share, total value of Baht 279.49 million to POLAR. After this transaction, the Company remained shareholding of 74% in AA.
- ❖ in 2016, the Company purchased ordinary shares of AA totaling 105,151,997 shares at the par value of Baht 1, representing 26% of paid-up capital of AA, at the price of Baht 1.52, total value of Baht 160 million, from POLAR. After this transaction, the Company become the major shareholder of AA, holding 100% of AA's registered capital.

In additional, during 2011, the Company considered investing more in billboard/media business which was the same business as AA by acquiring more billboards from other operators and constructing new billboard structures. Later in 2013, the Company sold and assigned its property rights related to media and billboards to AA in order to ensure the clear business structure.

On February 21, 2017, the Company has invested in the Boardway Media Co., Ltd ("Boardway Media") operating out of home media for rent in the forms of billboards and LED signage by acquiring (1) ordinary shares of 90% of the total shares, or an equivalent of 881,999 shares at price per share of Baht 697.9592 baht (par value of 100 baht), amounting to Baht 615.60 million worth of investments. (2) preferred shares of 100% of the total preferred shares, or equivalent of 136 shares at price per share of 100 baht (par value of 100 baht), amounting to Baht 13,600 worth of

investments. The total investment transactions of Baht 615.61 million. After the acquisition of Boardway Media, the Company plans to have Boardway Media (now a subsidiary company with shareholding of 90%) a capital reduction of the entire preferred shares. In addition, on the date of transaction, the Company will provide financial supporting amounting to Baht 146.80 million to Boardway Media to repay of the outstanding loan amounting to Baht 762.41 million.

This investment in Boardway Media will enhance the media business of the group company by creating a comprehensive nationwide of media network which will allow the consumers to have better access to media planning in wide spread, resulting in significant growth opportunities to generate more advertising income. Moreover, this investment will accelerate the expansion of comprehensive LED media net work throughout the country.

- **Investment in ordinary shares of Eastern Printing Public Company Limited ("EPCO")**

- ❖ In 2010, the Company purchase ordinary shares of EPCO, which is listed on the Stock Exchange of Thailand, and business operation of comprehensive printing business. After this transaction of purchase of shares from two major shareholders totaling of 207.85 million shares or representing 43.82% of EPCO's total shares of 474,177,401 shares (exclusion of treasury stocks of 41,232,800 shares). Total investment was valued Baht 397.41 million. The acquisition at this time enabled the Company and its subsidiaries to hold shares in listed companies exceeding of 25% which the Company and its subsidiaries had to make a tender offer for all shares of EPCO as required by the SEC. The additional purchase of shares through the purchase-sale of the Stock Exchange enabled the Company to hold 44.15% of EPCO's paid up capital
- ❖ As at December 31, 2016, the Company had proportion of shareholding of 38.40% of paid up capital, decrease in proportion of shareholding was a result from the conversion of rights of warrant holders, EPCO-W1
- ❖ Since 2010 until present, EPCO has expand its business to the renewable energy focusing on the development opportunities, and invested in renewable energy businesses which has high growth potential and low operating risk and stable long-term income generated.
- ❖ At this present, EPCO is in the process of spin-off Eastern Power Group Public Company Limited ("EP") which operates the renewable energy and is the subsidiary of EPCO (75% shareholding) by listing on the Stock Exchange of Thailand

- **Investment in warehouse for rent and service business**

- ❖ In 2014, the Company invested in the Thai Consumer Distribution Center Co., Ltd. ("TCDC"), which are principally engaged in warehouses and service and has the Unilever Group as main customers, in proportion of 69% of the registered share capital (1,694,000 shares) by acquiring the newly issued TCDC's ordinary shares of 1,169,000 shares with par value of Baht 100 at the price of Baht 406.3302 per share (share premium of Baht 306.3302 per share), and acquiring one share from an existing shareholders at the price of Baht 406 per share in order to gain the right as existing shareholders of TCDC. Total value of this investment was Baht 475 million. The Company also assigned Mr. Phonlasit Phumiwasana to hold

shares represented the Company of 1 share. As of December 31, 2015, TCDC had paid-up share capital for the entire amount.

- ❖ In 2015, the Company acquired the ordinary shares of TCDC totaling of 459,374 shares from 5 other existing shareholders representing 27.12% of the total shares with an average price of Baht 685.715 (par value Baht 100 per share). Total value of this investment was Baht 315.00 million. After this acquisition, the Company become a major shareholder of TCDC holding 96.13% of TCDC share outstanding (total 1,694,000 shares)
- ❖ During Quarter 4/2015, TCDC purchased of ordinary shares of Accomplish Way Holdings Company Limited (“AWH”) operating warehouse for rent and services from existing shareholders totaling of 449,998 shares with par value of Baht 100 per share at the average price of Baht 367.632. Total value of transaction was Baht 165.43 million. After the acquisition, TCDC become a major shareholder holding 100% of the shares outstanding (total 450,000 shares)
- **Investment in properties for rent and service business**
  - ❖ During 2016, Mantra, a subsidiary company with 100 shareholding, has purchased a land in Chiang Mai province in the purpose of constructing a facility used for operating a resort for eco-tourism and agriculture tourism which has the total investment value in this project of Baht 450 million, and solely lease out to The Cabin Chiang Mai Co., Ltd. after the construction is completed for operating a retreatment center for the duration of 10 years with an option to continue the lease for another 10 years.
- **Other investments**
  - ❖ The investment in Aura Dream Co., Ltd. (operating a hotel business of 209 rooms and 88 room-service apartments in Nakhon Pathom Province) currently open for business under the name of “Mida Dvaravati grand”.

Since 2014, the Company has adjusted its business policy to become an investment management company by investing in businesses with good performance, potentials and high growth opportunities resulting in maximum returns on investments.

In addition, the Company has changed its name formerly DE CAPITAL Public Company Limited using the symbol "DE" to these following names:

- In 2008, the name was changed to "Sunshine Corporation Public Company Limited under the symbol "SSE".
- In 2010, the name was changed to "P Plus P Public Company Limited under the symbol "PLUS".
- In 2012, the name was changed to "Aqua Corporation Public Company Limited under the symbol "AQUA", a name that is currently used.

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## **Vision, objectives, and goals of operating the business of the Group Company**

### **Vision**

"Committed to become the Investment Management Company focusing on the investment in good performance business with opportunities and high growth potential in order to provide maximum returns on investments"

### **Mission**

AQUA is committed to become the Investment Management Company focusing on the investment in good performance business with opportunities and high growth potential, led by:

- (1) Media advertising operated by Aqua Ad Public Company Limited.
- (2) Warehouse for rent and service operated by Thai Consumer Distribution Center Co., Ltd. and Accomplish Way Holdings Company Limited.
- (3) Publishing & printing business and renewable energy operated by Eastern Printing Public Company Limited.

In addition, the Company continues to search for new investments with good future prospects in order to maximize the group's returns on investment.

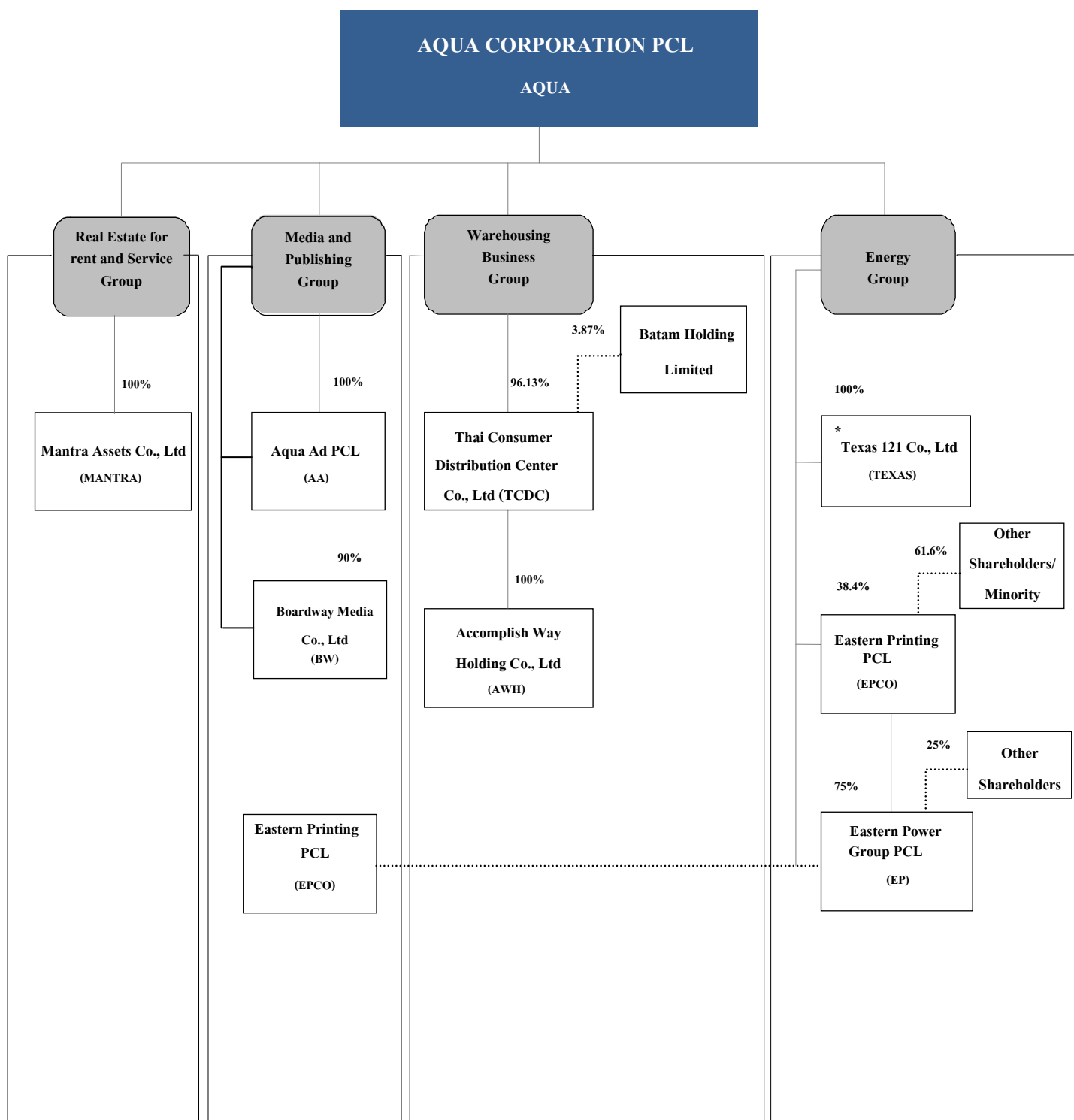
### **Strategy leading to sustainability**

- Consider investing in good performance business with opportunities and high growth potential
- Diversify risks by investing in various types of businesses
- Develop the business that currently invest in order to create good sustainable returns
- Create synergy between companies in the Group to achieve maximum return on investment
- Pursue forward the business that currently invest to grow and become a listed company in the Stock Exchange of Thailand

### **Changing and key developments**

Since 2007 (after cease to operate the leasing business), the Company has invested in the media advertising business under Aqua Ad Public Company Limited ("AA"), publishing and printing business under Eastern Printing Public Company Limited ("EPCO"). Subsequently, EPCO has expanded its business into renewable energy through Eastern Power Group Public Company Limited ("EP") and spin-off EP to be listed on the Stock Exchange of Thailand, and warehouse rental and services under Thai Consumer Distribution Center Public Company Limited ("TCDC") and Accomplish Way Holdings Company Limited. ("AWH") along with the investment in real estate for rent and services under Mantra Assets Co., Ltd. ("Mantra"). Moreover, the Company has expanded its investments more towards an advertising media in order to create an integral network nationwide which will allow the consumers to have better access to media planning in widespread, resulting in significant growth opportunities to generate more advertising income by investing in Boardway Media Co., Ltd. ("BW"), which will accelerate the expansion of LED media network throughout the country.

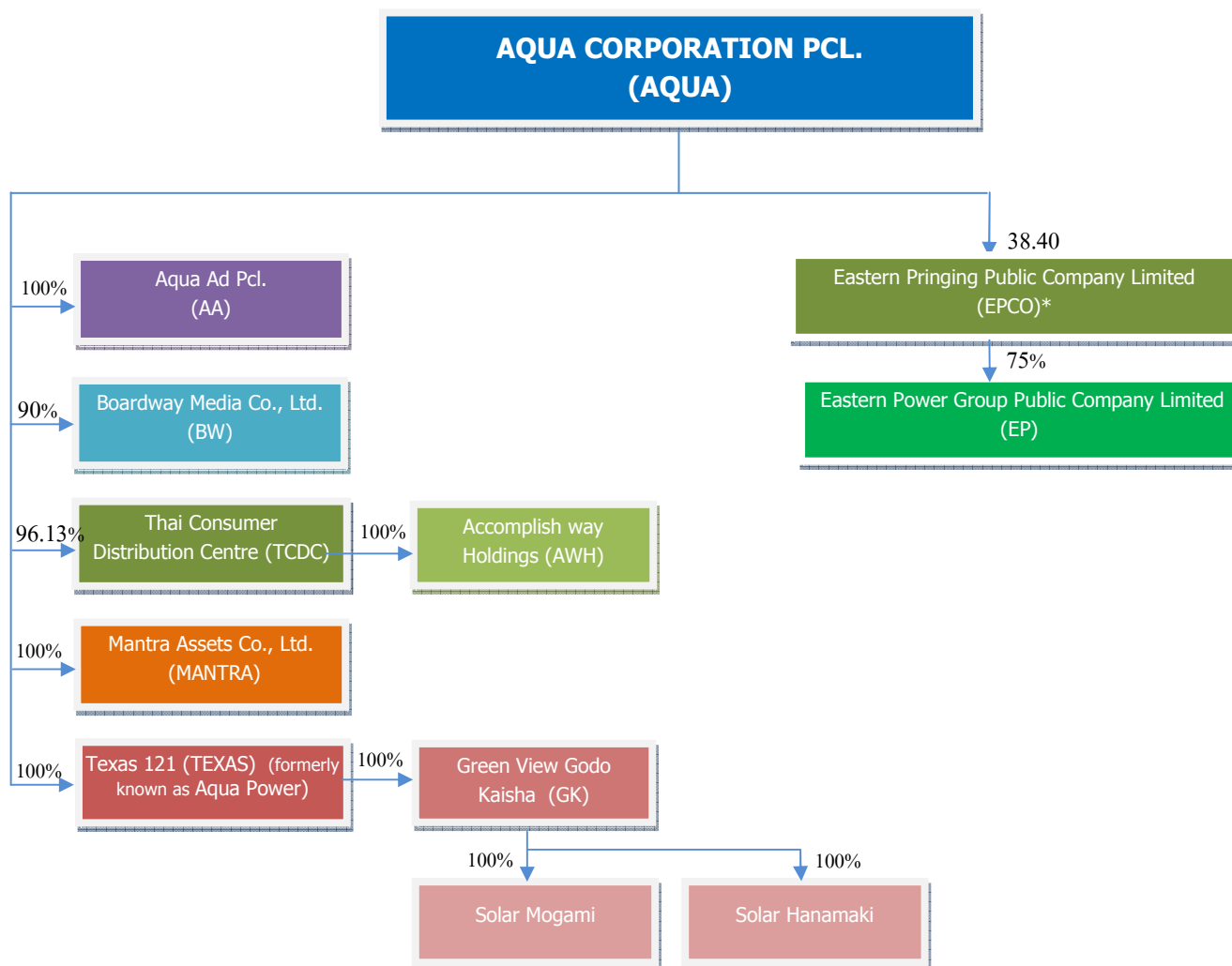
The Company's group is structured as follows:



**Remark** \*in the process of selling the investment in order to cease the operations

## AQUA Group structure

As at December 31, 2016, the Company had a total of 5 subsidiaries and associates companies. However, as of February 21, 2017, the Company has invested in Boardway Media Co., Ltd. which has an impact on the shareholding structure of the Company as follows:



\* The shareholder structure of EPCO can determine from the 56-1 of EPCO



**Details of the subsidiary and associates are as follows:**

**Aqua Ad Public Company Limited (“AA”)**

- Shareholding

Aqua Corporation Public Company Limited (“AQUA”) holds 100%

- Type of Business

Renting and supplying of the advertisement billboard space, including supplying the space, production and installation for various kinds of advertisement works with the focus on outdoor advertisements (Out of Home Media).

- Financial Highlights

Unit: Million Baht	Year 2016	Year 2015	Year 2014
Total Assets	607.44	593.76	598.65
Total Liabilities	91.22	100.78	134.85
Shareholders’ Equities	516.22	492.98	463.80
Total Revenues	312.42	318.12	318.12
Net Profit	43.87	49.40	38.44
Net Profit per Share	0.1074	0.1222	0.0947
Dividend per Share	0.075	0.05	0.05

**Boardway Media Company Limited (“BW”)**

- Shareholding

Aqua Corporation Public Company Limited (“AQUA”) holds 90% (Investing on February 21, 2017)

- Type of Business

Operating out of home media for rent in the forms of billboards and LED.

- Financial Highlights

Unit: Million Baht	9 months Year 2016	Year 2015	Year 2014
Total Assets	471.63	288.07	232.43
Total Liabilities	284.96	134.70	144.11
Shareholders’ Equities	186.67	153.37	88.32
Total Revenues	172.37	203.06	9.14
Net Profit	33.30	65.05	(6.27)
Net Profit per Share	33.97	66.37	(6.40)
Dividend per Share	-	-	-

Remark: The financial statements for the year 2016 are being audited and certified by BW auditors.

**Thai Consumer Distribution Center Co.,Ltd (“TCDC”)**

- Shareholding

Aqua Corporation Public Company Limited (“AQUA”) holds 96.13% and Batam Holding Limited holds 3.8%

- Type of Business

Main business is warehousing and service. The main customers are Unilever Group. There are currently of 2 warehouse with lettable space approximately 108,800 square meters on operated on the land area of 211-0-25 rai locates at 39, 39/1 Moo 11, ro.pho.chao Namdaeng - Klong Prawet Buri Rom. Suwinthawong Road. (Tor lor 304) Khlong Preng Sub-district, Muang District, Chachoengsao Province.

- Financial Highlights

**TCDC**

Unit: Million Baht	Year 2016	Year 2015	Year 2014(*) (1 Jul 14 - 31 Dec 14)
Total Assets	2,893.09	2,960.94	2,759.25
Total Liabilities	1,740.20	1,909.96	1,932.64
Shareholders’ Equities	1,152.89	1,050.98	826.61
Total Revenues	256.07	305.67	331.50
Net Profit	136.30	153.12	228.94
Net Profit per Share (***)	80.46	98.31	227.38
Dividend per Share	5.00	20.00	-

**Consolidated**

Unit: Million Baht	Year 2016	Year 2015 (**)
Total Assets	3,165.96	3,232.18
Total Liabilities	1,989.77	2,178.57
Shareholders’ Equities	1,176.18	1,053.62
Total Revenues	302.16	311.29
Net Profit	156.95	155.76
Net Profit per Share (***)	92.65	100.00

**หมายเหตุ** ( \* ) In 2014, TCDC has changed the last day of its fiscal year from June 30 to December 31 starting from the accounting period ended December 31, 2014 going forward. Therefore, the financial statements as of December 31, 2014 were prepared for the period from July 1, 2014 to December 31, 2014

(\*\*) TCDC has started preparing the consolidated financial statements since 2015 due to its investment in AWH during quarter 4/2015 which TCDC holds 100% of total shares

(\*\*\*) The numbers of shares used for calculating the net profit per share are the numbers of shares derived from the weighted average method based on the amount received from an increase in capital. TCDC received fully paid up of capital in 2015.

### Accomplish Way Holdings Co., Ltd (“AWH”)

- Shareholding

Thai Consumer Distribution Centre Company Limited (TCDC) holds 100%, the acquisition date was November 11, 2015 (TCDC is a subsidiary of AQUA holds 96.13%)

- Type of Business

Main business is warehousing and service. AWH currently has lease agreements and warehousing service agreements with 2 customers, representing 100% of the lettable space (Warehouse space, 13,845 square meters) operated on land area 13-1-74 rai locates at No. 342 Moo 2 Tambon Khlongjig, Bangpa-In District, Ayutthaya. The main customers are:

1. **Agility** : Agility Company Limited belongs to Agility group which is the largest logistic company in middle east of Asia. Agility group is registered in the stock exchange of Kuwait and Dubai. This group covers logistic operation for more than 100 countries worldwide with more than 20,000 employees, 65,000 customers and USD 48,500 million revenue.
2. **Ceva** : CEVA Logistics (Thailand) Ltd. belongs to CEVA group which is one of the world's leading logistic company with transportation network covering 170 countries and employs 42,000 employees. In Thailand, there are more than 3,000 employees and 38 warehouses located across the country covering total area of 700,000 squared meter.

- Financial Highlights

Unit: Million Baht	Year 2016	Year 2015 (*) (1 Jul 15 - 31 Dec 15)	Year 2015 (Ended 30 Jun 15)
Total Assets	423.19	414.00	353.12
Total Liabilities	257.14	268.61	267.34
Shareholders' Equities	166.05	145.39	85.78
Total Revenues	53.01	85.48	47.55
Net Profit	25.16	59.61	23.75
Net Profit per Share	55.91	132.47	52.78
Dividend per Share	20.00	10.00	-

**หมายเหตุ** (\*) In 2015, AWH has changed the last day of its fiscal year from June 30 to December 31 starting from the accounting period ended December 31, 2015 going forward. Therefore, the financial statements as of December 31, 2015 were prepared for the period from July 1, 2015 to December 31, 2015.

**Mantra Assets Company Limited (“MANTRA”)**

- Shareholding

Aqua Corporation Public Company Limited (“AQUA”) holds 100%.

- Type of Business

Operating sales and leasing, mostly public car services (taxi), similar to that of the Company. As at February 21, 2007, Mantra ceased to operate the leasing as it was not worth the cost of the operation. At the present, the receivables portfolio of nearly all of Mantra are considered write-offs in order to comply with the relevant laws. Later on, if receivables make the payment to the subsidiary, the subsidiary will collect the cash and records the amount as revenues in terms of bad debt recovery. For the receivables that had not written off, the subsidiary has set a full amount of a provision for doubtful accounts. During quarter 1/2016, Mantra has purchased land and construct the facility along with the furniture and fixtures for lease to The Cabin Chaing Mai to operate the retreatment center.

- Financial Highlights

Unit: Million Baht	Year 2016	Year 2015	Year 2014
Total Assets	215.49	18.63	17.96
Total Liabilities	197.72	0.02	0.02
Shareholders' Equities	17.77	18.61	17.94
Total Revenues	0.32	1.50	1.28
Net Profit	0.16	1.12	0.51
Net Profit per Share	0.16	1.12	0.51
Dividend per Share	-	1.00	0.45

**Texas 121 Co., Ltd. (TEXAS 121) (Formerly known as Aqua Power Co., Ltd)**

- Shareholding

Aqua Corporation Public Company Limited (“AQUA”) holds 100%

- Type of Business

Energy and renewable energy in Thailand and other countries which has investments in two solar power plant projects in Japan

(1) Project in Mogami: with capacity as specified in a contract of 1.935 MW (total installation capacity 2.39 MW) on the rental land area 55,122 square meters

(2) Project in Hanamaki: with capacity as specified in a contract of 1.935 MW (total installation capacity 2.32 MW) on the rental land area 37,346 square meters

Total capacity of 3.87 MW (total installation capacity 4.71 MW) with value of Yen 1,526 million or approximately Baht 455 million. Both projects have the letter of consideration of buying electricity generated by solar power with the local departments for the duration of 20 years starting from COD with the electricity buying rate of feed-in tariff (FIT) Yen 36 per unit.

During quarter 4/201, the Company notified of selling its investment in TEXAS 121 and the power plant projects in Japan to Max Metal Corporation Public Company Limited (“MAX”). The acquisition transaction of the buyer (MAX) is currently under the process of business assessment and review, and propose to the shareholders meeting. Later, March 21, 2017, MAX has notified to withdraw its investment in TEXAS 121. However, for the benefits to Eastern Power Group Public Company Limited (“EP”) (EP is a subsidiary of EPCO, with shareholding of 75%, and the Company holds EPCO 38.40%) to be able to list on the SET, which will increase the value of EPCO, the Company will remain its policy to cease its operation in solar power energy and renewable energy in order to manage the interests from energy business, considering to be in the same business as EP, by searching for the new investors.

#### **Eastern Printing Public Company Limited (“EPCO”)**

- **Shareholding**

Aqua Corporation Public Company Limited (“AQUA”) holds 38.40% and the remaining shareholding structure is available at the Website of the Stock Exchange of Thailand as EPCO is a listed company.

- **Business Type**

Core business is the publications and printing businesses in comprehensive manner by providing services ranging from production planning to binding into the finished publication. In late 2011, EPCO has expanded to invest in renewable energy by investing in a construction of solar power plants. At the present, the summary of solar power plant projects of EPCO group can be detailed as follows:

#### **Co-Generation Combined Power Plant :-**

No.	Project	Capacity (MW)	Steam (Tons / hour)	Locations	Commercial Operation Date (COD)
1	PPTC	120	30	Bangpoo Industrial Estate	29 Mar 59
2	SSUT	240	60	Bangpoo Industrial Estate	Factory 1: 29 Dec 59 Factory 2 : 3 Dec 59
<b>Total</b>		<b>360</b>	<b>90</b>		

#### **Solar Power Plant Project: Solar Farm type with the total capacity of 15 MW :-**

Project	Contract Party	Locations		Date of the Agreement	Production Capacity (MW)	Commercial Operation Date (COD)
		District	Province			
<b>JKR</b>	JKR-PEA.	Bor Ploy	Kanchanaburi	7 Sep 09	5	15 Oct 12
<b>RPV</b>	RPV- PEA.	Bor Ploy	Kanchanaburi	7 Sep 09	5	15 Oct 12
<b>LOPBURI</b>	LOPBURI- PEA.	Kok Sam Rong	Lopburi	26 Sep 11	5	4 Feb 14
<b>PRACHIN</b>	PS-PEA.	Muang Prachin Buri	Prachin Buri	22 Aug 16	5	1 Feb 17

**Solar Power Plant Project: Solar Roof Top with the total capacity of 1.5 MW :-**

Project	Contract Party	Locations		Date of the Agreement	Production Capacity (W)	Commercial Operation Date (COD)
		อำเภอ	จังหวัด			
KMC994	EPCOG- MEA.	Bang Sao Thong	Samutprakarn	7 Nov 13	214.8	18 Sep 14
KMC995	EPCOG- MEA	Bang Sao Thong	Samutprakarn	1 Nov 13	214.8	18 Sep 14
KMC996	EPCOG- MEA	Bang Sao Thong	Samutprakarn	30 Oct 13	214.8	18 Sep 14
KMC9911	EPCOG- MEA.	Bang Sao Thong	Samutprakarn	26 Nov 13	214.8	18 Sep 14
KMC9915	EPCOG- MEA	Bang Sao Thong	Samutprakarn	7 Nov 13	214.8	18 Sep 14
EPCO B2	EPCOG- MEA	Lak Si	Bangkok	26 Nov 13	237.16	28 Apr 15
EPCO B3	EPCOG- MEA	Lak Si	Bangkok	4 Nov 13	64.68	30 Apr 15
TYT K	EPCOG- MEA.	Chatuchak	Bangkok	4 Nov 13	129.36	10 Jun 15

**Solar Power Plant Project in Japan :-**

Project	Developer and Operator	FIT Price (JPY/kWh)	Approval Capacity (MW)	Installation Capacity (MW)	Construction start date	Expected COD
KURIHARA	Premier Solution Co., Ltd	36	12.24	12.611	Aug 2016	May 2017
KURIHARA	Premier Solution Co., Ltd	40	9.52	12.287	Aug 2016	Sep 2017
KYOTO	Godo Kaisha Green Energy	32	9.99	11.988	Feb 2016	Jul 2016
SHICHIKASHUKU 1-2	Deneb	36	3.465	4.4075	Q4/2016	June 2017

● Financial Highlights (Consolidated financial statements)

Unit: Million Baht	Year 2016	Year 2015	Year 2014
Total Assets	7,205.70	2,578.54	2,679.52
Total Liabilities	4,768.95	1,197.56	1,296.96
Shareholders' Equities	2,436.75	1,380.98	1,382.56
Total Revenues	881.15	889.96	896.28
Net Profit	135.73	247.32	225.43
Net Profit per Share	0.16	0.34	0.35
Dividend per Share (*)	0.16	0.22	0.32

หมายเหตุ (\*) EPCO announced the dividend payout from each year operation as follows:

Year 2016 cash dividend Baht 0.12 per share and common stock dividend at the rate of 25 existing shares to 1 stock dividend or equal to stock dividend payout ratio of Baht 0.04

Year 2015 cash dividend Baht 0.18 per share and common stock dividend at the rate of 25 existing shares to 1 stock dividend or equal to stock dividend payout ratio of Baht 0.04

## Type of Business

### Revenus Structure of the Group Company

The revenue structure from the business of the Company and its subsidiaries from 2014-2016 can be categorized as follows:

Type of revenues	2014		2015		2016	
	MB	%	MB	%	MB	%
<b>1. Revenue from advertising billboards</b>						
1.1 Spaces rental for advertising	255.32	33.07	258.56	34.52	250.06	36.59
1.2 Production fee	53.60	6.94	54.77	7.31	56.90	8.33
<b>Total</b>	<b>308.92</b>	<b>40.02</b>	<b>313.33</b>	<b>41.83</b>	<b>306.96</b>	<b>44.92</b>
<b>2. Revenues from warehouse for rent and service</b>						
2.1 Revenues from service and warehouse for rent	96.11	12.45	248.60	33.19	286.01	41.85
2.2 Gain on revaluation of investment properties	243.40	31.53	46.95	6.27	-	-
<b>Total</b>	<b>339.51</b>	<b>43.98</b>	<b>295.55</b>	<b>39.46</b>	<b>286.01</b>	<b>41.85</b>
<b>3. Share of profits from associates</b>						
3.1 EPCO	85.14	11.03	94.91	12.67	45.60	6.67
<b>Total</b>	<b>85.14</b>	<b>11.03</b>	<b>94.91</b>	<b>12.67</b>	<b>45.60</b>	<b>6.67</b>
<b>4. Other income:</b>						
4.1 Reversal of debt loss	3.00	0.39	3.29	0.44	3.15	0.46
4.2 Hire – purchase interest income	0.73	0.09	0.17	0.02	0.41	0.06
4.3 Interest incomes	25.19	3.26	23.25	3.10	20.36	2.98
4.4 Other	9.46	1.23	18.58	2.48	20.93	3.06
<b>Total</b>	<b>38.38</b>	<b>4.97</b>	<b>45.29</b>	<b>6.04</b>	<b>44.85</b>	<b>6.56</b>
<b>Total revenues</b>	<b>771.95</b>	<b>100.00</b>	<b>749.08</b>	<b>100.00</b>	<b>683.42</b>	<b>100.00</b>

#### Remark

1. The operations of the group company since 2014 are as follows:

1.1 Media Billboard under Aqua Ad Pcl. stake of 74% paid-up capital. AQUA has increased its stake from 74% to 100% as at March 24, 2016

1.2 Warehouse rental and service business under Thai Consumer Distribution Centre Co., Ltd., which AQUA invested in June 2014 with stake of 69% registered capital.

2. At the end of 2015, Thai Consumer Distribution Center Co., Ltd. (a subsidiary of AQUA holding 96.13%) acquired 100% of the registered and paid-up ordinary shares of Accomplish Ways Holdings Co., Ltd.

### Hire Purchase Business

The Company operates hire purchase under “Distar” brand which includes household electrical appliances, office equipment, motorcycles and others. However, this business was already ceased to operate.

### Advertisement Billboard Space Rental Business

In 2007, the Company has invested in AQUA AD, which operates space rental for advertisement billboard business, by focusing on the housing advertisements. Media and advertising revenue is primarily to AQUA AD is out of Home Media with a variety of styles, sizes, location and presentation of technical innovations in order to meet the needs of the market and the different target groups with the locations covering both the CBD and the residential community in Bangkok, its boundary and the suburbs.

The 2 forms of business income is the rent from advertising and the production of the advertising material. Most of the customers who want to use an advertising media of the company wishes to use the Company to produce their ads.

At the end of 2014 - 2016, the company holds advertising billboards with the following location.

Location	Number of Billboards		
	2016	2015	2014
In Bangkok and its boundary	112	102	109
Other provinces	41	31	33
<b>Total</b>	<b>153</b>	<b>133</b>	<b>142</b>
<b>Occupancy (%)</b>	<b>59.55</b>	<b>54.62</b>	<b>61.86</b>

On February 21, 2017, the Company has invested in the Boardway Media Co., Ltd (“Boardway Media”) operating out of home media for rent in the forms of billboards and LED. After the transaction is a billboard advertising a number of all types.

Type (unit of)	AA	BW	Total
Billboard (Static)	142	42	184
LED	-	31	31
<b>Total</b>	<b>142</b>	<b>73</b>	<b>215</b>

### Warehousing Business

The Group currently operates warehouses and services developed to meet the needs of our customers (Built-to-Suit) that mostly only involve large projects. Our next strategy is to start to develop the warehouses that are ready built to accommodate the needs of its main customer groups and the ready built to accommodate the new customer base to meet the needs of the market in a timely manner.



**Details of the warehouses as of 31 December 2016 are as follows:**

Warehouse and distribution center	Location	Status	Occupancy (%)	Leaseable area (Sq.M.)
The 1	Klong preng, Chachoengsao province	Generating income	100	47,000
The 2	Klong preng, Chachoengsao province	Generating income	100	61,800
The 3	Tambon Klongjik Amphur Bangpra-In Ayutthaya	Generating income	100	4,525
The 4	Tambon Klongjik Amphur Bangpra-In Ayutthaya	Generating income	100	9,320
<b>Total</b>				<b>122,645</b>

Real estate for rent and services

During quarter 1/2016, the Group has has purchased a land in Mae Rim district, Chiang Mai province with the purpose of constructing a facility used for operating a resort for eco-tourism and agriculture tourism which has the total investment value in this project of Baht 450 million, and will be solely leased out to The Cabin Chiang Mai Co., Ltd. after the construction is completed for operating a retreatment center for the duration of 10 years with an option to continue the lease for another 10 years.

At this present, the project is under developing process and anticipated to operated and recognized the revenue in quarter 2/2017.

## **Competition status and industry trends**

### **Electrical appliances industry and Competitive Situation, and the leasing operators.**

Because the Company has ceased to hire purchase loans of electric appliance and other since 2007 as stated above. The Company considered that information in this section does not affect the decisions of investors and the disclosures in this section may not reflect the actual situation. So we canceled the disclosure in this section.

### **Services and produce advertising media business**

In 2007, the Company invested in Aqua Ad Public Company Limited (formerly, J. R. Deal Company Limited and Aqua Corporation Public Company Limited) “AQUA AD” or “AA” with an investment of Baht 150 million operated rental space for installation of advertisement boards, providing space, contract manufacturing and advertising installation by focusing on external residential advertising media (Billboard). The Company acknowledges that the rental space for installation of advertisement boards business is a stable business, receive the recurring income from the rental of regular customers, a good rate of return on investment and quite definitely. It is a business that requires knowledge, ability and specializes in the business as well. So the Company had a confident that the investment in advertising media is an investment that provides a good return and sustainability to the shareholders in the long term.

### **Characteristics of target customers**

Main customers can be separated into 2 types based on the contacts

#### **1. Ad Agencies**

are the agencies representing the owner of products and services who will contact the Company to produce and install the advertising media for their clients who own such products and services.

#### **2. Direct Customers**

are the companies, private entities, government agencies, government organizations, and state enterprises who are the operators or the owner of businesses, products or services. This type of customers will contact the Company directly without any representative or ad agency in order to produce and install the advertising media as agreed upon details and format.

During 2014 – 2016, the Company has the revenue breakdown by customer types as follows:

Year	Agency			Direct			Total Revenue
	Number of Customers	Revenue (million baht)	%	Number of Customers	Revenue (million baht)	%	
2016	61	121.39	39.55	112	185.57	60.45	306.96
2015	65	119.91	38.27	113	193.41	61.73	313.32
2014	55	125.17	40.52	117	183.75	59.48	308.92

Top 10 customers based on total revenues during 2014-2016 can be summarized as follows:

	2016	2015	2014
Aggregated revenue of top 10 customers (million baht)	120.64	106.89	95.74
Proportion of aggregated revenue of top 10 customers to overall revenue	39.30%	34.12%	30.99%

### **Industry trends and Competition in the industry**

Overview of the advertising industry in 2016 was at Bath 1.08 trillion a year, decrease by 11.69% from 2015 of Baht 14,279 billion. The summary of the media use from 2015 to 2016 is as follows.

Type	2016 (MB)	%	2015 (MB)	%	Change value (MB)	% Growth (%)
TV	47,121	43.67	57,412	46.99	(10,291)	(17.92)
Cable / Satellite	3,495	3.24	6,055	4.96	(2,560)	(42.28)
Digital TV	20,393	18.90	20,931	17.13	(538)	(2.57)
Radio	5,262	4.88	5,675	4.64	(413)	(7.28)
Newspaper	9,843	9.12	12,323	10.09	(2,480)	(20.12)
Magazines	2,929	2.71	4,268	3.49	(1,339)	(31.37)
Theaters	5,445	5.05	5,133	4.20	312	6.08
<b>Billboards</b>	<b>5,665</b>	<b>5.25</b>	<b>4,190</b>	<b>3.43</b>	<b>1,475</b>	<b>35.20</b>
Transport	5,311	4.92	4,486	3.67	825	18.39
In store media	700	0.65	645	0.53	55	8.53
Internet	1,731	1.60	1,058	0.87	673	63.61
Total	107,896	100.00	122,175	100.00	(14,279)	(11.69)

**Sources of information** The Nielsen Company (Thailand) through the Website Advertising Association of Thailand. [www.adassotheai.com](http://www.adassotheai.com)

In 2016, the value of using the media as a whole decreased by 11.69% from 2015, the media sector was growing, with five types of media including theaters valued at 5,445 million baht growing 6.08%, billboards valued at 5,665 million baht growing 35.20%, transport valued at 5,311 million baht growing 18.39%, In store media valued at 700 million baht growing 8.53%, and internet valued at 1,731 million baht growing 63.61%.

Most media are in decline including TV valued at 47,121 million baht, down 17.92%, cable / satellite valued at 3,495 million baht, down 42.28%, Digital TV valued at 20,393 million baht, down 2.57% radio valued at 5,262 million baht down 7.28%, Newspaper valued at 9,843 million baht, down 20.12% and magazines valued at 2,929 million baht, down 31.37%.

In 2016, the political situation in Thailand began to unravel. More traffic routes became available during the year resulting in an increase of advertising and marketing spending of manufacturers and brand owners, particularly for the billboards which, compared to 2015, had the growth of 35.20%, only the second to the internet media which had 63.61% growth. However, the growth of advertising media during 2016 was still not in 100% potential due to the passing of King

Bhumibol Adulyadej (Rama 9). Some customers abstain from using the advertising media of their products during that period in order to pay respect for the King Rama 9.

For 2017, the Company anticipates that the media industry will continue to grow due to 3 factors 1) the consumers increase the consumption rate resulting in better circulation of money in the market 2) the government spends more on advertising budget in order to stimulate the consumer markets 3) the opening of the ASEAN Economic Community (or AEC) will

Currently the media that gets attention is digital media because of the lifestyle of consumers in Thailand who like more privacy but need society in conjunction with online, digital media, in-store media, and outdoor advertising which currently continues to grow. The marketers need to respond to marketing tools to cover all consumers.

In the past the media out of the home received the attention from marketers only in Bangkok, but direction currently is not the same as before anymore with the expansion of the economy of "major cities" that have the infrastructure of modern trade, airport, real estate projects and facilities in nearby Bangkok. Also the policy of the ASEAN Economic Community (AEC) is a key growth segment of "secondary cities" of more than 10 provinces, to expand economic links with the country's infrastructure. As a result, continuing the expansion of the shopping center, hypermarkets, fast-food and selling furniture centers in the secondary cities which all affect the local consumer behavior with the lifestyle close to the city. And the trend has continued to expand the growth of the media out of the home in up-country "secondary cities" nationwide and has more than 10 provinces shifting credit as close to major cities.

Such factors create people up-country with high purchasing power. Moreover expansion of modern trade to up-country. As a result, people up-country are living more locally because the facilities are not much different from the city. As a result, goods and brands must have a better communication strategy with the consumers through the media out of the home up-country. Up-country will grow based on the development of economic policy. It is expected that during three years it will grow at an average annual rate of 10-20% every year.

Highlights of the advertising media outside the home is visible and tangible so such media features can be created "trustworthiness", "satisfaction", and "purchase intention" for the brand. This will create the basis for a strong and long-term success for the brand. The challenge is to reach out and create interest among consumers. Thus technology and innovation has become a powerful choice for interacting with consumers.

### **Warehouse for rent and services**

#### **Competitive strategies**

The Group started of as a developer of warehouse and distribution center projects to meet the tenants' needs (Built-to-Suit) by emphasizing on creating a value added for the tenants in terms of logistic cost management, paying attention and understanding the needs and specific business requirements in order to decide and develop warehouse project with special character, offer the suitable location and deliver the project in a timely manner. All of these services under a reasonable price which reassures the confidence of tenants that renting our warehouse will increase the efficiency in logistic management. As

a result, the Group has gained the creditabilities and trusts from the existing customers and was selected as the developer for the expansion of an additional warehouse project, increasing the lettable areas from 47,000 Sq.M. to 108,800 Sq.M.

In addition, the Group also has the continuous development plan and expansion of space for rent for both existing and new customers. The highlights and strategies utilized by the Group can be detailed below:

1. The quality of warehouse and distribution center as well as the design that meets the requirements specified by the tenants resulting in improved efficiency of logistic management for tenants.
2. The quality of the Ready Built warehouse and distribution center to accommodate the growing demands for space expansion of the existing customers and general customers.
3. Comprehensive services available.
4. Experiences and expertise.
5. Locations that are the prime location for operating logistic and accommodating the requirements of customers in terms of shipping costs, and time spent on shipping and distribution. Determining the location is the collaborative process between the tenants and the Group which includes considering all factors, direct and indirect, short-term and long-term, that have some impacts to the tenants' business, for instance, transportation routes, sources of goods, and benefits from government.

#### Characteristics of target customers

1. The manufacturers and sellers, both local and international, who have demands for warehouses or distribution centers to distribute goods to customers and end consumers either within greater Bangkok areas or other regions of Thailand, to the extent of other regions within ASEAN Economic Community (AEC). Warehouses and distribution centers that are in demand of this group of customers need to meet complex requirements as it is the important factor affected directly on the efficiency of doing a business and logistic costs.

2. Third Party Logistics providers (3PLs), mostly the leading international companies with expertise in administration and logistic management. These companies oversee the distribution and transportation of goods which is not a main business or core competencies of the owner of products. 3PLs will invest in distribution network, providing the vehicles, warehouses, labors, equipment, and supporting systems etc.

Total rental space of the group classified by customer group as at 31 December 2016.

	Group of customers	Rental area (sq.m)	%
1	Consumer products manufacturers	108,902	100
2	Logistics service provider	13,845	100
	Total	122,747	100

Total rental space of the group classified by type of lease term remaining as at 31 December 2016

	Lease term	Rental area (sq.m)	%
1	1-3 years	-	-
2	More than 3 - 5 years	-	-
3	More than 5 – 10 years	122,747	100
	Total	122,747	100

### **Trends and competitive environment in the industry**

The demand for warehouse is expected to grow due to several factors, starting from the expansion of demand from private sector to the establishing of ASEAN Economic Community, or AEC, which makes the demand for goods and transportation of goods to neighboring countries continue to rise. This expansion will affect on the industry to increase its production level resulting in higher demands for warehouses. In addition, the plan to mitigate the risk of flooding will increase the demand of warehouses locating in the east and northeast of the country. As a result, land prices rose by 5-10% due to an increase in demand. These areas are also prime locations as it could help reducing the costs of logistics due to its convenience for transporting goods to seaports in Lamchabung, where there is an expansion and additional construction of a dual-track railway. These logistic improvements will help reduce the cost of transportation, logistics and international trade and increase the convenience of overall transporting goods and support the integration of the ASEAN Economic Community.

Warehousing industry is also driven by many factors, such as growth of the city (Urbanization), increased demand for warehouse space, the recovery of the manufacturing sector in addition to the demand for goods and services, not only in the fast growing cities but also in the countryside regions, which leads to the need to establish a distribution centers in the area that is important for transportation in the regions to serve as a key connecting point in doing a trade with neighboring countries from the construction of public infrastructure and increasing value of border trade. With all of these factors, the business of warehousing in the future seems to be quite bright

## Risk Factors

### Risk of a return on investment in new business is not in line with expectation

The company will have revenue from dividend from the investments in its subsidiaries and associates. Therefore, operating results and ability to expand business of Aqua Ad Public Company Limited, Thai Consumer Distribution Center Company Limited, Eastern Printing Public Company Limited and / or other businesses that the Company believes in their potentials are important factors affecting revenue in the future which the Company may not have expertise in business that invested and heavily rely on the other shareholders in the business operation. Moreover, the new business is also the main revenue of the Company in the future. Therefore, the Company has risk of the performance of the invested companies are not in line with the Company's expectation which may affect the impairment of investments and also affect the Company's operations continuously. But since the Company has a policy of investment appraisal that is very strict, including considering the opportunities for business growth, checking the status of companies before investment, as well as after the investment the Company will send representatives to help control and administrate the business which could help reduce the risk to some extent.

Last year, the Company has details of investment capital as follows;

Company	Shareholding as of December 31, 2016	Type of business	Risks and Solutions
Aqua Ad Public Company Limited (AA)	100% of total paid-up capital	Provide rental space for advertisement and advertisement production service by focusing on outdoor advertisement such as billboard.	<p>In 2007, the company investment in AA, the Company expected to receive returns in the form of dividend which is higher than depositing money with financial institutions. In 2016 and 2015, AA paid dividend in the rate of 6.28 and 4.63 respectively compared to the investment capital</p> <p>Reasons that may result in returns that were not in line with the goals include 1) billboard structures which have incomplete approval documents are removed 2) political issues directly affect the economy and the suspension of advertising media budget of some businesses.</p> <p>Because the source of the assets of billboard advertising. Mainly from the acquisition of another operator. This is the evidence that can be submitted for approval. And some can not be delivered. However, after the company had billboard on the property. The Company has complied with all legal aspects.</p> <ol style="list-style-type: none"> <li>1) The annual license tax.</li> <li>2) To monitor the stability. Building and billboard every year.</li> <li>3) Maintenance as recommended by the Engineers check the stability.</li> <li>4) The billboard insurance and third party.</li> </ol>

Company	Shareholding as of December 31, 2016	Type of business	Risks and Solutions
Eastern Printing Public Company Limited (EPCO)	38.40 % of total paid-up capital	Publisher who operates comprehensive printing services and renewable energy.	<p>Year 2010, the company has invested in EPCO. Company expects to receive compensation in the form of higher dividends, deposits with financial institutions.</p> <p>In the past, EPCO paid dividend of 2 times per year in a rate of 7.68% in 2016 and 10.15% in 2015 compared to investment capital</p> <p>(Year 2015 and 2016 EpcO pay a share dividend paid in part by the proportion 25 existing shares : 1 share).</p> <p>Reason that may result in returns that were not in line with the goals include the entering into digital and electronic era affecting changes in the form of reading of a book or publication that may affect the printing business.</p> <p>However, EPCO has invested in the energy business operated by Eastern Power Group Pcl. (the Company) ("EP") its subsidiary, a business with a steady income and a good return, including the Spin-off subsidiary (EP) is a listed company on the SET will create opportunities for businesses to expand and create good returns. Including gains from capital gain to shareholders of EP, which will affect the shareholder of EPCO as well.</p>
Aura Dream Company Limited	5.98% of total registered capital	Operate hotel with capacity of 209 rooms and serviced apartment with capacity of 88 rooms in Nakhon Pathom province.	<p>The Company expected to receive returns in the form of dividend which is higher than depositing money with financial institutions. On May 19, 2015, the project was launched under the name of "Mida Dhavaravati Grande Hotel".</p> <p>Reason that may result in returns that were not in line with the goals include the hotel is not popular for target customer, affecting the operating result of the hotel that could not pay dividend.</p> <p>However, these hotels is a new option to the user. The thing that makes a decision is a new modern and luxurious compared to other hotels with the same amount of room.</p>
Thai Consumer Distribution Centre Co., Ltd (TCDC)	96.13% of total registered capital	Operate warehouse for rent and services.	<p>In June 2014 the company invested in TCDC expected to receive compensation in higher dividends, deposits with financial institutions. And its subsidiaries are listed on the Stock Exchange of Thailand. To be able to recognize profits from capital gain.</p> <p>Reason that may result in returns that were not in line with the goals include can not expand investment in order to get</p>



Company	Shareholding as of December 31, 2016	Type of business	Risks and Solutions
			<p>the proper amount of space leased before the funding from the Stock Exchange of Thailand. And there is only one major customer accounting for 100% of total revenue.</p> <p>However, in 2015 TCDC had to purchase 100% of registered ordinary shares of Accomplish Ways Holding Company Limited (“AWH”) made TCDC has increased by 13,845 sqm., And the proportion of large customers decreased, by TCDC is intended to maintain the revenues of the major customers of total revenue no more than 60%, and in 2016 TCDC dividend payment at the rate of 1.05 % and 4.18% in 2015 compared to investments.</p>
Mantra Assets Co., Ltd (MANTRA)	100% of total registered capital	Real estate for rent and services	<p>During 2016, Mantra, a subsidiary company with 100 shareholding, has purchased a land in Chiang Mai province in the purpose of constructing a facility used for operating a resort for eco-tourism and agriculture tourism which has the total investment value in this project of Baht 450 million, and solely lease out to The Cabin Chiang Mai Co., Ltd. after the construction is completed for operating a retreatment center for the duration of 10 years with an option to continue the lease for another 10 years.</p> <p>The factors that may result in the returns on investment comes below the target are (1) as the process is still under the construction, the cost could overrun. Therefore, as specifying in the contract, the return on investment for the cost that exceeds 370 mb but lower than 390 mb will be at the rate of 15% per year (higher than the normal rate of 13% per year). In case that the cost exceeds 390 mb, the parties will be renegotiate for the proper return rate. (2) the CABIN may not fulfil the contract or terminate the contract by expiry date. However, the contract clearly specify that the CABIN has to pay the remaining fees should the contract is terminated prior to term of 10 years in case of not a lessor's fault. BG of 75 mb will need to be placed as a guarantee for first four years, 50 mb for the next 3 years and 25 mb for three years after, along with the cash deposit of 26 mb as another guarantee, according to the contract.</p>

## Services and production of media advertisement

### 1. Risk of regulatory control of media advertisement

The Company group's core business is providing rental space for advertisement, production and stallation of media advertisement, focusing on outdoor advertising in a form of billboards located across Bangkok and other provinces, including billboards that the Company producted itself and purchased from vendors. Most billboards have document of a building permission under the Building Control Act, B.E. 2522 (1979), representing about 40% of all the existing billboards. The remaining billboards of 60% of all the existing billboards, some of them lack of document of a building permission due to the purchase from the former owners who have incomplete document collection system and some did not have document of a building permission. Therefore, it is considered as risk of the Company in case that the billboards which have incomplete document of a building permission are supervised or forced to remove, affecting the Company's performance drop significantly as follows;

(Unit : Million Baht)	Year 2016	Year 2015	Year 2014
Number of billboard of the Company (area)	153	139	145
Number of billboard with incomplete documents of building permission (area)	106	87	88
Percentage of billboard with incomplete documents of building permission	69.28%	62.59%	60.69%
Net book value	143.05	161.58	190.04
Revenues from advertising	146.82	146.07	146.53
Percentage of total revenues from advertising	57.25	56.49%	57.39%
Impact on revenues from billboard removal	(146.82)	(146.07)	(146.53)
Impact on total assets and shareholders' equity from billboard removal	(143.05)	(161.58)	(190.04)

Nonetheless, the Company and its group has not experienced difficulties in being forced to remove the Company's advertising billboards from government agencies. In addition, the Company and its group also has complied with the best practice after receiving billboards as required by rules and regulations such as payment of tax revenue for billboards which have revenue on an annual basis, constant purchase of insurance coverage for every billboard, regular monitoring of billboards' stability in line with the Building Control Act, B.E. 2522 (1979) on an annual basis, assurance of strength and stability of billboards from the Advertising and Sign Producing Association on an annual basis, and regular plan of maintenance to prolong billboards' lifespan. In addition, the Company's management has closely monitored news regarding the discussion or changes in relevant laws in order to process the document of a building permission properly, as well as consideration in investment of billboard advertising with document of a building permission to reduce the risk in this case.

In part of the costs of billboard removal, the Company has adopted Accounting Standard No. 16, Property, Plant and Equipment which determined that the Company has to estimate the costs of billboard removal as part of the initial cost of acquired property.

### 2. Risk of changes in advertising production in digital and online era

Overview picture of the advertising industry in 2016, down 11.69% from 2015 or a total value of Baht 107,896 Million. TV and Digital TV still mainly accounted for 62.57% of the total advertising budget and the industry in this year

tends to grow by at least 5% under nonviolent political situation which consumer products, beverage, automotive, and communication technology are major sectors spending most advertising budget of the year.

The Company recognizes that digital and online will play an important role in this era in communicating and advertising to customers because customers desire a quick response and to penetrate to widespread audience but required the target customers to always recognize products. Therefore, it is necessary to take advertising billboard together with digital and online media combined in an advertising production in order to encourage target groups to remember product as much as possible. In 2015, the company has studied digital advertising media to modernize and answer customers' needs in every era.

### **Warehouse for rent and services business**

#### **1. Risk of uncollectible receivable for rental fees**

The risk that the Company and its group company will not be able to collect rental fees under the leasing agreement may arise in case that customers are negatively affected from economic conditions and industrial sector or business operation, causing financial difficulty to the customers, and finally impact the ability to make payment of rental fee under the leasing agreement. This event may cause the Company and its group company the lack of liquidity and affect the repayment of debts to financial institutions, which is required to pay on a monthly basis.

However, the Company and its group company anticipate that such impact are unlikely to occur since the customers are leading international companies, highly reliable, and having financial stability, as well as the Company required tenants to place cash deposit for rental fees and / or letter of guarantee from banks. In general, the terms and conditions of the leasing agreement of most Built-to-Suit projects have specified that in case the tenant terminates the agreement before the expiration of leasing term, the tenant must pay compensation equal to the rental fee for the remaining rental period to the Company. In addition, the Company has prepared financial liquidity which is sufficient to repay the loans for 3 installment payments. If problem occurs, it will certainly not affect the Company's ability to repay debts to financial institutions.

#### **2. Risk of relying on revenue from single tenant**

The current source of 100% revenues of warehouse for rent and services business comes from tenants which are in the same company group. Risks may occur in case that customers are negatively affected from the economic conditions and industrial sector or business operation which will affect financial status of customers. The tenants may not rent warehouse until the end of contract period and the Company may have an impact by significant drop in revenues from rental fees.

However, the Company and its group expected that such impact are unlikely to occur since customers have production bases in Thailand, and the warehouses are located in areas adjacent to production plants of the tenants. Also, the rental space is more than 100,000 square meters, all located in one single land area, which is convenient for the tenants to manage their logistics system. In addition, the Company has determined the terms and conditions of the leasing agreement that if the tenant terminates the agreement before the end of the leasing term, the tenant must pay compensation equal to the rental fee for the remaining rental period to the Company. In 2015, the Group acquired 100% of registered ordinary shares of Accomplish Ways Holding Company Limited (KAWHC), resulting in additional space of 13,845 sq.m., and decreasing of

the proportion of revenue from major customers. The Company intended to maintain the proportion of revenue contribution from major customers at no excess of 60% of total revenue.

### **3. Risk of land acquisition policy for future development**

The Company and its group have land acquisition policy by focusing on purchase of land which has potential for development immediately or in the near future. Therefore, the Company has no policy for accumulation of land without supportive development plan or not having a clear plan for renting to specific tenants. Due to an increase in competition of purchasing or renting land in prime locations between players, the Company may have some risk exposures to the price of land that will be escalating, or the Company may not be able to purchase the land in the desirable locations under the required costs, causing the cost of project development to go up. On the other hand, the Company may decide not to invest in the project as the return on investment may not be consistent with the financial projection.

However, the Company and its group have established a property survey and acquisition plan to be in line with the project development plans of the Company. The Company foresees that accumulation of land without supportive development plan or not having a clear plan for renting to specific tenants are not in line with the business plan, and may affect on financial liquidity. Therefore, the Company concentrates on the purchase of land based on the Company's business plan that such land must be developed for project immediately or in the near future, or the land must be suitable for the existing customers to expand as a collaborative project planning with the customers. The Company also has a policy of investment in leasehold land in some locations with regard to the feasibility study on the returns on investment as a significant factor, allowing the Company to acquire land which has potential for development as required by the tenants. Unlike other companies, The Company considers this approach a better approach than accumulation of land as it provides more flexibilities to accommodate the expansion of the tenants' business and better aspect to manage to cost of land within the appropriate level.

### **4. Risk of the fluctuation of interest rates**

The operations of the Company and its group require high investment capital. As at December 31, 2016, the outstanding loans from financial institutions was Baht 1,616.48 Million. In case that the market interest rate is rising, the Company will have the higher obligation of interest payment, resulting in the Company's profit to decline.

However, the outstanding loans amount of Baht 1,407.07 million has fixed interest rate for the first five years (starting from 2015) and floating rate of MLR-3% p.a. for the next five years, while the outstanding loan amount of Baht 209.41 million has floating interest rate. It is clear that the major outstanding loans of the Company has fixed interest rate which benefits to the risk mitigation. The financing plans for project developments of the Company do not only rely on loans from financial institutions but also finance through various sources of funds in order to maintain the balance, particularly raising funds from the SET and selling the assets through the mutual funds, which will become an important source of fund for the future investments. There is also a plan to list a company on the SET which helps reducing the risks of fluctuation of interest rate.

## Company Profile

### (1) Company Profile

<b>Name</b>	Aqua Corporation Public Company Limited
<b>Symbol</b>	AQUA
<b>Registration Number</b>	0107547000397
<b>Head Office Location</b>	121/68-69 21 <sup>st</sup> Floor, R.S.Tower, Ratchadapisek Road, Ding Daeng, Bangkok 10400
<b>Website</b>	<a href="http://www.aquacorp.co.th">www.aquacorp.co.th</a>
<b>Telephone</b>	(02) 694-8888
<b>Facsimile</b>	(02) 694-8880
<b>Business Type</b>	<p>- Original Company operates the sale and purchase of home appliances brand "Distar", Office supplies, Motorcycle and the other until early 2007, the Company has ceased on the all hire purchase loans.</p> <p>- Since 2007 operates in the managing investments in others business</p>

### On December 31, 2016 the Company had registered capital and paid up capital as follows:

<b>Registered capital</b>	Bath 2,296,500,000, divided into ordinary shares of 4,593,000,000 shares at par value of Baht 0.50 per share
<b>Paid up capital</b>	Bath 2,296,500,000, divided into ordinary shares of 4,593,000,000 shares at par value of Baht 0.50 per share
<b>Tresury stocks</b>	Ordinary shares of 86,038,700 shares, the value of treasury shares amounting to Bath 66,385,217.71
<b>Accounting period</b>	1 January to 31 December

### (2) Information of company that the company holds more than 10 percent

<b>Name</b>	Aqua Ad Public Company Limited ("AQUA AD")
<b>Registration Number</b>	0107552000138
<b>Head Office Location</b>	121/69 21st Floor, R.S.Tower, Ratchadapisek Road, Ding Daeng, Bangkok 10400
<b>Website</b>	<a href="http://www.aquacorp.co.th">www.aquacorp.co.th</a>
<b>Telephone</b>	(02) 694-8888
<b>Facsimile</b>	(02) 694-8880
<b>Business Type</b>	Rental space for installation of advertisement boards, providing space, contract manufacturing and advertising installation by focusing on external residential advertising media and the advertisements that revenues to the AQUA AD was media advertising billboard.
<b>Registered capital</b>	Baht 404,430,759 (ordinary shares of 404,430,759 shares at par value of Baht 1 each)

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<b>Paid up capital</b>	Baht 404,430,759 (ordinary shares of 404,430,759 shares at par value of Baht 1 each)
<b>Accounting period</b>	1 January to 31 December
<b>Shareholding in the Company's</b>	100 % of paid up capital

<b>Name</b>	Mantra Assets Company Limited (“MANTRA”)
<b>Registration Number</b>	0105536086838
<b>Head Office Location</b>	45/18 Soi Pradoo, Bangkorlaem, Bangkok 10120
<b>Website</b>	-
<b>Telephone</b>	(02) 694-8888
<b>Facsimile</b>	(02) 694-8880
<b>Business Type</b>	Original operated leasing business of electrical appliance products and automotive but currently ceases to operate the leasing business. In 2016, the Company started doing real estate for rent and services.
<b>Registered capital</b>	Baht 10,000,000 (ordinary shares of 1,000,000 shares at par value of Baht 10 each)
<b>Paid up capital</b>	Baht 10,000,000 (ordinary shares of 1,000,000 shares at par value of Baht 10 each)
<b>Accounting period</b>	1 January to 31 December
<b>Shareholding in the Company's</b>	100 %

<b>Name</b>	Thai Consumer Distribution Center Co.,Ltd (“TCDC”)
<b>Registration Number</b>	0105544083141
<b>Head Office Location</b>	39,39/1 Moo 11 Ror Phor Chor Nham Daeng-Khlong Prawetburirom Road, Suwintawongse Road (Tolo 304), Khlong Preng Sub-district, Muang District, Chachoengsao Province.
<b>Website</b>	<a href="http://www.tcdc.co.th">www.tcdc.co.th</a>
<b>Telephone</b>	(02) 694-8888
<b>Facsimile</b>	(02) 694-8880 , (02) 694-8889
<b>Business Type</b>	The main business is warehouse for rent and services.
<b>Registered capital</b>	Baht 169,400,000.00 (ordinary shares of 1,694,000 shares at par value of Baht 100 per share )
<b>Paid up capital</b>	Baht 169,400,000.00 (ordinary shares of 1,694,000 shares at par value of Baht 100 per share)
<b>Accounting period</b>	1 January to 31 December
<b>Shareholding in the Company's</b>	96.13 % of registered capital

<b>Name</b>	Texas 121 Co., Ltd. (Formerly 121 Power Co., Ltd)
<b>Registration Number</b>	0105558001088
<b>Head Office Location</b>	121/68 21 <sup>st</sup> Floor, R.S.Tower, Ratchadapisek Road, Ding Daeng, Bangkok 10400

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<b>Website</b>	-
<b>Telephone</b>	(02) 694-8888
<b>Facsimile</b>	(02) 694-8880
<b>Facsimile</b>	(02) 694-8880 , (02) 694-8889
<b>Business Type</b>	Renewable Energy domestically and internationally
<b>Registered capital</b>	Baht 1,000,000.00 (ordinary shares of 100,000 shares at par value of Baht 10 each )
<b>Paid up capital</b>	Baht 1,000,000.00 (ordinary shares of 100,000 shares at par value of Baht 10 each)
<b>Accounting period</b>	1 January to 31 December
<b>Shareholding in the Company's</b>	100 % of registered capital

<b>Name</b>	Eastern Printing Public Company Limited (“EPCO”)
<b>Registration Number</b>	0107536000838
<b>Headquarters</b>	51/29,51/61 Soi Vibhavadee 66 (Siamsamakhi), Vibhavadee-Rangsit Road, Talatbangkhen, Lak Si, Bangkok.
<b>Website</b>	www.epco.co.th
<b>Telephone</b>	(02) 551-05141-4
<b>Facsimile</b>	(02) 552-0905 , (02) 551-0532
<b>Business Type</b>	The main business is the publisher and operates comprehensive printing service business by providing services ranging from production planning, binding, to finished publication. During the end of 2011, EPCO expanded its business to solar power plant.
<b>Registered capital</b>	Baht 861,283,589.00 (ordinary shares of 861,283,589 shares at par value of Baht 1 each)
<b>Paid up capital</b>	Baht 765,585,412.00 (ordinary shares of 765,585,412 shares at par value of Baht 1 each)
<b>Accounting period</b>	1 January to 31 December
<b>Shareholding in the Company's</b>	38.40 % of paid up capital

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**(3) Information of other reference persons**

Share Registrar : Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building,  
62 Rachadapisek Road, Klongtoey, Bangkok 10110  
Telephone 0-2299-2800  
Facsimile 0-2359-1259

Auditor : Miss Chaovana Viwatpanachati  
C.P.A. (Thailand) Registration No. 4712  
Pitisevi Co., Ltd.  
8/4 Floor 1,3 Soi Viphavadee 44 (Soi Amornphan 4)  
Viphavadee-Rangsit Rd., Ladyao  
Chatuchak, BKK  
Telephone 0-2941-3584-6  
Facsimile 0-26941-3658



## Dividend policy

The company has a policy of paying dividends to shareholders at a rate of no less than 40% of the net profit of each year after tax and legal reserve, paying twice a year. The factors that will be considered for dividend payment are performance of operations and management, such as financial position and financial health, liquidity, business expansion plans / investment plan, etc. The comparison of dividend payment during 2013 to 2015 are detailed below:

Items	Y2015	Y2014	Y2013
1. Profit to be appropriated (Million Baht)	74.79	145.04	124.38
1.1 Net profit (Million Baht)	74.79	108.94	124.38
1.2 Retained earnings (Million Baht)	-	36.10	-
2. Legal reserve (Million Baht)	3.74	7.25	6.22
3. The earnings used for calculating dividends (Million Baht)	71.04	137.79	118.16
4. Number of shares (Million Shares)	4,506.96	4,593	5,000
5. Dividend payout per share (Baht / Share)	0.01	0.03	0.016
6. Total dividend payment (Million Baht)	45.07	137.79	80.00
7. Dividend per earnings ratio article 3 (%)	63.44	100.00	67.70

The dividend payout for the year 2016 is in accordance with the dividend policy of the Company and has been proposed to the Annual General Meeting of the Shareholders for the year 2017 to approve.

## Structure of Shareholders and Management

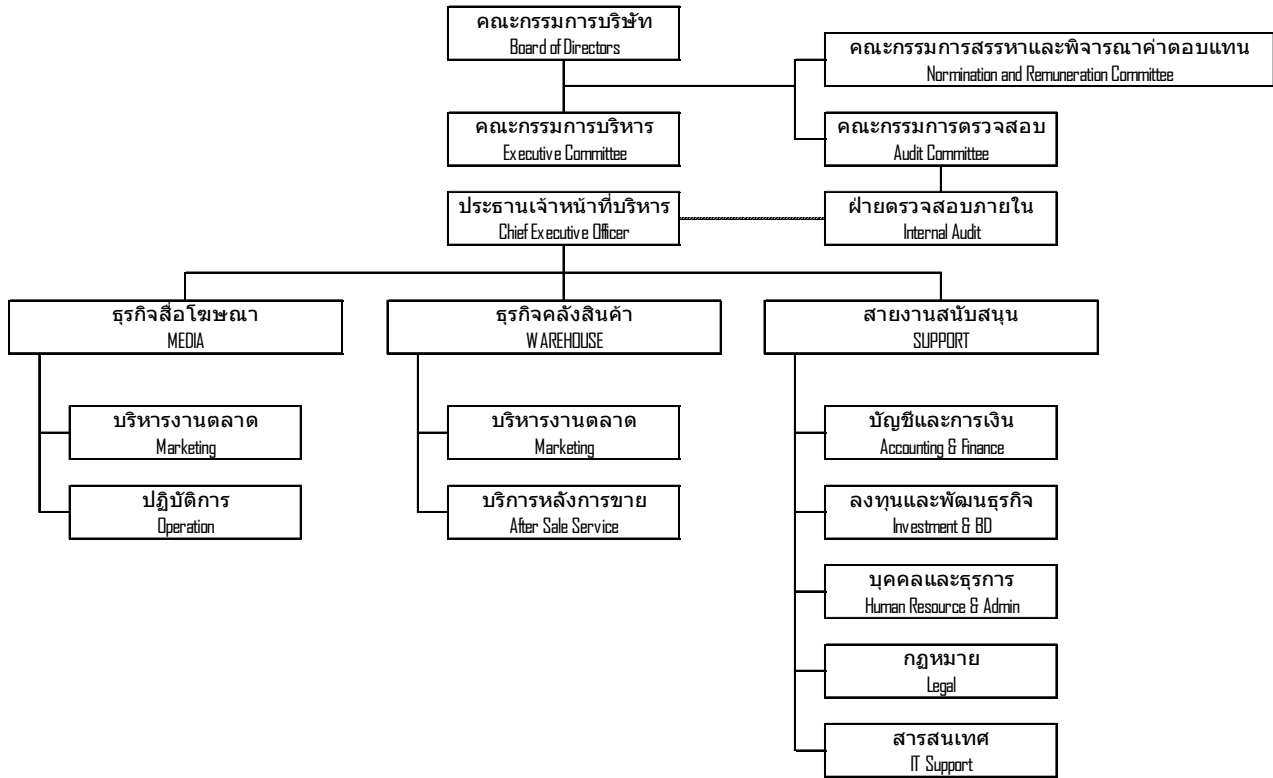
### 1. Shareholders Structure

Top 10 shareholders of the Company as of the closing date, March 16, 2017, are as follows:

No.	Name of person / Legal entity	No. of shares (shares)	% of Issued Shares (Total 4,593,000,000 Shares)
1.	Mr.Khampol Viratepsuporn	511,000,000	11.13
2.	UOB KAY HIAN PRIVATE LIMITED	226,875,000	4.94
3.	Mrs. Sumalee Ongcharit	185,900,000	4.05
4.	Ieosivikul group consists of :	195,191,982	4.25
	<i>Ms.Chawanluck Ieosivikul</i>	<i>140,491,922</i>	<i>3.06</i>
	<i>Miss Chitwadee Ieosivikul</i>	<i>54,700,060</i>	<i>1.19</i>
5.	Mr.Chainarong Saengtongaram	157,200,800	3.42
6.	Miss Kanchanarat Wongphan	141,243,000	3.08
7.	Mrs.Charunee Chinwongworakul	128,464,400	2.80
8.	Mr. Thawee Ruangrai	115,770,300	2.52
9.	Miss Roongrawee Iampongpaiboon	102,804,236	2.24
10.	Mr. Wichit Chinwongworakul	88,800,000	1.93

## 2. Managements

Management Structure as at December 31, 2016



## Personnel

The Company and its subsidiaries focus on determining the appropriate manpower comparing to the size of the organization, and preparing the manpower to be ready for supporting future business plans for the future. Employees of the Group company can be structured by department as follows:

Department	December 31, 2016	December 31, 2015
1. Management and Secretary	11	12
2. Investment and Business Development	1	4
3. Marketing	14	13
4. Operations	14	12
5. Accounting and Finance	18	17
6. Human Resources and Administration	7	8
7. Legal	3	3
8. IT	1	1
<b>Total</b>	<b>69</b>	<b>70</b>

The management structure of the company consists of Board of Directors, Audit Committee, Executive Committee and the Management. For overall management and oversight of the Group's business, the Board of Directors and Management are committed to good corporate governance principles as recommended by the Stock Exchange of Thailand, including other suggestions of the Securities and Exchange Commission.

## 2.1 The Board of Directors

The Board of Directors as at February 28, 2017 consists of 9 persons as follows:

- |    |                               |  |
|----|-------------------------------|--|
| 1. | Mr. Chulasingh Vasantasingh   | Independent Director and Chairman of the Board       |
| 2. | Pol.Lt.Gen. Wiboon Bangthamai | Independent Director and Chairman of Audit Committee |
| 3. | Mr. Arak Ratboriharn          | Director and Chief Executive Officer (Acting)        |
| 4. | Mr. Phonlasit Phumiwasana     | Director   |
| 5. | Mr. Siriwat Vongjarukorn      | Director   |
| 6. | Mr. Grisada Jarreonkonkit     | Director   |
| 7. | Mr. Korchoke Saengtongaram    | Director   |
| 8. | Ms. Pranee Rattakam           | Independent Director                                 |
| 9. | Mrs. Podchane Phaosavasdi     | Independent Director                                 |

**Remarks:** Mr.Siriwat Vongjarukorn has resigned from the position as a director and an executive committee since March 15, 2017. The Company is in the process nominating and appointment to fill this vacant position.

### The authorized directors

The authorized directors consists of Mr. Phonlasit Phumiwasana, Mr. Siriwat Vongjarukorn, Mr. Arak Ratboriharn, Mr. Korchoke Saengtongaram, any two of these four directors are authorized to jointly sign with the Company's seal affixed.

### Scope of Authority and Responsibilities of the Board of Directors

The resolution of the Board of Directors meeting No.2/2016 held on February 26, 2016 which was also attended by the Audit Committee has reviewed and set the scopes of authority and responsibilities of the Board of Directors as follows:

1. Has the authority in accordance with Public Limited Companies Act BE 2535 and any other laws that defined as duties of director or Board of Directors of public companies.
2. Perform their duties with responsibility, careful and honesty including being compliance with the law, objectives and the Company's regulations as well as compliance with resolutions of the shareholders' meeting.
3. Determine the main policies regarding core business operation, financial, financing, capital management and risk management for the management to implement.
4. Authorized to determine and change the name of directors who have authorized signatory of the company.
5. Govern the business to meet or exceed the target and determine a solution for the obstacle events that preventing the Company to achieve the target.

6. Provide the general information reporting and financial statements reporting to the shareholders and general stakeholders with accuracy, completeness, transparency and as required by the law.
7. Acknowledge the important audit report and determine the solutions or guideline for improvement in case of finding significant deficiencies.

Moreover, the Board of Directors is authorized to appoint a number of directors as the Executive committee to serve one or more operating purposes. The Board of Directors also assign the authorize directors to be able to act/ sign on behalf of the Company in terms of managing the Company's business, except for the following conditions which require the resolution from shareholders' meeting.

- 1) Legal matters that require the approval from the shareholders' meeting.
- 2) Any transactions that Directors may have benefits or vested interests and under the law or regulations of the Stock Exchange of Thailand that requires resolutions from shareholders' meeting.

In the following cases, the matter must be approved by the board of directors and the meeting of shareholders of not less than three fourths of the entire votes of the attending shareholders with voting rights.

- 3) The Selling or Disposition of total assets or the significant proportion of assets
- 4) The Purchasing or Acquisition of total assets or the significant proportion of assets
- 5) The agreement, amendment or termination concerning the Lease of total assets or the significant proportion of assets, and the designation of other person(s) and/ or juristic person(s) to manage the company's business or to merge with the other person(s) and/ or juristic person(s)
- 6) The amendment of Company's Article of Association, Memorandum of Association
- 7) Increase or decrease of the company's capital
- 8) Mergers and Acquisition, Liquidation
- 9) The other cases as stated by law

## 2.2 Executive Committee

The member of Executive Committee as at February 28, 2017 consists of 4 persons as follows:

- |                  |               |                                  |
|------------------|---------------|----------------------------------|
| 1. Mr. Arak      | Ratboriharn   | Chief Executive Officer (Acting) |
| 2. Mr. Phonlasit | Phumiwasana   | Executive Committee              |
| 3. Mr. Korchoke  | Saengtongaram | Executive Committee              |
| 4. Mr. Siriwat   | Vongjarukorn  | Executive Committee              |

**Remarks:** Mr.Siriwat Vongjarukorn has resigned from the position as a director and an executive committee since March 15, 2017. The Company is in the process nominating and appointment to fill this vacant position.

**Scope of Authority and Responsibilities of the Executive Committee**

The resolution of the Board of Directors meeting No. 2/2016 held on February 26, 2016 which was also attended by the Audit Committee has reviewed and set the scopes of authority and responsibilities of the Executive Committee as follows:

- 1) Approval of a loan or any credit for the Company within limits of no exceeding of Baht 500 million for each transaction. The aggregated amount of each transactions will not exceed 30% of shareholders equity.
- 2) Approval of the regular operations of the company such as purchasing of goods, signage project, vehicles, materials, tools, equipment, approval cost, approval write-offs, etc., in limits for each transaction of no exceeding of Baht 100 million or equivalent.
- 3) Approval of investments in equity securities or debt securities in order to earn the return on excess cash of the business within the investment limit of no exceeding of Baht 300 million.
- 4) Approval of investment for continuous projects or new projects, including the divestment within the limit of no exceeding of Baht 300 million.
- 5) Managing and operating the business in accordance with the objectives, regulations and resolutions of the shareholders' meeting and Board of Directors in all respects.
- 6) Determining organizational structure and personnel management of the Company.
- 7) Determining and recommending of policy, business practices and the company's business strategy for the Board of Directors to approve.
- 8) Preparing the budget plan for the business year and the annual expenditure budget.
- 9) Conducting business based on the Company's policies, strategies, and budget plan for the annual business operation and the annual expenditure budget that have been approved by the Board of Directors.
- 10) Conducting financial transactions with financial institutions in terms of opening an new account with the bank, or financial institutions, and acquiring the letter of guarantee from the banks or the financial institutions in limit of no exceeding of Baht 100 million.
- 11) Performing other duties as assigned by the Board of Directors.
- 12) Informing the Board of Directors on the agenda that approved by the Executive Committee in the next meeting.

To approve any transaction, the Executive Committee has to follow the rules and regulations regarding the conflict of interests in respect of acquisition or disposition of assets, along with the regulations that may relate to performing such transaction regulated by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)

**2.3 Audit Committee**

Members of the Audit Committee of the Company as at February 28, 2017 consisted of 3 persons as follows:

- |                       |             |  |
|-----------------------|-------------|--|
| 1. Pol.Lt.Gen. Wiboon | Bangthamai  | Chairman of Audit Committee                                |
| 2. Ms. Pranee         | Rattakam    | Audit Committee and an expertise of accounting and finance |
| 3. Mrs. Podchancee    | Phaosavasdi | Audit Committee  |

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**Scope of Authority and Responsibilities of the Audit Committee**

Under the resolution of the Board of Directors meeting No. 2/2016 held on February 26, 2016 which was also attended by the Audit Committee has reviewed and set the scopes of authority and responsibilities of the Audit Committee as follows:

The Board of Director has assigned the Audit Committee to be responsible for overseeing the operation and reporting directly to the Board of Directors in order to meet the standards and create the maximum benefits to the Company and shareholders.

The Audit Committee has duties and responsibilities as required by the rules and regulations of the SEC and SET, and will report directly to the Board of Directors in order to maintain the standard and create the maximum benefits to the Company and shareholders. The Audit Committee has scope of authority and responsibilities as follows;

**Scope of Authority and Responsibilities of the Audit Committee**

Under the resolution of the Board of Directors meeting 2/2016 held on February 26, 2016 which was also attended by the Audit Committee, limitations of authority and responsibilities of the Audit Committee as follows:

The Board of Director has assigned the Audit Committee to responsible for reviewing the company's operation and report directly to the Board of Directors in order to meet standard and create the benefit to the company and shareholders

The Audit Committee has duties and responsibilities regarding to the rules and regulations of the SEC and SET and report directly to the Board of Directors. In order to maintain an operating standard and bring in the most benefit to the company and shareholders, the Audit Committee has scope of authority and responsibilities as follows;

- 1) Review the company's financial reports to be accuracy sufficient disclosed and reliable
- 2) Review the internal control and internal audit system of the Company to be in the proper and efficient
- 3) Review that the Company's operations are in accordance with laws and regulations of the Stock Exchange of Thailand or other laws related to the business operations of the Company
- 4) Consider and make a proposal in re-appointment, termination and remuneration of auditor of the Company.
- 5) Meeting with the auditor specifically at least 1 time per year to discuss on various matters that the Audit Committee or the auditor see that it should be discuss in private.
- 6) Review the independence of auditor and determine the receiving other services policy that is non-audit service from the same audit firm.
- 7) Review the corporate governance policy and make the proposal any changes to approve by the Board of Directors.
- 8) Review the related party transactions or transactions that may have conflicts of interest to comply with laws and regulations of the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company.
- 9) Review the Company's risk management systems to be appropriate and effective.
- 10) Consider the independence of internal audit department as well as to approve, appoint, migrate, lay off and consider the performance, meritorious service of internal audit head. All of this may hire individuals or external firm to perform internal audit work by nominate and qualifications to the Audit Committee for approval at least once a year at the same time with an auditor nomination and practice as the Company conduct themselves tacitly.

- 11) Review and comment on internal audit plan, performance of internal audit department and coordinate with the auditor.
- 12) Prepare the Audit Committee's Report to be disclosed in annual report which must be signed by the Chairman of the Audit Committee and consisting of the following matters;
  - Resolution on the process and transparency of data in the financial report of the Company with considerations in righteousness and credibility
  - Resolution on adequacy of the Company's internal control
  - Resolution in compliance with the laws on securities and the stock exchange, regulations of the Stock Exchange of Thailand and other laws related to the business operations of the Company
  - Resolution on propriety of auditor
  - Resolution on the transactions that may cause the conflict of interest
  - The number of meetings of the Audit Committee and attendance of each member of the Audit Committee.
  - Opinions or overall observation that the Audit Committee has the duty under the charter. (charter)
  - Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.
- 13) Investigate suspicious circumstances that director, manager or persons who responsible for operation of the Company committed an offense under the Securities and Exchange Act (No. 4) BE 2551 which the auditor detected and reported and the Audit Committee shall reports the results of preliminary inspection to Board of Directors, the Securities and Exchange Commission and the auditor within 30 days from the date of notification by the auditor. The suspicious circumstances that have to inform and method to get facts about such circumstances shall be in accordance the notification of the Capital Market Commission defined.
- 14) In performing of Audit Committee's duties, if found or suspected that it have transaction or action as follows which may have a significant impact on the financial position and operating results of the Company. The Audit Committee shall reports to Board of Directors for rectification within period that Audit Committee deem appropriate.
  - (1) Transaction was conflicts of interest.
  - (2) Fraud or irregularity or a significant deficiency in internal control system.
  - (3) Violation of the law on Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.

If the Board of Directors or Executive fails to make a rectification within period according to the first paragraph, one of member of Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 15) Authorized to hire the consultant or outsider according to regulation of the Company to comment or consulting if needed.
- 16) Authorized to invite the Executive or any related person of the company to comment, attend meetings or provide relevant information.



- 17) Report the performance of Audit Committee to the Board of Directors acknowledge at least 4 times per year.
- 18) Evaluation of its own performance annually.
- 19) Review and evaluate on the adequacy of its charter and propose the change to the Board for approval.
- 20) Perform any other duties as assigned by the Board of Directors.

## **2.4 Nomination and Remuneration Committee**

Members of the Nomination and Remuneration Committee of the Company as at February 26 , 2016 consisted of 3 persons as follows;

- |                       |             |   |
|-----------------------|-------------|---|
| 1. Pol.Lt.Gen. Wiboon | Bangthamai  | Chairman of Nomination and Remuneration Committee |
| 2. Ms. Pranee         | Rattakam    | Nomination and Remuneration Committee             |
| 3. Mrs. Podchanee     | Phaosavasdi | Nomination and Remuneration Committee             |

### **Scope of Authority and Responsibilities of the Nomination and Remuneration Committee**

Under the resolution of the Board of Directors meeting 2/2016 held on February 26, 2016 which was also attended by the Audit Committee, limitations of authority and responsibilities of the Nomination and Remuneration Committee as follows:

- 1) Generalization, policy and methodology of recruiting proper persons to be appointed as the company's directors, managing director, consultants regarding to their knowledge, capability, renown, experience and honorableness
- 2) To fix the remuneration structure and other benefit of the directors, managing director and consultants in comparison with other comparable industries or businesses
- 3) To ensure the recruiting to be conform to the objectives and principles with discretion, caution and concerning to the best benefit to the company before propose to the board of directors

## **2.5 Executives**

As at February 28, 2017, the Board of Executives consists of 12 person as follows:

<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>Date of Change</b>
1.	Mr. Arak Ratboriharn	Chief Executive Officer (Acting)	Appointment at 12 Feb 2016
2.	Mr. Paul Edmond Scales	Executives subsidiary – warehouse group, Position Chairman of the Board	
3.	Mr. PhonlasitPhumiwasana	Executives subsidiary – warehouse group, Position Chief Executive Officer	
4.	Mr. Thitivat Kosiyakul	Executives subsidiary – warehouse group, Position Managing Director	
5.	Mr. Pakorn Mongkoltada	Executives subsidiary media group, Position Managing Director	

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6.	Miss Rewadee Whanchid	Chief Executive of Finance and Accounting, Position Assistant Managing
7.	Miss Suwanna Sermrat	Director of Finance and Accounting
8.	Mr. Maitree Techasriudom	Director of Marketing
9.	Miss Wanee Srasom	Director of Operations
10.	Mr. Supachai Stivimol	Director of Legal
11.	Miss Pornradee Tangkaseranee	Chief of Finance and Accounting – warehouse group
12.	Miss Atitaya Pongsittisak	Director of Sales and Marketing – warehouse group

#### **Scope of Authority and Responsibilities of the Managing Director**

According to the resolutions of the Board of Directors meeting 6/2011 held on August 11, 2011 and Board of Directors meeting 8/2011 held on October 10, 2011 which included the Audit Committee, the scope of authority and responsibilities of the Executive Committee was as follows;

The Managing Directors has an authorization to perform as assigned by the board of directors under the rules and regulations of the company. However, the authorization cannot be used to approved any transaction between the company and the managing director, his/her connected persons or any other persons who may have conflict of interest with the company or its subsidiaries.

#### **Scope of Authority and Responsibilities of the Managing Director are as follows;**

- 1) Operation and management of the company's normal business activities and approved of normal transactions of the company such as purchasing products, advertising banners, vehicles, materials, tools, equipment approval cost, approval of hire purchase, approval of write-offs and hiring consultants, etc., in limits for each transaction of not more than 50 million baht.
  - 2) Authorized management of investments in equity securities and debt securities under the limits approved by Board of Directors and / or the Executive Committee. However consideration the transaction shall be calculated by the transaction size, by criteria of an acquisition or disposition of assets.
  - 3) Operation and management of the business of the company according to business policies, business plan and business strategy approved by Board of Directors.
  - 4) Authorized or delegated to other person that the Managing Director considers appropriate to serve as Managing Director in regard to necessary and appropriateness by providing at the discretion of the Managing Director which is under the rules of law and regulations of the company.
  - 5) Responsible for preparation recommendations and determination of policy guidelines and strategies of the company to present and approval to the Board of Directors and / or the Executive Committee to consider approval each time and perform other functions as assigned by Board of Directors and / or the Executive Committee each time.
  - 6) Responsible for preparing and managing the organizational structure and management personnel of the company to the Board of Directors and / or the Executive Committee for consideration.
-

#### **Unlawful history**

In a period of the last 10 years, the Board of Directors and the Chief Executive Officer of the company have not been fired or had a lawsuit dismissed against them due to corruption or have not had bankruptcy filed or been convicted or had any criminal dispute or litigation which is pending a decision.

### **3. Appointment of the Board of Directors and Management Executives**

The appointment process to the Board of Directors will be through the appointing committee. This will be considered by the Nomination and Remuneration Committee by using qualifications according to the Act 68 of Standard Qualifications of the Public Company Limited B.E 1992 and other relevant announcements from the Securities and Exchange Commission and regulations from the Stock Exchange of Thailand. Moreover, experiences, knowledge, and capability of the candidate will be considered and the name list will be forwarded to the Shareholders meeting for approval.

Directors are appointed by the resolutions of the Shareholders meeting according to the rules and regulations of the Public Company Limited Act as follows:

- a) Each shareholder shall have one vote for each share.
- b) Each shareholder shall cast the vote for one Director at a time
- c) The persons receiving the most votes in descending order will be appointed as Directors according to the number of Directors to be elected. In case that there is a tie for the last Directors to be elected and this has already exceeds the total number required; the Chairman can cast his deciding vote.

## Annual Remuneration of Executives

### Monetary Remuneration

#### Individual Director's Remuneration

No.	Name	Attended	Resigned Year 2016	Attendance /Total Meeting	Remuneration (Baht)
1	Mr. Chulasingh Vasantasingh	27/2/2014		10/10	800,000
2	Pol.Lt.Gen. Wiboon Bangthamai	26/8/2016		1/1	248,000
3	Mr. Arak Ratboriharn	12/7/2016		4/4	152,000
4	Mrs. Sumalee Ongcharit	8/2/2016	8/7/2016	4/4	32,000
5	Mr. Watcharakiti Watcharothai	9/4/2013	1/8/2016	5/6	250,000
6	Mr. Phonlasit Phumiwasana	2/2/2011		10/10	200,000
7	Mr. Grisada Jarreonkonkit	9/4/2013		10/10	200,000
8	Mrs. Orawan Lekrungruangkit	23/9/2013	29/6/2016	5/5	40,000
9	Mr. Siriwat Vongjarukorn	6/2/2014		6/10	408,000
10	Mr. Korchoke Saengtongaram	15/8/2016		2/2	226,000
11	Mrs. Podchanee Phaosavasdi	10/5/2013		6/10	408,000
12	Ms. Pranee Rattakam	11/5/2010		8/10	424,000
13	Ms. Rewadee Whanchid(secretary)	6/2/2014		-	200,000
<b>Total</b>					<b>3,588,000</b>

#### Executives's Remuneration

Item	2016		
	Number of Person	Amount (Baht)	Detail of Remuneration
Executives	12	22.29	Salaries , Bonus

## Report for the Good Corporate Governance (CG)

The Company concerns that complying with Good Corporate Governance (CG) is important, which could enhance value added and continuous growth of the business. Since 2013, the Company has reviewed the policy for CG and business moral including its operation in order to be aligned with the business objective under good CG of the Stock Exchange of Thailand (SET) and procedures of the Securities and Exchange Commission (SEC). This is to develop the efficiency of the business management for the sustainable growth and increase value added for the shareholders in the long-term. In this regards, the Company received **“Good CG Scoring”** result from the Report for the Good Corporate Governance in 2015-2016 for the second time. The Company will continuously focus on the operation under good CG.

In 2015, the Company has complied with the good CG procedures, which is categorized into 5 groups as follows:

### 1. Shareholders' rights

The Company focus on the shareholders' rights such as rights to participate and vote in the shareholders' meeting, rights to receive benefits / dividend from operation proportionally, rights to receive sufficient information, rights to propose agenda for the shareholders' meeting and propose person to nominate for the directors before the shareholders' meeting, rights to ask questions and raise issues in the shareholders' meeting freely. The Company will also convince all directors and managements of the Company including auditors to participate in the shareholders' meeting as shown in the Annual General Meeting of shareholders for year 2017 held on 25 April 2017.

In 2016, the Company held the Annual General Meeting of shareholders for year 2016 held on April 22, 2016

The Company has procedure and operation to comply with good CG as follows:

- **Announce and send invitation for the shareholders' meeting to the shareholders in advance**

On 7 December 2016, the Company disclosed information via Elcid of the SET and post on the Company's website (title: Investor Relation) for the shareholders to propose the agenda for the AGM for 2017 and propose the person to nominate for the director and be able to send information to the Company between 31 January 2016 to 31 January 2017 before the Nomination and Remuneration Committee of the Company will select directors to replace the directors who will be expired in the amount of 1 of 3 and the Board of Directors will determine the agenda for the shareholders meeting. The shareholders can notice the Company in 2 channels: fax or mail. However, there is no shareholders sent information to the Company.

And in order to ensure that the shareholders will have an opportunity to study the invitation notice of the meeting in advance for 30 days on March 20, 2017, the Company has disclosed an invitation of the AGM for 2017 and related documents in full details in both Thai and English in the Company's website and also informed investors and shareholders about the disclosure via Elcid system of the SET.

The Company has sent the invitation notice of the meeting together with information of the meeting agenda to the shareholders in advance not less than 7 days before the meeting and also advertised the invitation of the meeting and related information in newspapers for 3 consecutive days in advance before the meeting not less than 3 days and opinions of the Board of Directors must be included in each agenda with additional information for consideration of the shareholders.

● **Date of shareholders meeting**

1. The Company facilitates every shareholder equally. And encourage shareholders Institutional investors especially attended the shareholders' meeting. By providing a receptionist. Provide sufficient facilities. With the opportunity for shareholders to register from 12.00 p.m., Approximately two hours ahead of the meeting. All executives, including the auditors of the company. Attended in unison

2. Use third-party experts to register for and vote for transparency.

3. Make use of voting cards on every agenda. For transparency and authentication.

4. Prior to the meeting, the chairman of the meeting informed the number of attendees, both in-person and proxies.

Let the meeting acknowledge. And explain how to vote with a ballot before the meeting.

5. The Chairman of the meeting proceeded in accordance with the agenda set out in the invitation letter. Without changing sequence And there was no request for the meeting to consider other matters not defined in the meeting at all.

6. The Chairman gives an opportunity to clarify and discuss each agenda, giving the shareholders the equal opportunity to exercise their right to review the Company's performance and to express their views. Minutes for shareholders to check.

7. The voting right to approve each agenda item will be adopted by a majority of votes. By using the 1 vote method Share: 1 Vote or 1 share with one vote. For the agenda. Approval of annual remuneration of directors It shall be in accordance with the resolution of the shareholders, comprising of not less than two-thirds of the total votes of the shareholders attending the meeting and having the right to vote.

8. Before voting on any agenda. The Chairman will ask the shareholders to ask questions and details.

9. The chairman will inform the meeting of the resolution in each agenda by means of disclosure.

10. Allowing shareholders to vote on the appointment of individual directors.

11. During the meeting, if there were additional shareholders attending the meeting. The Company will count the number of shareholders and every new share. There were more shareholders attending the meeting. The new shareholders during the meeting can vote only for the agenda item that has not yet been resolved at the meeting. The Chairman will summarize the resolution of each agenda item for acknowledgment.

12. The Chairman will announce the result of the vote by specifying the number of votes in favor, disapproval, and abstain votes.

● **After the shareholders' meeting**

1. After completion of the meeting, the Company has informed the resolutions of the shareholders' meeting via the Stock Exchange of Thailand. And the results of voting on each agenda for the interested people to know.

2. Minutes of the meeting are kept in writing and the minutes are posted within 14 days on the company's website. [Www.aquacorp.co.th](http://www.aquacorp.co.th)

In 2016, the Company was evaluated for the shareholders' meeting. By receiving a full 100 points, which is considered excellent, the Company has recorded important issues and comments. And the voting results for each agenda item are

split, voted, disapproved and abstained. In the minutes for the shareholders to check. And the minutes were sent to the Stock Exchange of Thailand. The Securities and Exchange Commission And public company registrar Department of Business Development Ministry of Commerce To stay within the 14 day time frame, and to publish the minutes of the Annual General Meeting of Shareholders for the year 2016 on the Company's website.

## **2. Equitable Treatment of Shareholders**

The Company has policy to treat all shareholders equally as the following;

- Allow the shareholders to add the meeting agenda and nominate persons for directors in advance prior to the meeting of the Board of Directors according to details disclosed in Section 1. Shareholders's rights. The Remuneration and Nomination Committee will consider qualifications of nominated persons and propose to the Board of Directors and the meeting of shareholders respectively.

- Allow the shareholders who can not attend the meeting in person to vote by proxy at the meeting by attaching Form B together with the summary of documents that shareholders required to use in order to vote by proxy and procedures of empowering along with the invitation notice of the meeting. There is an offer to the shareholders to appoint Independent Directors / Chairman of Audit Committee to attend the meeting and vote by proxy instead. In addition, the shareholders can also send proxy document with required attachment as specified in the invitation notice of the meeting to the Company.

- Disclose the invitation notice of the shareholders' meeting with attached document through the Company's website in advance more than 30 days before the meeting and send the invitation notice of the shareholders' meeting to the shareholders prior to the meeting not less than 7 days in compliance with the rules and regulations.

- Provide the ballots for the shareholders to vote in each agenda of the shareholders' meeting in case of the shareholders who vote against or abstained.

- Before the meeting starts, Chairman of the meeting will clarify the use of voting rights, counting method of the votes of shareholders and allow attendees to express their opinions, suggestions and questions in each agenda with proper and adequate period of time and the meeting will be conducted in accordance with the agenda of the meeting stated in the invitation notice of the meeting without adding the additional agenda in the meeting.

- To prevent conflicts of interest that may arise, the Company has established a policy of the entering into the connected transaction which is stricter than the rules and regulations of the SET, details stated in section of "Measures or procedures for approval of the connected transaction" and the summary of connected transactions were presented on a quarterly basis, including name, type of relationship, characteristics of the transaction, the size of the transaction, and necessity and reasonableness of the transaction to the audit committee, and the Board of Directors of the Company for consideration and comment. The Company's Board of Directors has set rules and regulations regarding insider trading to prevent the use of inside information for personal benefits or others in an illegal way.

- The Company has not violated or not complied with rules and regulations of the acquisition or disposition of assets of the SET and SEC.

- Submit questionnaires of shareholding of directors in each quarter in order to inform the auditor and disclose complete information.

### 3. Role of stakeholders

The Company recognizes the importance of all stakeholders both internal and external since the Company recognizes the support from stakeholders which will create competitiveness, and profit to the Company. The Company shall comply with the laws and related rules and regulations in order to treat the rights of all stakeholders properly and establish a written code of business ethics as guidelines for the treatment of major stakeholders by making directors, managements and employees of the Company acknowledged, understand and to conform strictly.

Policies and practices to the groups of stakeholders are as follows;

- **Employees**

The Company pays highly attention to the respect of human rights and treatment of employees fairly and has policies in developing employees to have knowledge and expertise in their responsible jobs and taking care employees in terms of remuneration, welfare and safety equally and fairly as details stated in a topic of "Policy in human development and human resources management" Part 2, page 14, and also sending employees to train in courses that are useful for working continuously to develop potential and work experience.

Since 2012, the Company has issued and enforced the notification of salary structure, principle of consideration of staff level, and definition of job positions in order to administrate human resources clearly, properly and consistent with the economic situation and the status of business operation of the Company as a framework for the operation of the Company and the Company and its group

- **Shareholders**

The company has responsibility to its shareholders on a regular basis and provides the rights to shareholders equally by committing to managing businesses in order to create business growth for business operating ability and long-term competition and aiming to create appropriate and sustainable returns to the shareholders. The dividend policy is to pay a dividend of not less than 40% of the net profits of the Company to shareholders

- **Competitors**

The Company has a policy to support the cooperation in competition for the highest benefit of customers under the rules of free and fair competition by not searching for confidential information of competitors in dishonest or inappropriate ways, not disclosing or neglecting to leak out confidential information of the Company to competitors, not attacking and discrediting competitors through accusation or other incorrect approaches, and not defaming competitors or make competitors to lose an opportunity unfairly.

- **Customers**

The Company and its subsidiaries are committed to providing quality services that meet customer needs and in line with specified standards in a fair price, delivering jobs within the specified period and conforming to the trading terms and conditions rigorously. The Company shall keep confidential information of clients and not use trading confidential information for benefits of the Company or related persons.



- **Suppliers**

The Company and its subsidiaries had established guidelines and procedures for procurement and defined criteria for selecting business partners clearly. Vendor system is also developed to create fairness in the transparent procurement process in which every stage of procurement can be monitored to ensure that there is conflict of interests of the Company's directors and executives and employees.

- **Creditors**

The Company and its subsidiaries had complied with the terms and conditions provided to financial institutions strictly and also complied with the terms of trade of creditors, especially for the payment of goods and services.

- **Intellectual property or copyright and anti-corruption**

The Company had policy to not violate any intellectual property or copyright whether design, computer program, or other issues related to job performance and there is anti-corruption policy, as well as not paying and receiving bribes (either in terms of cash, goods and other benefits) for the business interests of the Company, relatives and other relevant parties.

- **Society and environment**

The company has prepared a report on Corporate Social Responsibility (CSR Report) in a form 56-1 section 11. Corporate Social Responsibilities (CSR) part 2 page 33.

#### **4. Disclosure and transparency**

The Company has a policy to focus on disclosure of information and transparency in the governance of the Company. In 2014, the Company has disclosed information concerning the Company both financial and other information accurately, completely, and transparently and in a timely manner in accordance with the rules and regulations of the SEC and SET. The details are as follows;

- Submitted financial and other reports such as the adjustments of directors and adjustments in shareholdings of directors, etc. to the SEC and SET within a given time.
- In addition to the reports of share trading to the SEC, the Company has set a policy in which the Company's Board of Directors is required to report the Company's shares / securities purchase and holdings to the Board of Directors meeting in order to be acknowledged the changes in the next meeting too.
- Disclosed financial status and other information such as the nature of the business, competition conditions, business risks, shareholding of directors and executives, connected transactions and compliance of corporate governance policy, etc. in the Annual Report and Form 56-1.
- Disclosed complete financial information and other information accurately on the Company's website.
- The Company's Investor Relations which can be contacted at;

Investor Relations Department	: Ms. Rewadee Whanchid, Company Secretary
	: Ms. Orathai Nateruang, Assistant Company Secretary
	: Phone 02-694-8888 ext. 8804 Fax 02-694-8881
Email	: <a href="mailto:secretary.aqua@aquacorp.co.th">secretary.aqua@aquacorp.co.th</a>

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Website	: <a href="http://www.aquacorp.co.th">http://www.aquacorp.co.th</a>
Letter	: Company Secretary Aqua Cooperation Public Company Limited 121 / 68-69, Floor 21, R.S. Tower, Ratchadaphisek Road, Din Daeng, Bangkok 10400

- **Disclosure of shareholders structure**

The Company disclosed the shareholders structure in an Annual Report page 39 and and Form 56-1 part 2 page 1 and the Company's group structure in an Annual Report page 14 and Form 56-1 part 1 page 6.

- **Disclosure of remuneration of directors and executives**

The Company disclosed details of remuneration of individual directors and compensation of executives in Form 56-1 part 2 page 12-13.

- **Preparation of financial reports**

The Company's directors set the audit committee to be responsible for auditing that the Company's financial report is correct and disclosed adequately. In addition, directors also conducted the report of directors' responsibility towards financial reports, including important issues according to guidelines for directors of listed companies suggested by the SET. The audit committee selected the auditors from the office of Pitisevi Co., Ltd., an auditor approved by the SEC, which is independent and has no conflict of interests to the Company as the auditors for 2016 according to the list of auditors as follows;

1. Miss Chaovana Viwapanachati CPA No. 4712
2. Miss Wanpen Aunruen CPA No. 7750
3. Miss Porntip Amornchailertpattana CPA No. 9589

It is required any person above who audits, comments and signs in the financial statements of the Company and determines the audit fees on a quarterly basis and annual audit fees for 2016 shall not exceed Baht 1,120,000 which is relatively close to the audit fees of companies having similar size and nature of business to the Company. The Company's financial statements for 2016 has been certified by the auditors without qualified audit opinions.

## **5. Responsibilities of the Board of Directors**

- **Structure and composition of the Board of Directors**

The company set the Company's Board of Directors to review and study the governance and management of the Company. All directors have freedom to comment on the Company's operation in order to supervise the operation of the management team to be efficient, accurate and transparent.

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● **Composition of the Board of Directors**

The Company's Board of Directors consists of a variety of skills, qualifications, capabilities, experience and expertise that are useful to the Company. The Company determined the structure of the Board of Directors as follows;

- Not less than 5 members.
- Independent committee must not be less than 1 in 3 of total members of the Board of Directors, including persons who have knowledge about the business and persons who have knowledge about financial and accounting.

As of February 28, 2017 the Company's Board of Directors of Aqua Cooperation PCL. has 9 members including;

- Non-Executive director 1 member
- Independent directors 4 members
- Executive directors 4 members

Mr. Chulasingh Vasantasingh, an Independent Director, is a Chairman of the Board of Directors. Pol.Lt.Gen. Wiboon Bangthamai, an Independent Director, is a Chairman of Audit Committee. Ms. Pranee Rattakam, an independent Director and an Audit Committee who has expertise in finance and accounting.

● **Integration or Segregation**

The company has split powers, duties and responsibilities of the Chairman and Chief Executive Officer separately in order to not giving unlimited authority to anyone. The Chairman is an independent director and does not have any relationship with management team.

● **Reporting of the interests of directors, executives and relevant individuals**

The Company prepared report of the interests of directors, executives and relevant individuals to serve as basic information for the regulation of the interests of the directors and senior management by requesting the directors and management to fill in the report and the Company secretary will be responsible for collecting in order to monitor and regulate conflicts of interest. If there is an adjustment, management has to report the adjustment to the Company secretary.

● **Reporting of the adjustment in shareholding**

In order to supervise the use of internal information, the Company has requested directors and management, including spouses and minor children, when there is an adjustment in shareholding of Aqua Cooperation PCL. to notify the Company and report the changes in shareholding to SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) within 3 working days from the date of purchase, sale or transfer, as well as to report the purchase - sale of shares / shareholding of the Company's directors to the Board of Directors meeting next time. By the end of quarter and the end of year, company secretary will send a written notice to directors, management or department which can access to inside information, not to disclose the inside information to third parties or the persons not involved and trade the Company's shares during 1 month start from the closing date of the consolidated financial statements to the disclosing date to the SET which is a period prior to the financial statements will be disclosed to the public in order to prevent the illegitimate use of inside information. During the year 2014, directors and management have complied with the rules strictly.

### ● Development of directors and management

The Company has policy to support knowledge for development of directors and management of the Company as follows;

1. Directors who are newly appointed must attend the Director Accreditation Program (DAP)
2. The Company supports for the directors attending the Director Certification Program (DCP) or other courses by paying for the costs.

### Details of participation in training courses organized by Thai Institute of Directors (IOD).

Name of Director	Training courses		
	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Other
1. Mr. Chulasingh Vasantasingh	version 35/2003 Refresher Course 1/2008	-	FND 7/2003 , UFS 1/2006 , ACP 17/2007 , FGP 4/2012
2. Pol.Lt.Gen. Wiboon Bangthamai		version 119/2015	
3. Mr.Phonlasit Phumiwasana	-	version 78/2009	
4. Mr. Siriwat Vongjarukorn	version 42/2004	version 9/2004	
5. Mr.Arak Ratboriharn	version 129/2010		
6. Mr.Grisada Jarreonkonkit	-	version 117/2015	
7. Mr.Korchoke Saengtongaram	-	version 98/2012	
8. Ms.Pranee Rattakam	-	version 79/2009	
9. Mrs.Podchanee Phaosavasdi	version 151/2011	version 64/2007	RCC 9/2009

In addition, the Company Secretary Ms.Rewadee Whanchid had to training courses Director Accreditation Program (DAP) 79/2009

### ● Board of Directors' meeting

The Company schedules the Board of Directors' meetings in advance and notifies each director about the schedule so that the directors can manage time to attend the meetings and special meetings may be held if necessary. In each meeting, the company has obviously set a meeting agenda and sends an invitation letter with details for more than 7 days prior to the meeting so that the directors can study the information sufficiently prior to the meeting, as well as conducts the minutes of meeting in writing which are approved by the Board of Directors in which the Board of Directors and relevant persons can check the minutes of meeting. In each meeting, the Company shall provide freedom to independent directors to make comments, suggestions which are valuable to the Company and useful to the control of the Company's operation.

In 2016, the Board of Directors has the Board of Directors' meetings of 10 times, the Audit Committee meetings of 5 times, the Executive directors' meetings of 10 times and the Nomination and Remuneration Committee's meetings of 4 times. Each meeting spends time approximately 1-3 hours.,

- **Self-evaluation of Directors**

The Company evaluates the performance of the Board of Directors on an annual basis. Evaluation form of individual director (Self-evaluation) consist of 6 topics as follows;

1. Structure and qualifications of the Board of Directors
2. Roles and Responsibilities of the Board of Directors.
3. The Board of Directors' meeting
4. The Board of Directors' performance
5. Relationship with management
6. Self-Development of directors and management

In order to help the directors to compare the results of evaluation in each topic or compare the results of evaluation in each year for improvement and development of the performance of the directors. The summary of result of evaluation showed that the directors are qualified and could take duties and responsibilities properly in accordance with the guidelines of good practice of directors.

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## Corporate Social Responsibilities : CSR

### Corporate Social Responsibility Community and Environment

The company has established a long-term plan for the implementation of CSR and the Board of Directors will determine the vision and guidelines for the operation of the Company's management. As well as the policies and guidelines for the implementation of other related management as proposed. The company will consider the business as good corporate governance and business ethics. As well as taking into account the impact of the business stakeholders closer to direct business partners, employees, shareholders, customers and the surrounding community. As well as those related to business taken by regulatory authorities, such as the state and the general public.

The CSR Performance of the Company are summarized below.

### Social responsibility

Company and subsidiary recognize the responsibility to contributing to the development community and the environment. It has an annual budget allocation to support projects and activities related to such matters. And encourage executives and employees to participate in activities for social responsibility and community development.

Guidelines for the implementation of environmental responsibility and corporate social responsibility focuses on promoting awareness, starting with their own. And the responsibilities in the business plan of the company is divided.

#### **1. Environmental and Social Responsibility Process (In Process) include.**

- Management of environmental organizations such as the environment and working atmosphere. Promoting quality of life of people in the organization and so on.
- Operations with responsibility for the environment and society as a focus on the community around you. operational safety. the relevant Improving the quality of life of employees. And around

#### **2. The process of environmental and social responsibility (After Process):.**

Most of the support Social events, charity events to promote the sharing of activities such as blood donation. and philanthropy Kathin etc.

### The good governance.

The Board of Director recognizes the importance of engaging stakeholders in enhancing the performance of the company to create lasting stability to the company. By disclosed critical information related to the business stakeholders have been informed adequately and transparency by providing a channel for stakeholders, shareholders and investors can submit comments, complaints or suggestions. helpful And can add value to the company by sending mail to:

Company Secretary

Aqua Corporation Public Company Limited

121/68-69 RS Tower 21<sup>st</sup> Floor, Ratchadapisek Road,

Din-Daeng, Bangkok 10400

or E-mail Address : [secretary.aqua@aquacorp.co.th](mailto:secretary.aqua@aquacorp.co.th)

However responsible will collect information for submission to the Board of Director for consideration. The Company has a policy to protect the transmission, comments or suggestions with retention of the comments, or suggestions confidentially.

### **The anti-corruption**

AQUA is ideal for operation business with integrity. By adhering to social responsibility and stakeholder groups based on Good Corporate Governance. As well as Codes of Conduct and guidelines for stakeholder groups of AQUA early 2014, the Board of Directors resolved to join in. "Recruits private practice in Thailand to fight corruption" to show spirit and commitment in the fight against corruption in all its forms applications.

AQUA is to ensure that policy responsibility guidelines and requirements for proper operation to prevent corrupt all business activities of AQUA and to make decisions and business operations that may be at risk of fraud, corruption options have been considered and treated carefully, AQUA guidelines for the operation of the anti-corruption Court, corruption follows.

1. Do not the directors, executives and employees to take action or accept or support corrupt corruption in all forms, both directly and indirectly. It covers group of companies Including other contractors or subcontractors related.
2. The Anti-Corruption as part of the business and duties responsibilities of the Board of Directors, Executive, Supervisor, all employees at all levels suppliers or subcontractors to share in the comments on the guidelines for the implementation of anti-corruption meet the guidelines.
3. The Company does not engage in or support the bribery in all its forms. All activities are supervised. To be transparent And is not intended to convince the public official or private conduct that is inappropriate.
4. The Company provide appropriate internal control to prevent employees with improper conduct. Do not pay any benefits to customers, partners, and / or creditors. In order to acquire customers or hijacked by dishonest means. And violation of official In particular, sales, marketing, purchasing.
5. The Coompany provide a system for customers to complain. And perform optimally So that customers receive a rapid response.
6. The Company encourage diverse communication channels. So that employees and stakeholders can identify suspicious clues. By ensuring that the whistleblower will be protected without being penalized Migration unfair or bullying in any way. And to appoint a person to monitor all incoming notifications have clues.
7. The anti-corruption function is to cover personnel administration processes. Since the nomination or selection of personnel. Promotion, training, evaluation of operational staff. And returns The supervisors at all levels to understand the communications staff. For use in business activities on the responsibility. And supervisory practices to ensure efficiency.

### **To treat workers fairly.**

In order to adhere to the principles of corporate social responsibility with regard to the efficiency and effectiveness of welfare benefits that employees receive. The company has set guidelines for employees to follow.

1. The recruitment and selection

The company has to focus on the process of recruitment and selection of personnel to work with the company. On the basis of tests to measure knowledge. The ability to work as a primary candidate. To be sure, Company personnel are competent. And appropriate

2. To promote and support the development of skills.

The company is convinced that the development of the appropriate method will be particularly important to encourage qualified personnel capacity and performance to develop the skills, knowledge and ability to work in duty currently on the rise. And to improve the weaknesses arising from the evaluation of performance and to provide employees with opportunities for career advancement in the capabilities and potential of each person fully. It also helps to increase the competitiveness of the organization. The company organizes training seminars with this method.

- i. The seminar provides knowledge, experience from outside speakers. Luminaries are competent. And a specialist in such matters. To complement the concept in the management of the executive staff to include knowledge about finance and investments Finance for Non-Finance.
- ii. The delivery personnel attend training seminars outside the organization.

In addition, the company has set. Evaluating potential personnel continued. In evaluating potential personnel. The Company uses to evaluate each other. Both supervisors Subordinate Self-assessment and continuous And after evaluation The company has communicated back to the employees individually. So that employees and supervisors have been evaluated. And clarify understanding the results were used to develop their potential and team. Including the scores will be used as part of the annual evaluation. To determine the compensation and annual bonus as well. In this section, we are bringing computer technology to assist in the evaluation system. For added convenience, to assess and reduce the use of office documents (Paperless) as well.

3. The compensation fairly

The company has set up a compensation to the employee to work properly qualified by knowledge and experience and meet the standards set by the government. Including due to the increase in annual salary to employees 1 time per year based on the performance of employees. The Company has provided an evaluation of the performance of employees by one year from the performance of employees and departments. Based compensation Pay for Performance.

4. Employee Benefits

In addition to the salary and compensation. The company also provides appropriate benefits to employees as appropriate to include economic conditions and living.

- Provident Fund
- allowance for employees who come to work consistently throughout the month.
- Health and welfare benefits to employees: -
  - Life insurance for all employees.



- Life insurance for employees who leave the workers.
- Health insurance to help ease the burden of healthcare costs of employees. The entire treatment is outpatient and in-patient. Including the cost of dental treatment
- The annual health check for employees at 1 time a year.
- Welfare activities to help promote and build unity among employees, such as the carnival and party occasions. Including the New Year So that employees can work together. And help ease tensions in the workplace for employees.
- Welfare case workers help parents, spouses and children died.
- Welfare staff Victims in the case of emergencies, including emergency welfare assistance to the flood victims. And also have customized assistance to victims of other natural as well.

#### **Responsible consumers**

1. The Company have a detailed description of the media. Price clearly To simplify the customer decision. According to media advertising, customer advertising is accurate and does not cover the content is significant. Or incentives to buyers, media misconceptions.
2. The contract between the company and its partners and customers. Justice written in clear language. Read and easy to understand No condition or impose unfair terms on a deal that is too long. By allowing the parties to study and inquiry and information an agreement to acquire media or the production of advertising Including contract hire and contract warehousing. Before signing the agreement.

#### **Caring for the environment**

1. The Company has a policy of using resources wisely and efficiently. Including the introduction of renewable resources, such as using recycled paper to print the second data transfer via e-mail. And to store data in electronic format and so on.
2. The Company's policy is in line with state agencies to save electricity. The media of all types that require lighting. Off Automatic lighting of the media after 22:00 p.m. to secure the implementation of the policy communicated to employees and customers, the company acknowledged in writing through the sales documents of the Company.

#### **The community development or social**

1. The Company and its subsidiaries Recognize the responsibility to contributing to the development community and the environment. It has an annual budget allocation to support projects and activities related to such matters. And encourage executives and employees to participate in activities for social responsibility and community development by the year 2017, the Company and its subsidiaries have prepared activities for social and community was the fourth on January 14, 2017 at New life school , Thong Phaphum district, Kanchanaburi Province, with project "Nong Im Pee Sook" years 4 , the company has donated donated school Supplies Equipment, kitchen utensils, clothing, and anything that could benefit a school or school. And the company donated money to build schools for the school, with the aim of increasing the number of children in the school. And good development

Grow up well To reduce the risk of approaching the retreat. In addition, the company, led by employees and administrators, participated in joint breakfast and lunch activities to make people happy and smile to everyone.

2. The company supports the promotion of CSR activities of the organizations. Both public and private sectors by providing advertising space on the exterior housing parts to be used for various corporate events published to the public good for society in general.

## Connected Transactions

### 1. Connected Transactions of the company, subsidiaries and related parties during 2015 - 2016

#### • Connected Transaction with subsidiaries

(In Thousand Baht)

Related Person	Relationship	Item	Related Person		Relationship		Transaction Characteristics	The appropriateness of the transaction	Term
			2016	2015	2016	2016			
<b>Mantra Assets Company Limited</b>	The company's subsidiary with the shareholding of 99.99%	1) Loans	-	-	173,950	-	This transaction is to provide financial assistance to its subsidiaries for the financial restructuring and asset management. The interest rate is 3-4.35 %	Is a rate higher than deposit rates. The loan is secured	call
		2) Interest received	-	-	1,407	-			
		3) Management fee income	-	-	-	60	This transaction is expenses between rechargeable	The investment policy of the company to send a representative to help control and management is therefore necessary to allocate the cost of each other	
		4) Dividend income	-	-	1,000	450	A normal business transaction resulting from investment in a associated.	Such items must be based on performance. And all shareholders have equal rights.	
<b>Aqua Ad Public Company Limited (AA)</b>	The company's subsidiary with the shareholding of 99.99%	1) Other receivable	-	-	86	99	This transaction is expenses between rechargeable	The investment policy of the company to send a representative to help control and management is therefore necessary to allocate the cost of each other	
		2) Other payable	-	-	-	35			
		3) Management fees incomes	-	-	2,400	2,400			

Related Person	Relationship	Item	Related Person		Relationship		Transaction Characteristics	The appropriateness of the transaction	Term
			2016	2015	2016	2016			
		4) Insurance Creditor	-	-	688	688	It is a regular business support item for rent and office space totaling 510 sqm. a total of Baht 229,500 per month and other expenses as actual, this is a price comparable to the market price. Lease and service agreements are for 3 years.	The price same with the other tenants. The total cost of furnishings	August 1, 2015 - July 31, 2018
		5) Other incomes	-	-	2,754	2,754			
		6) Dividend income	-	-	20,222	14,964	A normal business transaction resulting from investment in a associated.	Such items must be based on performance. And all shareholders have equal rights.	
<b>Thai Consumer Distribution Center Co.,Ltd (TCDC)</b>	The company's subsidiary with the shareholding of 96.13%	1) Interest received	-	-	-	14,409	This transaction is to provide financial assistance to its subsidiaries for the financial restructuring and asset management. The interest rate is 5%	Is a rate higher than deposit rates. The loan is secured	1 year 3 years
		2) Other receivable	-	-	3	1	This transaction is expenses between rechargeable	The investment policy of the company to send a representative to help control and management is therefore necessary to allocate the cost of each other	
		3) Management fee income	-	-	1,200	1,200			
		4) Insurance Creditor	-	-	180	180	Office space lease at the monthly rate of Baht 56 per square meter or a total of Baht 60,000 per month, including other expenses incurred	The price same with the other tenants. The total cost of furnishings	January 1, 2016 – December 31, 2016(Renew at maturity)
		5) Other incomes	-	-	720	720			
		6) Income from financial services	-	-	2,314	2,485			

Related Person	Relationship	Item	Related Person		Relationship		Transaction Characteristics	The appropriateness of the transaction	Term
			2016	2015	2016	2016			
		7) Dividend income	-	-	32,567	-	A normal business transaction resulting from investment in a associated.	Such items must be based on performance. And all shareholders have equal rights.	
<b>Texas 121 Company Limited</b> (formerly Aqua Power Company Limited.)	The company's subsidiary with the shareholding of 99.99%	1) Loans 2) Accrued interest receivable 3) Interest received	- - -	- - -	91,000 1,805 1,805	- - -	This transaction is to provide financial assistance to its subsidiaries for the financial restructuring and asset management. The interest rate is 2%	Is a rate higher than deposit rates. The loan is secured	call
<b>121 Power Company Limited</b>	The company's subsidiary with the shareholding of 99.99%	1) Interest received	-	-	48	16	This transaction is to provide financial assistance to its subsidiaries for the financial restructuring and asset management. The interest rate is 3% - 5%	Is a rate higher than deposit rates. The loan is secured	call

• Connected Transaction with Related Parties

Related Person	Relationship	Item	Related Person		Relationship		Transaction Characteristics	The appropriateness of the transaction	Term
			2016	2015	2016	2016			
<b>Eastern Printing Public Company Limited. (EPCO)</b>	Associated (share holding by the Company total of 38.40%)	1) Dividend	-	-	34,827	90,461	A normal business transaction resulting from investment in a associated.	The price is the same with others	Dividend shares in the ratio of 25 existing shares to 1 new share of 11.31 million shares.
<b>Stevensilvagni Company Limited</b>	Being shareholder of the subsidiary (TCDC)	1) Long-term loan 2) Interest expenses	- -	- 180	- -	- -	This is a request for financial support from the shareholders for the financial restructuring of the interest rate of 5% per year.	Interest rates same as paid to the company	3 years
<b>Pacific Investments Management Ltd.</b>	The shareholders' equity of the subsidiary (TCDC)	1) Long-term loan 2) Interest expenses	- -	- 513	- -	- -			
<b>Esdale Ltd.</b>	The shareholders' equity of the subsidiary (TCDC)	1) Long-term loan 2) Interest expenses	- -	- 257	- -	- -			
<b>Anambus Holdings Ltd.</b>	The shareholders' equity of the subsidiary (TCDC)	1) Long-term loan 2) Interest expenses	- -	- 257	- -	- -			
<b>CVK West Management Company Limited</b>	The shareholders' equity of the subsidiary (TCDC)	1) Short-term loan 2) Accrued Interest 3) Interest received	- - 159	6,000 157 157	- - 159	6,000 157 157		Is a rate higher than deposit rates. The loan is secured	call

**Measures or procedure to Approve Related Transactions**

To protect investors in case of the company's carrying out of related transactions with the person possibly causing conflict of interest in the future, the company will have the transaction types, prices and conditions of each party arranged clearly for the account auditor to check and disclose them in the Notes to Financial Statements. In regard to the normal related transaction, i.e., arising earlier and related to the company's main business, and /or the transactions that might cause conflict of interest, the Audit Committee shall check the justification and reasonability of the transactions and report its opinions to the meeting of the Board of Directors.

In case of the company's committing any unordinary business transaction or the transaction not in relation to the company's main business and possibly causing the conflict of interest, the company will ask the Audit Committee to make preliminary check prior to issuing the approval. The company shall arrange for the meeting of the Board of Directors attended by the Audit Committee to take the related transaction into consideration for fair practice and at proper pricing policy, in which the Directors with interest in that related transaction shall not have the voting right onto such transaction. Should the Audit Committee do not have skills in considering any related transaction, the company will ask an independent expert or its account auditor to give opinions on the issue and submit the resultant report to the Board of Directors or shareholders as deemed appropriate.

**Policies and Trends of the Related Transactions in the Future**

The company is adopting the earlier mentioned policy of the related transactions and shall abide by it in the future. As for a related transaction for normal business practices, the company will stipulate the price and conditions clearly and comparable to those of other firms and the company shall ask for the Audit Committee to take the matter into consideration and give opinions in regard to the properness of prices and reasonable actions of the transaction.

The related transactions to arise in the future shall conform to the laws on Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association.

**Details of the Board , Executive , Authority control and Corporate Secretary at February 28, 2017**

Name	Age (year)	Education	% of Share-holding	Relationship	Working Experience		
					Working Experience	Position	Company
(1) Mr.Chulasingsh Vasantasingh Independent Director Chairman of the Board Date of appointment to Director at February 27, 2014	66	<ul style="list-style-type: none"> <li>● Bachelor of Laws (L.L.B.) (Hons.), Chulalongkorn University</li> <li>● Barrister at Law, The Institution of Legal Education</li> <li>● Master of Comparative Law (M C L.), University of Illinois, U.S.A.</li> <li>● Honorary Doctorate Degree in Laws, Ramkhamhaeng University</li> <li>● Honorary Doctorate Degree in Laws, Chulalongkorn University.</li> <li>● Honorary Doctorate Degree in Laws, Yonok University.</li> <li>● Certificate of Harvard Business School</li> <li>● Thai Institute of Directors Association (IOD), DCP 35/2003 , FND 7/2003, UFS 1/2006, ACP 17/2007, Refresher Course DCP 1/2008 , FGP 4/2012</li> </ul>	No	No	Feb.14-Present	Independent Director and Chairman of the Board	Aqua Corporation Public Company Limited
					2010-2014	Independent Director and / Chairman of Audit Committee	Krung Thai Bank Public Company Limited
					2010-2013	Independent Director and / Chairman of Audit Committee	Thai Airways International Public Company Limited
					2010-2013	Independent Director and / Chairman of Audit Committee	PTT Public Company Limited
					2009-2013	Attorney General.	The Office of the Attorney General
(2) Pol.Lt.Gen. Wiboon Bangthamai Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee	64	<ul style="list-style-type: none"> <li>● Master of Business Administration National Institute of Development Administration (NIDA)</li> <li>● Bachelor of Public Administration (Police), Police Cadet School</li> </ul>	No	No	2016-Present	Chairman of Audit Committee	Aqua Corporation Public Company Limited
					2014-2016	Chairman of Audit Committee	Ditto (Thailand) Public Company Limited
					2010-2012	Chairman of the Board	Ditto (Thailand) Public Company Limited
					2010-2012	Immigration Commissioner	Immigration Bureau
					2009-2010	Office commander	
					2009-2010	National Police Commissioner	Office of the Commissioner of Police



Name	Age (year)	Education	% of Share-holding	Relationship	Working Experience		
					Working Experience	Position	Company
Date of appointment to Director April 9, 2013		● Training on the DAP 119/2015			2007-2009	Deputy Chief of Police	Metropolitan Police Headquarters
(3) Mr. Arak Ratboriharn Director Acting The Chief Executive Officer Director with authorized signature Executive Director  Date of appointment to Director July 12, 2016	49	Master of Accountancy (Accounting and Finance) 1989 Thammasat University  Bachelor of Accountancy (Cost Accounting), 1985, Chulalongkorn University  DCP training 129/2010	No	No	Present          May14– Mar 15  April04 – May09	Chief Executive Officer Director , Executive Director ,(Acting.) Chief Executive Officer Director      Director / Executive Director ,(Acting.) Chief Executive Chief Financial Officer (CFO)	News Network Corporation Public Company Limited Aqua Corporation Public Company Limited  Thai-French Technical and Technical Association (TFTA) Springnews Corporation Company Limited Zing Technology Company Limited Springnews Televisions Company Limited Environ Mental Solutions Integrator Company Limited News Network Multimedia Company Limited Aqua Ad Public Company Limited Mantra Asset Company Limited Aqua Corporation Public Company Limited State Railway of Thailand
(4) Mr. Phonlasit Phumiwasana Director Director with authorized signature Executive Director  Date of appointment to Director February 2, 2011	43	● MBA (Finance) ,MS (Economic) Claremont Graduate University  ● BBA, La Sierra University  ● DAP training Class 78/2009	No	No	Feb60-Present April16-Present Feb15-Oct16 Nov15-Present Jan15-Mar60 June14-Present Sep.13- May14	Director Director Director Director Director  Acting Managing Director	Baordway Media Company Limited Aqua Ad Public Company Limited CVK Aqua energy Company Limited Accomplish Way Company Limited 121 Power Company Limited Thai Consumer Distribution Center Company Limited

Name	Age (year)	Education	% of Share-holding	Relationship	Working Experience		
					Working Experience	Position	Company
					2011 - Present 2011 - Present	Director, Executive Director Director	Aqua Corporation Public Company Limited Aqua Corporation Public Company Limited Mantra Asset Company Limited
(5) Mr. Siriwat Vongjarukorn Director Director with authorized signature Executive Director  Date of appointment to Director February 6, 2014	49	<ul style="list-style-type: none"> <li>Honorary Doctorate Degree in Information Technology.</li> <li>Bachelor of Engineering Chulalongkorn University</li> <li>DAP training Class 9/2004 and DCP 42/2004</li> </ul>	1.93	No	2014 -Present 2014 -Present 2014 -Present 2013– Present 2013– Present 2005- Present 2012- Present 2011- Present 2008- Present 2003– Present	Director , Executive Director Director Director Director Director Director Director Director Vice Chairman and Chief Executive	Aqua Corporation Public Company Limited Panchaluk Pasuk Company Limited JKL Company Limited Advance Intelligence Modernity Company Limited PromptNow Company Limited Modernform Integration Services Company Limited Nattakun (Thailand) Company Limited M.I.S. Outsourcing Company Limited Chamchuri Innovative Product Company Limited MFEC Public Company Limited
(6) Mr. Grisada Jarreonkonkit Director  Date of appointment to Director April 9, 2013	50	<ul style="list-style-type: none"> <li>Master of Arts in Economics, Chulalongkorn University</li> <li>Bachelor of Arts in Economics,Dhurakij Pundit University</li> </ul>	No	No	Dec 15-Present 2013- Present 2013-Present April 13-Aug 13  2012 - 2014	Director Director Director Independent Director /Audit Committee Director	Aqua Power Company Limited Aqua Corporation Public Company Limited Maxtric Public Company Limited TWZ Corporation Public Company Limited General Engineering Public Company Limited
(7) Mr.Korchoke Saengtongaram Director Director with authorized signature Executive Director Date of appointment to Director August 15, 2016	27	<ul style="list-style-type: none"> <li>Master of Finance, University of Exeter</li> <li>Bachelor of Economics, Chulalongkorn University</li> </ul>	No	No	Feb60-Present Augus16-Present July14 – July15	Director Director , Executive Director Investment analyst	Baordway Media Company Limited Aqua Corporation Public Company Limited Aqua Corporation Public Company Limited

Name	Age (year)	Education	% of Share-holding	Relationship	Working Experience		
					Working Experience	Position	Company
(8) Ms. Pranee Rattakam Independent Director Audit Committee Member of Nomination and Remuneration Committee  Date of appointment to Director May10, 2013	53	<ul style="list-style-type: none"> <li>● Master of Business Administration, Chulalongkorn University</li> <li>● Certified Public Accountant</li> <li>● Bachelor of Accountancy, Chulalongkorn University</li> <li>● DAP training Class 79/2009</li> </ul>	No	No	2010 – Present  May13-Feb.14  2009 – May 2010  2003 – Present	Independent Director /Audit Committee  Independent Director / Chairman of AuditCommittee  Independent Director/Audit Committee  Assistant Chief Executive Officer	Aqua Corporation Public Company Limited  Aqua Corporation Public Company Limited  Aqua Ad Public Company Limited  Krungthai Card Public Company Limited
(9) Mrs. Podchanee Phaosavasdi Independent Director Audit Committee Member of Nomination and Remuneration Committee  Date of appointment to Director May 10, 2013	56	<ul style="list-style-type: none"> <li>● Master of Business Administration – Marketing, Ramkhamhaeng University</li> <li>● Bachelor of Literature Arts Official, Chulalongkorn University</li> <li>● DAP training Class 64/2007</li> <li>● RCC training Class 9/2009</li> <li>● DCP training Class 151/2011</li> <li>● RMP training Class 4/2014</li> </ul>	No	No	2016 - Present 2015 - Present  2013 – Present  2013 – Present  2012 – Persent 2011 – Present  2007 – Present 2006 – Present	Director Executive Director / Chief Marketing Officer. And Director of Marketing.  Independent Director / Audit Committee  Remuneration and Nomination Committee And Risk Management Committee Corporate GovernanceDirector  Director and Managing Director Director	Asen Potash Chaiyaphum Company Limited TRC Construction Public Company Limited And Sahakarn Wisavakorn Company Limited  Aqua Corporation Public Company Limited  TRC Construction Public Company Limited  TRC Construction Public Company Limited TRC Engineering LLC and TRC Middle East LLC Republic Sultanate of Oman TRC Construction Public Company Limited Sahakarn Wisavakorn Company Limited
(10) Ms. Rewadee Whanchid Company Secretary Asst. Managing Director CFO Date of appointment to Company Secretary	46	<ul style="list-style-type: none"> <li>● Master of Business Administration Kasetsart University</li> <li>● Bachelor of Business Administration in Accounting, Ramkhamhaeng University</li> <li>● DAP training Class 79/2009</li> </ul>	No	No	Feb60-Present Feb60-Present Nov15-Persent Jan15-Persent June 15- Persent Feb15- Persent	Director Director Director Director Director Director	Baordway Media Company Limited Texas Company Limited Accomplish Way Holdings Company Limited 121 Power Company Limited CVK Aqua energy Company Limited Wiik & Hoeglund Public Company Limited

Name	Age (year)	Education	% of Share-holding	Relationship	Working Experience		
					Working Experience	Position	Company
February 6, 2014					June 2014 - Present	Company Secretary	Thai Consumer Distribution Center Co., Ltd.
					Feb 2014 - Present	Director	Aqua Corporation Public Company Limited
					2012 - Feb. 2014	Asst. Managing Director/CFO	Aqua Corporation Public Company Limited
					2012 - Present	Director	Aqua Corporation Public Company Limited
					2008 – Present	Director	Aqua Ad Public Company Limited
					2012 – Present		Mantra Assets Company Limited

- Remark:**
- 1) The authorized directors of the Company who can sign to bind the Company are Mr.phonlasit Phumiwasana , Mr.Siriwat Vongjarukorn , Mr.Arak Ratboriharn , Mr.Korchoke Saengtongaram any two of these four directors are authorized to jointly sign with the Company's seal affixed
  - 2) Mr.Siriwat Vongjarukorn has resigned from the position as a director and an executive committee since March 15, 2017. The Company is in the process nominating and appointment to fill this vacant position.

## Financial Analysis and Operation Results

### Overview

A detailed description for the business and results of operations of the Group of Aqua Corporation Public Company Limited as follow:

#### 1. Investments in Subsidiaries and Associates

Company	Shareholding (%)	Business	Status of Investment
1. Aqua Ad Public Company Limited (AA)	100.00*	Media Billboard	Subsidiary
2. Mantra Asset (MANTRA)	100.00	Investment property	Subsidiary
3. Thai Consumer Distribution Centre Co., Ltd (TCDC)	96.13	Warehouse rental and service	Subsidiary
4. Accomplish Way Holdings Co., Ltd (AWH)	100.00	Warehouse rental and service	Subsidiary
5. Eastern Printing Public Company Limited (EPCO)	38.40	Public printing and renewable energy	Subsidiary

Remarks \*Aqua increased shareholding from 74% to 100% on March 24, 2016

### Aqua Ad Public Company Limited (“AA”)

Aqua Ad operates the business of media focusing on media advertising (Billboard). As of December 31, 2016 a total of 269 billboards to advertise are situated in Bangkok and metropolitan area 73.23%, 26.77% of the region.

In 2016, the political situation began to relax. Enabling more traffic routes makes products and brands. Getting back to more advertising and marketing communications. In particular, banner advertising grew by 35.20% in 2016, second only to Internet media, which grew 63.61% from 2015. However, the growth of ad media in 2016 may not be 100% growth due to the demise of the media. His Majesty King Bhumibol Adulyadej (Rama 9), some customers refrain from using their statements to advertise their products, so that they share their misery with the King.

For the year 2016, AA's revenue declined by Baht 6.37 million or 2.03% Industry overview The advertising media grew by 35.20% or Bt1,475mn. The growth of this media was mainly driven by the growth of the LED media. The investment in the Boardwalk Media Company Limited (BW) in February 2560, which BW LED signs already, will enable the group to enter the LED signage competition fully. Significant And the response of the customers who want to use more LED media.

	Y 2014 (MB.)	Y 2015 (MB.)	Change	Y 2016 (MB.)	Change
Income	308.92	313.33	1.43%	306.96	-2.03%
Net profit	38.44	49.40	28.51%	43.87	-11.19%
Occupancy Rate (%)	60.41	54.62	-9.59%	59.55	9.03%

**Thai Consumer Distribution Centre Co., Ltd (“TCDC”) and Accomplish Way Holdings Co., Ltd (AWH)**

Both companies operate the business of warehouses rental, which currently have a total rentable area of approximately 122,645 sqm. The 108,800 sqm. area is being leased to the Unilever Group under long-term leases of 10 years and the 13,845 sqm. space is being rented by two major customers, namely Agility (\*) and Ceva (\*\*). The term of the contracts with these customers have agreed to be renewed every 3 years.

**Remark**

**Agility(\*)** : Agility Company Limited belongs to Agility group which is the largest logistic company in middle east of Asia. Agility group is registered in the stock exchange of Kuwait and Dubai. This group covers logistic operation for more than 100 countries worldwide with more than 20,000 employees, 65,000 customers and USD 48,500 million revenue.

**Ceva(\*\*)** : CEVA Logistics (Thailand) Ltd. belongs to CEVA group which is one of the world’s leading logistic company with transportation route covering 170 countries and 42,000 employees. In Thailand there is 3,000 employees and 38 warehouses located across the country covering total area of 700,000 squared meter.

The main income streams in the income statement of TCDC and AWH consists of

1. Revenue from warehouse lease and service to customers.
2. Gain from change in the fair value. The Company applied the fair value basis for the warehouses by assessing the current value by using the discounted cash flow method (DCF) and record the difference as gains from change in fair value. The gain from change in fair value of the two companies will take place on the following events.
  - 2.1 When the warehouse construction is completed. The company then will shift from cost to fair value.
  - 2.2 The annual valuation of the warehouse; to find the difference in the fair value compared to the previous year.

หน่วย : ล้านบาท	Y2014 (6 Months) (1 Jul. 2013-31 Dec. 2014)	Y2015 (12 Months) (1Jan – 31 Dec 15)	Y2015 (12 Months) (1Jan – 31 Dec 16)
Income	87.70	248.60	286.01
Profit from change in fair value *	243.40	46.95	(3.67)
Net profit	228.94	155.76	156.95
Net profit <u>excluding</u> profit from changes in fair value. (Net of tax expense)	34.22	118.20	159.89
Calculated relative to the same period (Y2014 multiplied by two)**	68.44	118.20	159.89

Note \* In 2014 (6 months), the value of completed stock in the year is estimated from fair value to fair value in accordance with the same accounting standards as the original stock and in 2015 the fair value of the yearly inventory is measured.

\*\* In 2015, net profit after tax will be subtracted from fair value changes (net of tax expense) and equal period (12 months). 2015 profit will increase 72.71% from 2014 and 2015 increase 35.27% from 2015

### **Eastern Printing Public Company Limited (“EPCO”)**

EPCO operates its core business as a publishing company. And operates a full-service printing business. Production planning until binding into finished publications. In late 2011, EPCO expanded its investment in renewable energy from the construction of a solar power plant under the name of Eastern Power Group Plc. "(EP) and EPCO plans to introduce EP To be listed on the Stock Exchange of Thailand.

1. Co-Generation Combined Power Plant with a capacity of 360 megawatts
2. Solar Power Plant Project: Solar Farm type with the total capacity of 15 MW :-
3. Solar Power Plant Project: Solar Roof Top with the total capacity of 1.5 MW :-
4. Solar Power Plant Project in Japan

EPCO's sales revenue is 40% of total revenue. And in the future, it is expected that the proportion of revenue from energy will increase as a result of additional investments in various projects during 2016.

Income	Y 2014	Y 2015	Y 2016
From energy sales (%)	37.43	41.09	40.11
From Public printing (%)	62.57	58.91	59.89

As of the end of 2016, Aqua holds 294 million shares in EPCO, representing 38.40%, equivalent to  $294 \times 6.70 = 1,969.80$  million Baht with the cost of Baht 613 million.

### **Summary of proportion of revenue and profits from the business**

The three Subsidiaries and Associates have full amount of revenue and allocations of revenue are calculated from the proportion of the shareholding of Aqua as follows.

Unit: Million baht	Y 2017		Y 2015		Y 2016	
Income	Full amount	Allocations	Full amount	Income	Full amount	Allocations
Aqua Ad – Billboard	308.92	228.60	313.33	231.86	306.96	306.93
TCDC – Warehouse	96.11	66.33	248.60	238.98	286.01	274.94
EPCO – Electricity	326.74	125.47	353.13	135.60	343.04	131.73
EPCO – Publication	545.42	209.44	506.22	194.39	512.17	196.67
<b>Total income</b>	<b>1,277.19</b>	<b>629.84</b>	<b>1,421.28</b>	<b>800.83</b>	<b>1,448.18</b>	<b>910.27</b>

Based on the table above, the allocation of the year 2016 total revenue allocations from the four businesses increased by 13.67% from the year 2015 which was mainly due to

- 1) On March 24, 2016, Aqua increased its stake in Aquaquan from 74% to 100%
- 2) On November 19, 2015, TCDC invested in AWH, a warehousing, leasing and service company, with a 100% shareholding and a full-year revenue recognition from its warehousing business.

The full amount and allocation of the net profit is calculated from proportion of shareholding of Aqua as follows.

Unit: Million baht	Y 2014		Y 2015		Y 2016	
Net profit	Full amount	Allocations	Full amount	Allocations	Full amount	Allocations
Aqua Ad – Billboard	38.28	28.33	49.40	36.56	43.45	43.45
TCDC – Warehouse *	232.52	160.44	155.76	149.73	156.44	150.39
EPCO	220.29	84.59	247.18	94.92	118.74	45.60
<b>รวมกำไรสุทธิ</b>	<b>491.09</b>	<b>273.36</b>	<b>452.34</b>	<b>281.21</b>	<b>318.63</b>	<b>239.44</b>

Profit allocated from four businesses increased by 14.85% from the year 2015. Can be separated as follows:

- The decrease in EPCO's earnings was due to the cost of issuance of debentures, both in terms of issuance fees and interest expenses. In addition, there was a change in exchange rate resulting from the conversion of financial statements from yen to baht, resulting in a loss on foreign exchange of Baht 28 million. Please refer to EPCO's explanation.)
- The increase in investment in AA by increasing the shareholding from 74% to 100%, resulting in an increase in profit recognition in proportion to shareholding.

### **Financial Highlight of Aqua**

#### **Summary of statements of financial position**

Unit: Million baht	Y 2014	Y 2015	Change	Y 2016	Change
Cash and cash equivalents	189	1,341	609.52%	809	-39.67%
Trade accounts and other receivable - net	126	112	-11.11%	100	-10.71%
Deposit for acquisition	-	-	-	40	100.00%
Investments in associates	652	651	-0.15%	675	3.69%
Investment in property	2,664	3,113	16.85%	3,319	6.62%
Property, plant and equipment - net	360	315	-12.50%	341	8.25%
<b>Total Assets</b>	<b>4,069</b>	<b>5,621</b>	<b>38.14%</b>	<b>5,432</b>	<b>-3.36%</b>
Bill of exchange discount	-	-	-	100	100.00%
Trade accounts and other payable	150	93	38.00%	84	-9.68%
Loans from financial institution	95	1,833	1,829.47%	1,616	-11.84%
<b>Total Liabilities</b>	<b>599</b>	<b>2,234</b>	<b>272.95%</b>	<b>2,163</b>	<b>-3.18%</b>
Paid - up capital	2,297	2,297	-	2,297	-
Treasury stock	-	-	-	(66)	100.00%
Revaluation surplus	313	313	-	313	-
Retained earnings	472	611	29.45%	680	11.29%
Non – controlling interests	389	166	-57.33%	45	-72.89%
<b>Shareholders' Equity</b>	<b>3,470</b>	<b>3,387</b>	<b>-2.39%</b>	<b>3,269</b>	<b>-3.48%</b>



In the year 2016 of the Consolidated Aqua cash declined by 39.67 from 2015, mainly due to the payment of investment to acquire Aqua Adventure 160 million baht to provide financial assistance to Mantra to pay for construction. in Chiang Mai, the project includes the construction of 174 million baht Mantra paid a total of 202 million baht dividend as resolved by the Annual shareholders' meeting 2559 of 138 million baht and paid. Deposit funds for the acquisition of 40 million baht this year-end 2016, the Company issued and sold bills of sale of 100 million baht paid 97.96 million baht.

**Summary of consolidated income statement**

Unit: Million baht	Y 2014	Y 2015	Change	Y 2016	Change
Revenue from services	405	562	38.77%	593	5.52%
Profit from changes in fair value	243	47	-80.66%	-	-100.00%
Interest income	25	23	-8.00%	20	-13.04%
<b>Total revenue</b>	<b>687</b>	<b>654</b>	<b>-4.80%</b>	<b>638</b>	<b>-2.45%</b>
Service cost	181	204	12.71%	191	-6.37%
Cost of sales	16	14	-12.50%	13	-7.14%
Administrative expenses	91	107	17.58%	103	-3.74%
Loss on change in fair value	-	-	-	4	100.00%
<b>Total cost</b>	<b>288</b>	<b>325</b>	<b>12.85%</b>	<b>311</b>	<b>-4.31%</b>
Share of profit from investments in associates	85	95	11.76%	46	-51.58%
Financial expenses	43	64	48.84%	81	26.56%
Income (Expense) Income Tax	(78)	(55)	-29.49%	(48)	-12.73%
<b>Net profit</b>	<b>363</b>	<b>305</b>	<b>-15.98%</b>	<b>242</b>	<b>-20.66%</b>
Attributable to non-controlling interests	79	20	-74.68%	6	-70.00%
<b>Net income for Aqua</b>	<b>284</b>	<b>285</b>	<b>0.35%</b>	<b>236</b>	<b>-17.19%</b>

In 2016, the Group's net profit decreased 17.19%, mainly due to the decrease in EPCO's profit as described above.

**Performance**
**■ Revenue**

Year 2016 main revenues of the Company and its subsidiary can be divided into 3 groups: (1) Revenues from rental space for installation of advertisement boards, providing space, contract manufacturing and advertising installation (2) Revenues from warehouse for rent and service (3 ) Revenues from share of profit on investment in associated company. Details are as follows:

Type of revenues	2014		2015		2016	
	MB.	%	MB.	%	MB.	%
<b>1. Revenue from advertising billboards:: AA</b>						
- Spaces rental for advertising	255.32	33.07	258.56	34.52	250.06	36.59
- Production fee	53.60	6.94	54.77	7.31	56.90	8.33
<i>Total</i>	<b>308.92</b>	<b>40.02</b>	<b>313.33</b>	<b>41.83</b>	<b>306.96</b>	<b>44.92</b>
<b>2. Revenues from warehouse for rent and service: TCDC</b>						
- Revenues from service and warehouse for rent	96.11	12.45	248.60	33.19	286.01	41.85
- Gain on revaluation of investment properties	243.40	31.53	46.95	6.27	-	-
<i>Total</i>	<b>339.51</b>	<b>43.98</b>	<b>295.55</b>	<b>39.46</b>	<b>286.01</b>	<b>41.85</b>
<b>3. Share of profit in associate company : EPCO</b>	85.14	11.03	94.91	12.67	45.60	6.67
<i>Total</i>	<b>85.14</b>	<b>11.03</b>	<b>94.91</b>	<b>12.67</b>	<b>45.60</b>	<b>6.67</b>
<b>4. Other income:</b>						
- Reversal of debt loss	3.00	0.39	3.29	0.44	3.15	0.46
- Hire – purchase interest income	0.73	0.09	0.17	0.02	0.41	0.06
- Interest incomes	25.19	3.26	23.25	3.10	20.36	2.98
- Other	9.46	1.23	18.58	2.48	20.93	3.06
<i>Total</i>	<b>38.38</b>	<b>4.97</b>	<b>45.29</b>	<b>6.04</b>	<b>44.85</b>	<b>6.56</b>
<i>Total revenue</i>	<b>771.95</b>	<b>100.00</b>	<b>749.08</b>	<b>100.00</b>	<b>683.42</b>	<b>100.00</b>

In 2016, the Company reported total revenue of 683.42 million baht, down 65.66 million baht or 8.77% from year 2015 including

- Media advertising revenue was Baht 306.96 million, a decrease of Baht 6.37 million or 2.03% from the year 2015.
- Revenue from warehousing, rental and service businesses was Baht 286.01 million, a decrease of Baht 9.54 million or a decrease of Baht 3.68 million from the change in the fair value of inventories in the year 2016. The Company recorded loss on change in fair value of Baht 3.68 million. Baht, while the year 2015 is recorded as a gain from the change in fair value of Baht 46.95 million and acquisition of Ac Complication Holdings Limited (A WH) and full revenue recognition in 2016, resulting in an increase in core income of Baht 37.41 million.
- Share of income from associates was Baht 45.60 million, a decrease of Baht 49.31 million or 51.95% from 2015. The cause of decrease from EPCO was the cost of issuing debentures such as issuance fee and interest payment. In addition, there was a change in exchange rate resulting from the conversion of financial statements from yen to baht, resulting in a loss on foreign exchange of Baht 28 million. Based on EPCO.
- Interest income was Baht 20.36 million, a decrease of Baht 2.89 million or a decrease of 12.43 percent from the previous year due to an increase in deposit interest rate (interest rate) compared to the year 2015 and the Company's cash balance decreased from the previous year. Invest and pay dividends.

- Other income apart from the above items of 24.49 million baht, an increase of 2.45 million baht or 11.12% from the year 2015.

In Form 56-1, Part 1, Clause 2.2, the Company disclosed the overall picture of the advertising industry in 2016, a decrease of 11.69% from 2015. The summary of media usage for the year 2015-2015 and media related to the company. as the following

Type of Media	2016 (MB)	%	2015 (MB)	%	Change (MB)	% Growth
Advertising billboard	5,665	5.25	4,190	3.43	1,475	35.20

The table above shows that the revenues of advertising billboard in 2016 of the Company and its group decreased by Baht 6.37 Million or decreased by 2.03% from 2015, The increased is less than the overall industry media advertising increased by 35.20% as a result of the expansion of the media, LED billboards, due to the flexibility of the service over the media label type Label Maker, and in 2560 was the reason the company needs to adapt by investing. in Broadway Media Ltd., which operates leasing billboard space outside (out of home Media) in the form of banners and billboards billboard LED power accounted for 90 percent of the registered capital.

#### ■ Services cost

In 2016, the cost of services of 191 million baht, an increase of 13 million baht or an increase of 6.37% from the year 2015, accounting for 32.20% of its revenues from services. And in 2015 accounted for 36.34% of its revenues from services which decreased due to warehouse rental and services were at a very low cost. Therefore, the calculation has resulted in an overall decline. In the year 2016, the gross margin of media advertising decreased due to the revenue decreased 2.03% and services costs are largely fixed costs, including depreciation, rent, premium ,etc.

#### ■ Sales and administration cost

In 2016, the Company had cost of sales and administration of 116 million baht, an decrease of 5 billion baht or an decrease of 4.13% from 2016 was mainly driven by a decrease in administrative expenses of Baht 3.30 million and a decrease in selling expenses as a result of lower revenue.

#### ■ Finance costs

In 2016, the Company had financial costs of 81 million baht, an increase of 17 million baht or an increase of 26.56% from the year 2015, mainly due to the investment in AWH since November 2015. Which AWH had a loan for construction of warehouses, the second warehouse, The interest is paid in full for the year 2016 and the Company has issued and sold bill of exchange to reduce the amount of Baht 100 million.

■ **Tax Expense**

<b>Unit : Million Baht</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Tax	11.88	22.34	29.45
Income (Expense) Income Tax Accounting Standard No. 12.	66.07	33.17	19.09
Total	77.95	55.51	48.54

Year of 2016 has cost tax amounted to 48.54 million baht, decrease from the same period of last year. The tax expenses of Baht 55.51 million, decrease of 6.97 million baht has caused :-

- Income tax expense increased by 7.11 million baht cause of TCDC and AWH taxable profit.
- Income tax expense in accordance with Accounting Standard No. 12, decrease 14.080 million baht mainly due to changes in fair value of investment properties decrease from 2015.

■ **Net profit**

In 2016, the Company reported net profit of 242 million baht for the period mainly due to recognition of TCDC 's earnings of Baht 157 million, AA of Baht 44 million, and recognition of share of profit from associates of Baht 46 million, of which Baht 236 million was from the parent company, and was a non-controlling interest of Baht 6 million. baht

**Financial status**
**1. Assets**

At the end of 2016, the Company had total assets of 5,432 million baht decrease of 189 million baht or 3.36% from 2515 consisting of current assets of 952 million baht decrease by 34.84 mainly due to the decrease in cash and cash equivalents of 532 million baht and non-current assets 4,480 million baht, an increase of 7.69, which is mainly due to the increase of investment property. 206 million baht assets billboard ads, which are listed in property, plant and equipment, net increase of 26 million baht and assets. None tangible increase of 74 million baht.

The above overview changes in the company's assets as follows.

**1.1 Cash and cash equivalents**

At the end of 2016, the Company had cash and cash equivalents of 809 million baht, an decrease of 532 million baht due to paid for investment in Aqua Ad of Baht 160 million, provided financial assistance to Mantra to pay for the construction of the project in Chiang Mai at Baht 174 million, including the construction of a paid-up capital of Baht 202 million. by resolution of the Annual shareholders' meeting 2559 of 138 million baht and paid a deposit for the acquisition of 40 million baht this year and in 2559, the Company issued. Water supply bills of sale of 100 million baht paid 98 million baht.

**1.2 Trade accounts and other receivables - net**

At the end of 2016, the Company had trade accounts and other receivables-net of 100 million baht, decrease of 12 million baht from the year 2015 which consisted of:

Unit : Thousand baht	Consolidated	
	Dec 31, 2016	Dec 31, 2015
Trade accounts		
Other companies	55,605	52,779
<u>Less allowance for doubtful accounts</u>	<u>(610)</u>	<u>(1,135)</u>
Trade receivables-net	54,995	51,644
<u>Other receivables</u>		
Prepaid rental fee	30,519	33,589
Prepaid expenses	6,489	5,191
Advances paid	5,320	8,195
Deposit	226	112
Accrued interest	1,794	1,907
Trade accounts	2,709	11,301
Other companies	47,057	60,295

Unit : Thousand baht	Consolidated	
	Dec 31, 2016	Dec 31, 2015
<u>Less</u> allowance for doubtful accounts	(1,721)	-
Total other receivables - net	45,336	60,295
Total trade and other receivables - net	100,331	111,939

**The quality of the Company's accounts receivable**

	Consolidated			
	Dec 31, 2016		Dec 31, 2015	
	<u>Thousand baht</u>	<u>%</u>	<u>Thousand baht</u>	<u>%</u>
Trade receivables that are not payment due	52,186	93.85	49,812	94.38
Overdue trade accounts as follows:				
Overdue 1 month to 3 months	2,809	5.05	1,524	2.89
Overdue 4 months to 6 months	-	-	308	0.58
Overdue 7 months to 12 months	-	-	455	0.86
Overdue more than 12 months	610	1.10	680	1.29
Total	55,605	100.00	52,779	100.00
<u>Less</u> allowance for doubtful accounts	(610)	(1.10)	(1,135)	(2.15)
Net	54,995	98.90	51,644	97.85

As of December 31, 2016, the Company had traded receivables which increased by 2.83 million baht or 5.36% from the year 2015. All are debtors from the billboard business. Warehousing, renting, and service businesses are collected within the month of service, so there are no debtors in this section.

From the table it is seen that trade receivables that are not yet due for payment have decreased from 94.38% to 93.85%. 1-3 months of unpaid receivables has increased 1.29 million baht and receivables unpaid for 4 months up, decreased 0.83 million baht. Allowance for doubtful accounts increased from 2.15% to 1.10%

The policy allowances for doubtful accounts are as follows.

- Trade receivables that the payment is not due Allowances for doubtful -
- Overdue 1 month to 6 months Allowances for doubtful -
- Overdue 7 months to 12 months Allowances for doubtful 50% of each receivables
- Overdue more than 12 months Allowances for doubtful 100% of each receivables

### 1.3 Inventories-net

At the end of 2016, the Company's inventories-net was 1.36 million baht, an increase of 0.16 million baht from the year 2015. All of the Company's inventories was in demolition of old building materials that had to be taken away and recycled materials in the construction of a new billboards.

### 1.4 Hire purchase receivables / financial lease and loans

At the end of 2016, the Company had hired purchase receivables / financial lease and loan with no balance of net remaining. Since the Company stopped leasing since 2007 and the remaining receivables have less movement. Including the need to expedite the process through litigation and enforcement procedures by all leasing receivables of the Company have provision for doubtful accounts by the full amount.

#### The quality of the Company's accounts receivable

Hire-purchase/financial lease contract receivables (Net of unearned interest lease income) and loans and allowances for doubtful classified by age as follows:

Unit : Thousand baht						
Consolidated						
	Value receivables		% allowances for doubtful	Allowances for doubtful		Net
	2016	2015		2016	2015	2016 2015
Not overdue	-	-	1	-	-	- -
Overdue						
1 month to 2 months	-	-	2	-	-	- -
3 months to 6 months	-	-	25	-	-	- -
7 months to 12 months	-	-	50	-	-	- -
more than 12 months	3,429	4,359	100	(3,429)	(4,359)	- -
Total	3,429	4,359		(3,429)	(4,359)	- -

The company has write-off receivables for hire purchase / lease finance almost the entire amount. This write-off is based on the laws involved. If the debtor wishes to pay to the Company will be paid and recorded as revenue, bad debt recovery.

### 1.5 Other current assets

At the end of 2016, the Company had total other current assets of 0.81 million baht, a decrease of 0.49 million baht from the year 2015.

**1.6 Deposits with financial institutions with provided guarantees**

At the end of 2019, the Company had deposits with financial institutions of 13 million baht, which had guaranteed an decrease of 14 million baht due to in 2016, AA has repaid long-term loans from financial institutions. and to redeem savings deposits placed as collateral of Baht 14 million

**1.7 Investment in associated company**

At the end of 2016, the Company had investments in associated companies amounted to 675 million baht, increase of 24 million baht from the year 2015, due to the recognition of share of profit from investments in associates by equity method of Baht 11 million and other share of profit. (Translation differences in foreign financial statements) of Baht 13 million

**1.8 Other long-term investments**

At the end of 2016, the Company had investments in other companies of 40 million baht as of the year 2015, including investment in Aura Dream of 30 million baht and investments in subordinated debentures of subsidiaries of 1 million baht.

**1.9 Property, plant and equipment-net**

At the end of 2016, the Company had investment properties of Baht 3,319 million, an increase of Baht 206 million from the year 2015, as MANTRA had acquired land for construction in 2016. And it was taken out to The Cabin Chiang Mai Co., Ltd. to rent the whole project when the construction project was completed. The increase consists of the total cost of construction was Baht 197 million, and from the renovation of TCDC's second warehouse of Baht 10 million.

**1.10 Property, plant and equipment-net**

At the end of 2016, the Company's property, plant and equipment-net of 341 million baht, an increase of 26 million baht from the year 2015 due to an increase of Baht 47 million in advertising billboard and the depreciation of existing assets of Baht 60 million.

**1.11 Intangible assets**

At the end of 2016, the Company had intangible assets Increased by Baht 74 million from 2015 because in 2016, the indirect subsidiary paid 9 million baht for transmission line and 65 million baht for power purchase agreement for solar power plant project in japan.

**1.12 Other non-current assets**

At the end of 2016, the Company had other non-current assets of 27 million baht, an increase of 4 million baht from the year 2015.



**1.13 Other non-current assets**

At the end of 2016, the Company had other non-current assets of 27 million baht, an increase of 4 million baht from the year 2015.

**2. Liability**

At the end of 2016, the Company had total liabilities of 2,163 million baht, a decrease of 71 million baht or 3.18% from the end of 2015, composed of current liabilities of Baht 374 million, an increase of Baht 81 million or 27.65%, mainly due to the issuance and sale of bills of exchange worth Baht 100 million and non-current liabilities of Baht 1,789 million, a decrease of Baht 151 million or 7.78%. The decrease was mainly due to a decrease in long-term loans from financial institutions of Baht 197 million from the repayment of principal at maturity. And an increase in deferred income tax liabilities of Baht 19 million

The above overview changes in the liabilities of the Company are as follows.

**2.1 Bill of exchange discount**

At the end of 2016, the Company had increased bills of exchange discount by Baht 100 per share due to the issuance and sale of bill of exchange in 2016.

**2.2 Trade accounts payable and other payables**

At the end of 2016, the Company had trade accounts payable and other payables of 84 million baht, a decrease of 9 million baht from the year 2015 since the Company paid the remaining balance payable at year end 2015 in the year 2016.

**2.3 Finance lease liabilities and hire-purchase**

At the end of 2016, the Company had liabilities under finance leases and hire purchase of 6 million baht an increase of 4 million baht from car leasing to increase in 2016.

**2.4 Long-term loans**

At the end of 2016, the subsidiaries have long-term loans from financial institutions of 1,616 million baht, a decrease of 216 million baht from the year 2015, due to at the year 2016, Aqua Ad Public Company Limited (AA) has repaid long-term loans from financial institutions totaling Baht 56 million and repayment of TCDC and AWH.

**2.5 Income tax payable**

At the end of 2016, the Company's income tax payable of 9 million baht, an increase of 6 million baht from the year 2015, due to the subsidiaries have higher taxable profits.

**2.6 Other current liabilities**

At the end of 2016, the Company's other current liabilities amounted to 3 million baht, an increase of 0.53 million baht from the year 2015.

**2.7 Employee benefit obligations**

At the end of 2016, the Company's employee benefit obligations was 8 million baht, an increase of 2 million baht from the year 2015.

**2.8 Deferred tax liability**

At the end of 2016, the Company has shown the deferred tax liability of amount of 2407 million baht, an increase of 19 million baht from the year 2015. Mainly from the fair value of the warehousing business. According to the Accounting Standard No. 12 in the AWH

**2.9 Other non-current liabilities**

At the end of 2016, the Company had other non-current liabilities of 96 million baht, an increase of 22 million baht from from the year 2015, mainly from in the year 2016 MANTRA has entered into an agreement to lease land and buildings with The Cabin Chiang Mai Co., Ltd., and The Cabin has secured the lease agreement with MANTRA.

**3. Shareholders' equity**

At the end of 2016, the Company's shareholders' equity was 3,269 million baht, a decrease of 118 million baht, or decrease of 3.49% from the end of 2015 by the Company of 3,224 million baht and non-controlling interest of 45 million baht.

From the above overview, the shareholders's equity of the Company includes as follows.

**3.1 Registered capital and Ppaid up capital**

At the end of 2016, The company reduced the registered capital reduction from 2,500 million baht to 2,297 million baht to be equal to the paid-up capital of the company.

**3.2 Treasury Stocks**

At the end of 2016, The Company had a Treasury Stocks for financial management amounted of Baht 66 million.

**3.3 Share premium**

At the end of 2016, the Company had share premium of 313 million baht from the issuance of new ordinary shares offered at a price higher than the par value.

**3.4 Profit (loss) accumulated**

At the end of 2016, the Company had retained earnings of 616 million baht, 21.15 million baht separate legal reserves, reserve for Treasury Stocks equal to the amount of shares repurchased at Baht 66 million. and unappropriate retained earnings of 521 million baht.

### 3.5 Other configuration of equity

At the end of 2016, the Company's other configuration of equity of 64 million baht decreased from 29 million baht from the end of 2015. As items arising from the acquisition of Aqua Ad Public Company Limited (AA). To increase the shareholding from 74% to 100% on March 24, 2016, which requires the Company to recognize the value of the shareholding ratio of 39 million baht, difference from translation of financial statements in foreign agencies of Baht 2 million and the share of other comprehensive income in associated companies amounted to 12 million baht made to improve this ratio.

### 3.6 Non-controlling equity interest

At the end of 2016, the Company had non-controlling equity interest of 45 million baht a decrease of 121 million baht from the year 2015 since the Company acquired additional shares of AA of 26% from 74 to 100% of the paid-up capital.

## 4. Liquidity

### 4.1 STATEMENTS OF CASH FLOWS

STATEMENTS OF CASH FLOWS	Consolidated		
	2557	2558	2559
Cash flows from operating activities	(137.91)	252.72	241.28
Cash flows from investing activities	(254.47)	(636.27)	(594.97)
Cash flows from financing activities	124.83	1,534.90	(325.03)
<b>Net cash and cash equivalent increase (decrease)</b>	<b>(267.55)</b>	<b>1,151.35</b>	<b>(678.73)</b>

In 2016, the Company had a net cash flow decrease by the 678.73 million baht, an increase of cash flow from operating activities of 241.28 million baht and a decrease in cash flow from investing activities of 594.97 million baht since the Company has increased its shareholding in AA from 74% to 100 % with the amount of 160 million baht and investment in real estate for rent and serve of MANTRA, which is under construction, amounting to Baht 197.21 million.

However, the company had cash flow from financing activities increase to 325.03 million baht. The cause of Repayment of long-term loans from financial institutions of AA amounting to Baht 55.85 million and repayment of loan principal of TCDC and AWH of Baht 160.28 million, dividend payment in accordance with the Annual General Meeting of Shareholders for the year 2016 of Baht 138.96 million and Treasury shares for financial management amount 66.38 million

### 4.3 Financial Ratios

#### The summary table of Financial Ratios

Important financial Ratios	2014	2015	2016
<b><u>Liquidity Ratio</u></b>			
Liquidity Ratio (times)	1.64	4.98	2.55
Quick Ratio (times)	1.62	4.95	2.43
Receivables Collections (times)	7.47	10.92	10.94
Period Collection (day)	48.89	33.43	33.36
Inventory Turnover (times)	N/A	N/A	N/A
Average Days to sell Inventory (day)	N/A	N/A	N/A
Account Payable Period (times)	6.63	6.76	4.64
Repayment period (day)	55.05	54.00	78.64
<b><u>Profitability Ratio</u></b>			
Gross margin from services (%)	55.28	63.66	67.80
Net profit margin (%)	47.02	40.68	35.50
<b><u>Efficiency Ratio</u></b>			
Return on Asset (%)	17.25	8.75	6.74
Return on Common Equity (%)	15.11	8.89	7.29
<b><u>Financial Ratio</u></b>			
Debt per Equity Ratio (times)	0.17	0.66	0.66
Dividend payout ratio (%)	2.19	2.42	3.60
Interest Coverage ratio (times)	7.14	7.25	5.65
Coverage Commitments ratio (times)	(0.07)	0.27	0.23

#### **The liquidity ratio**

- The liquidity ratio, the results could point to short-term financial position of the Company and its subsidiaries. In 2016, the Company's liquidity was 2.55 times, down from the year 2015 with a liquidity of 4.98 times which showed that the Company and its subsidiaries' ability to repay short-term debt at a level lower than last year the year before, due to the company raised cash to increase its stake in AA from 74% to 100%, dividend payment in accordance with the Annual General Meeting of Shareholders for the year 2016 and the payment of deposit for inspection of the Company's business.
- Quick the liquidity ratio in 2016 is equal to a 2.43 times decrease from the year 2015 which is equal to 4.95 times. The ratio shows that the company has assets that can be converted into cash easily, down from previous years.
- Accounts receivable turnover ratio of 10.94 times, up from the year 2015 with a turnover ratio of 10.92 as trade receivables, shows the ability in managing receivables. The Company has the ability to collect receivables faster compared to the year 2015 and the year 2014.
- The average collection period was 33.36 days, down from the year 2015 with an average collection period of 33.43 days and 48.89 days of the year 2014. The results showed that the collection period is shortened from previous years due to the strict monitoring of collection of customers and there is a penalty system by paying a sales commission from the collection delay

as well as warehouse business stores within a month of service.

- Inventory turnover ratio can not be calculated. Since inventories consist of Construction materials This will be used when creating a label frame. Or repair the structure of the frame not for sale.
- The average sale period could not be calculated for the same reason of the inventory turnover ratio
- Trade accounts payable turnover ratio was 6.64 times, down from the year 2015 with a turnover ratio of accounts payable of 6.76 times. And the year 2014 was 6.63 times which showed that payments to merchants have a lower turnover rate than those of previous years. Since the company has been receiving longer payment terms from creditors from previous years.
- Average payment duration was 78.64 days, increase from the year 2015 with a repayment period average of 54 days and the year 2014 was 55.05 days, showing that show that the company has been receiving longer payment terms from creditors.

**The ratio shows the ability to profit.**

- Return on assets is equal to 6.74%, down from the year 2015 with a rate of return on assets equal to 8.75%. This is due to the decrease in net profit for 2016, as a result of this, and in 2015-2016, there will be an increase in investment in assets by acquiring AWH and investing in real estate for rent.
- Return on equity was 7.29%, down from 2015 with a return on equity of 8.89%. The result of the decrease in net profit for the year 2016.

**Financial policy analysis ratio**

- The debt to equity ratio in 2016 is 0.66 times, equal to 2015 with a debt to equity ratio of 0.66 times and 2015, 2016 higher than the year 2014 with a debt to equity ratio of 0.17, As a result of the TCDC loan, which started using loans from financial institutions and AWH, the group invested in late 2015 with the loan already.
- The interest coverage ratio is 5.65 times, which is lower than the year 2015 with the interest coverage ratio of 7.25 times. However, the company has sufficient ability to repay the debt.

## **INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF  
AQUA CORPORATION PUBLIC COMPANY LIMITED

### **Opinion**

I have audited the accompanying consolidated financial statements of Aqua Corporation Public Company Limited and its subsidiaries and the separate financial statements of Aqua Corporation Public Company Limited, 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, changes in shareholders' equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Aqua Corporation Public Company Limited and its subsidiaries and of Aqua Corporation Public Company Limited as at December 31, 2016, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate 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 my audit of the consolidated and separate financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matter**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements. My opinion on the consolidated and separate financial statements is not modified with respect to any of the key audit matters described below and I do not express an opinion on these individual matters.

INDEPENDENT AUDITOR'S REPORT (Con't) -2-**Key Audit Matter (Con't)**

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying consolidated and separate financial statements as a whole.

Key audit matter and how audit procedures respond for matter is described below.

*Measurement of investment properties in the consolidated financial statements*

The consolidated financial statements of the Company include investment property of the subsidiaries which were recorded at fair value using the income approach model: discounted cash flow projections determined by independent appraiser. Changes in fair value of investment properties were recognized in profit or loss.

As at December 31, 2016, it subsidiaries' management had measured the fair value of their investment properties determined by independent appraiser to be Baht 3,107.28 million, accounting for 57% of total assets and recognized unrealized loss from investment properties amounting to Baht 3.67 million in the consolidated financial statements as disclosed in the note 15 to the financial statements. The measurement of fair value was based on the assumptions and judgment of both the management and an independent appraiser. I identified the measurement of investment properties to be an area significantly impacting the financial statements.

My significant audit procedures are the following:

I assessed the knowledge, competency and integrity of the independent appraiser, read the appraisal report prepared by the independent appraiser and considered the reasonableness of the approach and assumptions used in the fair value measurement through inquiry with the independent appraiser and the management and performed an analytical review of relevant information. In addition, I tested the calculation of fair value and considered the completeness and accuracy of the disclosures made in the notes to financial statements.

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INDEPENDENT AUDITOR'S REPORT (Con't) -3-

**Other Information**

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

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

In connection with my audit of the consolidated and separate 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 consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

**Responsibilities of Management and Those Charged with Governance for the consolidated and separate financial statements**

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

In preparing the consolidated and separate 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.



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INDEPENDENT AUDITOR'S REPORT (Con't) -4-

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**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT (Con't) -5-

**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements (Con't)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We 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 am also required to provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Chaovana Viwatpanachati.



( Chaovana Viwatpanachati )

Certified Public Accountant (Thailand) No. 4712

OFFICE OF PITISEVI CO., LTD.

8/4, Floor 1<sup>st</sup>, 3<sup>rd</sup>, Soi Viphavadee Rangsit 44,  
Chatuchak, Bangkok

February 28, 2017

**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2016**

		Unit : Baht			
		Consolidated		Separate	
Note		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	659,492,453.92	1,340,640,778.09	477,830,000.65	1,104,072,924.41
Temporary investments	7	150,001,066.50	1,175.54	150,001,066.50	1,175.54
Trade accounts and other receivable - net	5.2, 8	100,331,215.37	111,939,382.81	5,609,089.25	1,878,251.41
Deposit for acquisition of company	9	40,000,000.00	-	30,000,000.00	-
Inventories - net		1,358,773.30	1,194,112.30	-	-
Current portion of hire - purchase/financial lease					
contract receivables and loans	10	-	-	-	-
Short - term loans to					
subsidiary	5.2	-	-	264,950,000.00	-
related company	5.2	-	6,000,000.00	-	6,000,000.00
Other current assets		810,696.74	1,305,786.90	568,625.44	875,669.95
Total current assets		951,994,205.83	1,461,081,235.64	928,958,781.84	1,112,828,021.31
<b>NON - CURRENT ASSETS</b>					
Deposits at financial institutions pledged as collaterals	11	13,360,112.52	27,470,126.36	97,400.00	97,400.00
Hire - purchase/financial lease contract					
receivables and loans - net	10	-	-	-	-
Investments in subsidiaries	12	-	-	1,278,838,151.20	1,123,278,179.20
Investment in associated company	12	674,648,757.14	651,386,595.26	612,762,537.01	612,762,537.01
Other long - term investments	13	30,900,000.00	30,900,000.00	29,900,000.00	29,900,000.00
Advanced payment for share subscription - net	14	-	-	-	-
Investment property	15	3,319,179,949.91	3,112,922,149.07	-	-
Property, plant and equipment - net	16	340,805,719.16	314,823,087.05	23,698,433.39	23,152,346.72
Intangible assets	17	73,673,448.48	-	-	-
Deferred tax assets	18	-	-	43,021,801.83	41,509,475.07
Other non - current assets		27,452,472.96	22,681,159.80	7,335,585.32	5,636,212.40
Total non - current assets		4,480,020,460.17	4,160,183,117.54	1,995,653,908.75	1,836,336,150.40
<b>TOTAL ASSETS</b>		<b>5,432,014,666.00</b>	<b>5,621,264,353.18</b>	<b>2,924,612,690.59</b>	<b>2,949,164,171.71</b>

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

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**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Con't)**

**AS AT DECEMBER 31, 2016**

		Unit : Baht			
		Consolidated		Separate	
Note		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Discounted bill of exchange	19	100,000,000.00	-	100,000,000.00	-
Trade accounts and other payable	5.2, 20	84,372,468.54	92,998,226.87	4,247,249.80	1,124,889.76
Current portion of long - term liabilities					
Long - term loans from financial institution	21	175,500,092.60	194,291,928.69	-	-
Liabilities under hire - purchase contracts	22	1,671,139.06	536,234.37	1,014,459.00	536,234.37
Employee benefit obligations	23	478,892.00	-	-	-
Accrued corporate income tax		8,540,289.22	2,812,300.51	-	-
Other current liabilities		3,310,774.51	2,782,780.98	380,847.64	917,605.09
<b>Total current liabilities</b>		<b>373,873,655.93</b>	<b>293,421,471.42</b>	<b>105,642,556.44</b>	<b>2,578,729.22</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institution - net	21	1,440,981,717.99	1,638,318,268.98	-	-
Liabilities under hire - purchase contracts - net	22	4,072,141.88	1,360,933.59	2,844,129.33	1,360,933.59
Employee benefit obligations - net	23	7,505,768.00	5,634,861.00	2,002,356.00	1,652,697.00
Deferred tax liabilities	18	240,246,102.25	221,365,565.57	-	-
Other non - current liabilities	5.2, 24	96,387,844.34	73,921,068.76	868,500.00	1,018,500.00
<b>Total non - current liabilities</b>		<b>1,789,193,574.46</b>	<b>1,940,600,697.90</b>	<b>5,714,985.33</b>	<b>4,032,130.59</b>
<b>TOTAL LIABILITIES</b>		<b>2,163,067,230.39</b>	<b>2,234,022,169.32</b>	<b>111,357,541.77</b>	<b>6,610,859.81</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	25				
Authorized share capital					
4,593,000,000 common shares in the second quarter of 2016					
and 5,000,000,000 common shares in 2015,					
of Baht 0.50 each		2,296,500,000.00	2,500,000,000.00	2,296,500,000.00	2,500,000,000.00
Issued and fully paid - up share capital					
4,593,000,000 common shares of Baht 0.50 each		2,296,500,000.00	2,296,500,000.00	2,296,500,000.00	2,296,500,000.00
Treasury shares - common share	26	(66,385,213.71)	-	(66,385,213.71)	-
Share premium		312,839,634.75	312,839,634.75	312,839,634.75	312,839,634.75
Retained earnings					
Appropriated					
Legal reserve		28,406,979.20	21,154,873.20	28,406,979.20	21,154,873.20
Treasury shares reserve	26	66,385,213.71	-	66,385,213.71	-
Unappropriate		521,407,025.42	497,097,911.70	175,508,534.87	312,058,803.95
Other components of shareholders' equity		64,423,390.04	93,241,806.50	-	-
<b>Total equity of the Company</b>		<b>3,223,577,029.41</b>	<b>3,220,834,226.15</b>	<b>2,813,255,148.82</b>	<b>2,942,553,311.90</b>
Non - controlling interests		45,370,406.20	166,407,957.71	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,268,947,435.61</b>	<b>3,387,242,183.86</b>	<b>2,813,255,148.82</b>	<b>2,942,553,311.90</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,432,014,666.00</b>	<b>5,621,264,353.18</b>	<b>2,924,612,690.59</b>	<b>2,949,164,171.71</b>

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

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**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

		Unit : Baht			
		Consolidated		Separate	
	Note	2016	2015	2016	2015
<b>REVENUES</b>					
Proceeds from services		592,972,016.39	561,927,407.51	-	-
Hire - purchase interest income		415,996.75	170,199.17	415,996.75	170,199.17
Dividend income	5.1, 12	-	-	88,616,401.21	105,874,711.70
Gain on revaluation of investment properties		-	47,453,883.99	-	-
Interest income	5.1	20,357,277.26	23,248,188.82	19,895,679.63	33,499,627.04
Others income	5.1	24,079,659.99	21,365,370.47	12,771,206.14	13,437,187.62
<b>TOTAL REVENUES</b>		<b>637,824,950.39</b>	<b>654,165,049.96</b>	<b>121,699,283.73</b>	<b>152,981,725.53</b>
<b>EXPENSES</b>					
Cost of services		190,954,503.42	204,208,958.69	-	-
Selling expenses		13,122,919.30	14,079,396.71	-	-
Administrative expenses		103,390,592.47	106,690,307.92	43,677,428.96	40,020,095.09
Loss on revaluation of investment properties		3,674,563.91	-	-	-
<b>TOTAL EXPENSES</b>		<b>311,142,579.10</b>	<b>324,978,663.32</b>	<b>43,677,428.96</b>	<b>40,020,095.09</b>
<b>PROFIT BEFORE SHARE OF PROFIT ON INVESTMENT IN ASSOCIATED COMPANY AND FINANCE COST AND INCOME TAX</b>					
		326,682,371.29	329,186,386.64	78,021,854.77	112,961,630.44
Share of profit on investment in associated company		45,597,033.57	94,915,672.12	-	-
<b>PROFIT BEFORE FINANCE COST AND INCOME TAX</b>		<b>372,279,404.86</b>	<b>424,102,058.76</b>	<b>78,021,854.77</b>	<b>112,961,630.44</b>
Finance cost	5.1	(81,110,147.09)	(63,898,175.36)	(4,770,266.90)	(118,112.00)
<b>PROFIT BEFORE INCOME TAX</b>		<b>291,169,257.77</b>	<b>360,203,883.40</b>	<b>73,251,587.87</b>	<b>112,843,518.44</b>
Income tax (expense) income	18.3.1	(48,539,893.39)	(55,513,052.19)	1,534,641.96	(3,900,477.49)
<b>NET PROFIT FOR THE PERIOD</b>		<b>242,629,364.38</b>	<b>304,690,831.21</b>	<b>74,786,229.83</b>	<b>108,943,040.95</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods :					
Currency conversion differences of foreign operation		(2,417,775.28)	-	-	-
Share of profit (loss) on investment in associated company		12,492,530.27	(5,106,860.39)	-	-
<b>Total</b>		<b>10,074,754.99</b>	<b>(5,106,860.39)</b>	<b>-</b>	<b>-</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :					
Defined benefit plan remeasurement - net Income tax	18.3.2	(839,855.20)	-	89,260.80	-
Other comprehensive income (loss) for the year - net tax		9,234,899.79	(5,106,860.39)	89,260.80	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>251,864,264.17</b>	<b>299,583,970.82</b>	<b>74,875,490.63</b>	<b>108,943,040.95</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		236,574,728.63	285,167,383.50		
Non - controlling interests		6,054,635.75	19,523,447.71		
<b>NET PROFIT FOR THE YEAR</b>		<b>242,629,364.38</b>	<b>304,690,831.21</b>		
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>					
Owners of the parent		245,809,628.42	280,060,523.11		
Non - controlling interests		6,054,635.75	19,523,447.71		
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>251,864,264.17</b>	<b>299,583,970.82</b>		
<b>BASIC EARNINGS PER SHARE</b>					
<b>EARNINGS PER SHARE (BAHT : SHARES)</b>					
Equity holders of the parent company	28	0.0518	0.0621	0.0164	0.0237

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

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**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

Unit : Baht														
Consolidated														
	Note	Retained earnings						Other components of shareholders' equity					Total equity	
		Share capital		Share premium	Appropriated		Treasury shares reserve	Gain on disposal of investment	Surplus from change in equity	Unrealized loss on investment	Currency conversion differences of	Total other components of	Total equity attributable to shareholders' equity	Non - controlling interests
		Issued and paid-up	Treasury shares -		for legal reserve	reserve								
		share capital	common share				Unappropriated	in subsidiary	interest	in associate	foreign operation	shareholders' equity	equity	Total
Beginning balance as at January 1, 2015		2,296,500,000.00	-	312,839,634.75	14,935,824.68	-	298,066,899.84	165,928,003.48	(7,061,991.32)	(754,411.70)	-	158,111,800.46	3,080,453,959.73	3,469,773,899.03
Legal reserve	27.6	-	-	-	6,219,048.52	-	(6,219,048.52)	-	-	-	-	-	-	-
Dividend paid	27.6	-	-	-	-	-	(79,917,323.12)	-	-	-	-	-	(79,917,323.12)	(79,917,323.12)
Dividend of non - controlling interests		-	-	-	-	-	-	-	-	-	-	-	(5,257,608.65)	(5,257,608.65)
Increase in non - controlling interest from additional investment in subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	6,002,580.00
Decrease in non - controlling interest from additional investment in subsidiary		-	-	-	-	-	-	-	(59,762,933.57)	-	-	(59,762,933.57)	(59,762,933.57)	(243,180,200.65)
Comprehensive income for the period														
Total net profit for the period		-	-	-	-	-	285,167,383.50	-	-	-	-	-	285,167,383.50	19,523,447.71
Other comprehensive income		-	-	-	-	-	-	-	-	(5,106,860.39)	-	(5,106,860.39)	(5,106,860.39)	(5,106,860.39)
Ending balance as at December 31, 2015		2,296,500,000.00	-	312,839,634.75	21,154,873.20	-	497,097,911.70	165,928,003.48	(66,824,924.89)	(5,861,272.09)	-	93,241,806.50	3,220,834,226.15	3,387,242,183.86
Treasury shares - common share	26	-	(66,385,213.71)	-	-	66,385,213.71	(66,385,213.71)	-	-	-	-	-	(66,385,213.71)	(66,385,213.71)
Legal reserve	27.1	-	-	-	7,252,106.00	-	(7,252,106.00)	-	-	-	-	-	-	-
Dividend paid	27.1	-	-	-	-	-	(137,788,440.00)	-	-	-	-	-	(137,788,440.00)	(137,788,440.00)
Dividend of non - controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(1,312,558.70)
Decrease in non - controlling interest from additional investment in subsidiary		-	-	-	-	-	-	-	(38,893,171.45)	-	-	(38,893,171.45)	(38,893,171.45)	(125,779,628.56)
Comprehensive income for the period														
Total net profit for the period		-	-	-	-	-	236,574,728.63	-	-	-	-	-	236,574,728.63	6,054,635.75
Other comprehensive income		-	-	-	-	-	(839,855.20)	-	-	12,492,530.27	(2,417,775.28)	10,074,754.99	9,234,899.79	9,234,899.79
Ending balance as at December 31, 2016		2,296,500,000.00	(66,385,213.71)	312,839,634.75	28,406,979.20	66,385,213.71	521,407,025.42	165,928,003.48	(105,718,096.34)	6,631,258.18	(2,417,775.28)	64,423,390.04	3,223,577,029.41	3,268,947,435.61

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

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AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2016

		Unit : Baht						
		Separate						
Note	Share capital		Treasury shares - common share	Share premium	Retained earnings			Total
	Issued and paid-up share capital				Legal reserve	Treasury shares reserve	Unappropriated	
Beginning balance as at January 1, 2015	2,296,500,000.00	-	-	312,839,634.75	14,935,824.68	-	289,252,134.63	2,913,527,594.06
Legal reserve	27.6	-	-	-	6,219,048.52	-	(6,219,048.52)	-
Dividend paid	27.6	-	-	-	-	-	(79,917,323.11)	(79,917,323.11)
Comprehensive income for the period	-	-	-	-	-	-	108,943,040.95	108,943,040.95
Ending balance as at December 31, 2015	2,296,500,000.00	-	-	312,839,634.75	21,154,873.20	-	312,058,803.95	2,942,553,311.90
Treasury shares - common share	26	-	(66,385,213.71)	-	-	66,385,213.71	(66,385,213.71)	(66,385,213.71)
Legal reserve	27.1	-	-	-	7,252,106.00	-	(7,252,106.00)	-
Dividend paid	27.1	-	-	-	-	-	(137,788,440.00)	(137,788,440.00)
Comprehensive income for the period								
Total net profit for the period	-	-	-	-	-	-	74,786,229.83	74,786,229.83
Other comprehensive income	-	-	-	-	-	-	89,260.80	89,260.80
Ending balance as at December 31, 2016	2,296,500,000.00	(66,385,213.71)	-	312,839,634.75	28,406,979.20	66,385,213.71	175,508,534.87	2,813,255,148.82

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

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**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

		Unit : Baht			
		Consolidated		Separate	
	Note	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax		291,169,257.77	360,203,883.40	73,251,587.87	112,843,518.44
Reconciliations of net profit (loss) to net cash provided					
by (used in) operating activities					
Depreciation and amortization expense	16	59,255,745.03	56,237,326.25	2,500,467.29	2,479,254.39
Bad debts / Doubtful accounts	8, 10	399,713.85	213,185,089.58	33,913.85	192,591,319.50
Doubtful account (reversal)	8, 10	(1,854,950.79)	(213,600,296.62)	(963,912.70)	(193,009,137.78)
Allowance for impairment loss (reversal)	16	(3,026,940.46)	(179,906.54)	-	-
Allowance for impairment of investment in subsidiary	12	-	-	4,440,028.00	-
(Gain) loss from diposal of fixed assets and					
decommissioning costs		5,967,595.79	3,581,513.60	493,521.20	10,029.24
(Gain) loss on change in fair value of temporary investments		109.04	1,194.46	109.04	843.18
Amortization of goodwill		-	2,483,781.09	-	-
Employee retirement benefit expenses	23	1,299,980.00	1,169,676.00	461,235.00	388,749.00
Provision for decommissioning costs		3,667,713.36	1,198,001.86	-	-
Share of (profit) loss on investment in associated company		(45,597,033.57)	(94,915,672.12)	-	-
(Gain) loss on revaluation of investment properties	15	3,674,563.91	(47,453,883.99)	-	-
Rental income by straight line method on contract value		(2,729,835.41)	(3,208,321.90)	-	-
Dividend income	12	-	-	(88,616,401.21)	(105,874,711.70)
Interest income		(20,357,277.26)	(23,248,188.82)	(19,895,679.63)	(33,499,627.04)
Interest expenses		81,110,147.09	63,898,175.36	4,770,266.90	118,112.00
Profit (loss) from operating activities before change in					
operating assets and liabilities		372,978,788.35	319,352,371.61	(23,524,864.39)	(23,951,650.77)
Operating assets (increase) decrease					
Trade accounts and other receivable		14,846,088.20	19,002,260.96	(105,151.03)	5,539,784.49
Inventories		(164,661.00)	(273,287.30)	-	-
Finance lease contract receivables		929,998.85	442,868.11	929,998.85	417,818.28
Other current assets		495,090.10	872,339.21	862,810.52	388,713.63
Other non - current assets		(5,322,479.96)	(6,928,807.45)	(1,699,372.92)	(378,281.29)
Operating liabilities increase (decrease)					
Trade accounts and other payable		(58,948,442.18)	(35,595,320.14)	(80,593.67)	(521,156.75)
Other current liabilities		527,993.53	(804,182.12)	(536,757.45)	589,252.66
Other non - current liabilities		18,874,368.28	31,960,538.51	(150,000.00)	150,000.00
Cash provided (used in) by operating activities		344,216,744.17	328,028,781.39	(24,303,930.09)	(17,765,519.75)
Interest paid		(81,331,863.49)	(61,115,901.24)	(4,770,266.90)	(118,112.00)
Income tax paid		(21,607,746.39)	(14,189,759.82)	(555,766.01)	(859,919.92)
Net cash provided (used in) by operating activities		241,277,134.29	252,723,120.33	(29,629,963.00)	(18,743,551.67)



**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (Con't)**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

		Unit : Baht			
		Consolidated		Separate	
Note		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Deposits at financial institutions pledged as collateral					
	(increase) decrease	14,110,013.84	(9,309,013.84)	-	-
	Cash paid for purchase of temporary investments	7 (150,000,000.00)	-	(150,000,000.00)	351.28
	Interest received of temporary investments	3,066,334.09	-	3,066,334.09	-
	Cash paid for purchase of investment in subsidiary	12 -	-	(160,000,000.00)	(395,193,058.19)
	Non - controlling interests increase (decrease)	(164,672,800.00)	(315,202,642.43)	-	-
	Received from disposal of shares	-	6,002,580.00	-	-
	Cash paid deposit for acquisition of company	(40,000,000.00)	-	(30,000,000.00)	-
	Cash received for disposal of fixed assets	2,541,023.13	842,508.56	2,418,527.80	9,000.00
	Investment property (increase)	15 (203,903,972.02)	(411,855,871.13)	-	-
	Cash paid for purchase of fixed assets	16 (43,739,043.67)	(13,103,635.07)	(2,100,014.63)	(1,479,475.78)
	Cash paid for purchase of intangible assets	17 (73,673,448.48)	-	-	-
	Cash paid for short - term loan to subsidiary and related parties	5.2 -	(6,000,000.00)	(358,350,000.00)	(25,000,000.00)
	Cash received for short - term loan to person and related parties	5.2 6,000,000.00	-	99,400,000.00	1,314,869,041.10
	Cash received for long - term loan to subsidiary	-	-	-	117,500,000.00
	Cash received for short - term to other person	-	50,000.00	-	-
	Interest received	20,470,855.94	21,848,813.05	17,928,909.72	33,590,823.44
	Dividends receivable	12 34,827,401.96	90,460,782.40	88,616,401.21	105,874,711.70
	Net cash provided (used in) by investing activities	(594,973,635.21)	(636,266,478.46)	(489,019,841.81)	1,150,171,393.55
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Cash received from discounted bill of exchange	19 100,000,000.00	-	100,000,000.00	-
	Cash paid for interest of discounted bill of exchange	(1,658,916.90)	-	(1,658,916.90)	-
	Dividend of non - controlling interests	-	(5,257,599.85)	-	-
	Cash receive for long - term loans from company parties	-	(117,500,000.00)	-	-
	Cash receive for long - term loans from financial institutions	21 -	1,894,969,768.69	-	-
	Repayments for long - term loans from financial institutions	21 (216,128,387.08)	(157,560,963.06)	-	-
	Purchase of treasury shares	26 (66,385,213.71)	-	(66,385,213.71)	-
	Repayments of liabilities under hire - purchase contracts	(1,897,167.96)	-	(1,897,167.96)	-
	Dividend paid	27 (138,964,362.32)	(79,751,115.11)	(137,651,820.38)	(79,751,115.11)
	Net cash provided (used in) by financing activities	(325,034,047.97)	1,534,900,090.67	(107,593,118.95)	(79,751,115.11)
<b>Currency conversion differences</b>		(2,417,775.28)	-	-	-
<b>Net cash and cash equivalent increase (decrease)</b>		(681,148,324.17)	1,151,356,732.54	(626,242,923.76)	1,051,676,726.77
<b>Cash and cash equivalent as at beginning balance</b>		1,340,640,778.09	189,284,045.55	1,104,072,924.41	52,396,197.64
<b>Cash and cash equivalent as at ending balance</b>		659,492,453.92	1,340,640,778.09	477,830,000.65	1,104,072,924.41
<b>Supplemental disclosures of cash flows information</b>					
1. Non - cash transaction (Unit : thousand Baht)					
	Subsidiaries purchased fixed assets on credit	41,313	-	-	-
	Subsidiary investment property on credit	6,028	-	-	-
	The Company and its subsidiary				
	purchase assets under hire - purchase contracts	5,743	1,897	3,858	1,897
2. Unutilized credit facilities for future working capital					
	(Unit : thousand Baht)	27,212	24,000	-	-

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

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**AQUA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016****1. GENERAL INFORMATION**

Aqua Corporation Public Company Limited hereinafter referred to as “the Company” which is a public company incorporated and domiciled in Thailand on April 20, 2004, registration No.0107547000397 and the Company was listed on the Stock Exchange of Thailand on September 17, 2004. The Company’s registered address is 121/68-69, Ratchadapisek Road, Dindaeng, Bangkok. The Company’s principal activities are providing rental space for advertising signage, sales and investment in other companies.

The subsidiaries main business operation as discuss in Note 5 to the financial statements.

**2. BASIS OF PREPARATION****2.1 Basis of preparation**

The statutory financial statements 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.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions under The Royal Patronage of His Majesty the King (“FAP”) and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standard No. 1 (Revised 2015) subject : “Presentation of Financial Statements” and the requirements of The Department of Business Development announcement subject : “The mandatory items, have to be presented in the financial statements, B.E. 2554”. Dated September 28, 2011

The consolidated and separate financial statements are presented in Thai Baht, which is the Company and its subsidiaries functional currency rounded in the notes to the financial statements to the nearest thousand Baht unless otherwise stated.

## 2. BASIS OF PREPARATION (Con't)

### 2.2 Basis of preparation of consolidated financial statements

Subsidiaries undertaking are defined as those companies which the parent company in the Group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, including potential voting rights that are presently exercisable or presently convertible.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

The consolidated financial statements included the financial statements of Aqua Corporation Public Company Limited and its subsidiaries as follows.-

	Percentage directly and indirectly owned by the Company as at		Assets as a percentage to the Consolidated total assets as at		Revenues as a percentage to the Consolidated total revenues	
	2016	2015	2016	2015	2016	2015
Subsidiaries held by the Company :						
Mantra Assets Company Limited	99.99	99.99	3.97	0.33	0.26	0.23
Texas 121 Company Limited	99.99	99.99	0.03	0.01	0.35	-
(Former name : Aqua Power Company Limited)						
121 Power Company Limited	99.99	99.99	0.29	0.01	0.01	-
Aqua Ad Public Company Limited	99.99	74.00	11.00	9.40	48.98	48.63
Thai Consumer Distribution Centre Company Limited						
	96.13	96.13	50.17	49.73	39.07	46.73
Subsidiaries held by Subsidiaries :						
CVK Aqua Energy Company Limited*	-	76.00	-	0.35	0.04	0.03
Accomplish Way Holdings Company Limited						
	99.99	99.99	8.12	7.37	8.31	0.86
Green View Godo Kaisha Company Limited						
	100.00	100.00	0.29	-	-	-
Solar Mogami Godo Kaisha Company Limited**						
	100.00	-	1.52	-	-	-

\* In the 2016, CVK Aqua Energy Company Limited has registered to be dissolved with the Ministry of Commerce on August 23, 2016. (See Note 34.1.2 to the financial statements).

\*\* The Board of Directors' meeting of the Company No. 11/2015 held on December 21, 2015, it was approved Green View Godo Kaisha Company Limited ("GK") in Japan an indirect subsidiary in which the Company is holding 100% of registered shares

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**2. BASIS OF PREPARATION (Con't)****2.2 Basis of preparation of consolidated financial statements (Con't)**

Via Aqua Power Company Limited to acquire the total shares of Solar Mogami Godo Kaisha ("MOGAMI") in Japan from its existing shareholder at cost of Yen 10,000 or approximately Baht 3,000 which was paid on January 6, 2016.

The financial statement of these companies have been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control ceases.

Investment in associate is accounted for using the equity method and is recognized initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

A contingent liability of the acquire is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination such as legal fees, and other professional and consulting fees are expensed as incurred.

The financial statements of the subsidiaries and associate are prepared for the same reporting period as the parent company.

The financial statements of the subsidiaries and associate are prepared based on the same significant accounting policies for the same accounting item or similar accounting events.

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**2. BASIS OF PREPARATION (Con't)****2.2 Basis of preparation of consolidated interim financial statements (Con't)**

The financial statements of all foreign entities are prepared in their respective functional currencies. Where the functional currency is not Baht, the financial statements are converted into Baht using the exchange rate prevailing on the end of reporting period in respect of assets and liabilities and at the average buying and selling rate approximates at the date of the transaction in respect of revenues and expenses. The resultant differences are shown as "Currency conversion difference" in other comprehensive income, and cumulative amount is presented in other components of shareholder's equity. On disposal of foreign entities, cumulative exchange differences are recognized in part of the gain or loss on the disposal.

Material balances and transactions between the Company and its subsidiaries, and investments in subsidiaries by the Company and non-controlling interests of the subsidiaries have been eliminated from the consolidated financial statements.

Non-controlling interests represent the portion of income or loss and net assets that is not held by the Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

**2.3 Principle of separate financial statements**

The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

**3. NEW FINANCIAL REPORTING STANDARDS****3.1 Financial reporting Standards that became effective in the current year**

During the year, the Company have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016.

These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

**3.2 Financial reporting Standards that will become effective in the current year**

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding towards revision of wording and terminology, and terminology, and provision of interpretations and accounting guidance to users of standards.

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### 3. NEW FINANCIAL REPORTING STANDARDS (Con't)

#### 3.2 Financial reporting Standards that will become effective in the current year (Con't)

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

##### TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 4.1 Recognition of revenues

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow into the enterprise and the amount of the revenue can be measured reliably.

##### Sale of goods and services rendered

Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers.

Service income represent service income from rental of space for advertising signage, procurement of space, and the production and installation of advertising media and are recognized when services have been rendered taking into account the stage completion.

Rental income is recognizes on a straight-line basis over the term of the lease on an accrual basis.

Production on television income from providing services of advertising and public relation will be recognized as income when the services are on air.

Exhibition services are recognized as income when services have been completed percentage of work and rendered.

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.1 Recognition of revenues (Con't)**Revenue from hire purchase contracts

In recognizing revenue from hire purchase contracts, the Company and its subsidiary recognize profit on differences between the cash sales price and the cost of the goods as income in full in the year the hire purchase agreement is executed and they received the first installment, and recognize the interest element (which represents the difference between the cash price and the hire purchase price) over the period of payment, using the sum-of-the-digits method and recognized income from hire purchase agreement incurred since January 1, 2008 at effective interest rate method based on each hire purchase agreement period, with interest income recognized when the installments fall due irrespective of when actual collection is made. Recognition of interest income ceases for hire purchase receivables which are overdue by more than 3 installments.

Revenue from investment in right for claim

Interest income from investment in right for claim is calculated using the effective rate method, applied to the aggregate actual cash inflows. The effective interest rate was determined on the basis of assumptions as to the amount and the timing of future collections on such loans. Such assumptions concern events that have not yet taken place and results accordingly vary if circumstances arise which were not foreseen.

Income on financial leases

Interest income on financial leases is recognized as income over the period of payment, using the effective rate method, with income recognized when the installments fall due irrespective of when actual collection is made. Recognition of interest income ceases for finance lease receivables which are overdue by more than 3 installments

Revenue from installment sales

The Company recognized revenue from installment sales at the date of sale, exclusive of interest. The sales price is the present value of the consideration, determined by discounting the installments receivable at the imputed rate of interest. The interest element is recognized as income on a time proportion basis, using the effective interest method.

Income on operating lease

Rental income to operating lease is recognizes on a straight-line basis over the term of the lease.

Interest income and dividend

Interest income is recognized on a time proportion basis that takes into account of the effective yield on the assets.

Dividend income is recognized when the right to receive dividend is established.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

##### 4.2 Cash and cash equivalents

Cash and cash equivalent consist of cash on hand, bank deposits with financial institution with an original maturities of 3 month or less, which are not restricted to any use and not subject to withdrawal restrictions.

Time deposits with maturity exceed three-month period but less than twelve-month period are recorded as current investment (if any).

##### 4.3 Cash at bank held as collateral

Cash at bank that have restricted in use are presented separately as "Deposit at bank held as collateral" under non-current assets in the statement of financial position.

##### 4.4 Trade accounts and other receivable, loans to and allowance for doubtful accounts

Trade and other receivable and are stated at the net realizable value net from the allowance of doubtful accounts. Hire purchase receivables are stated at the outstanding balances less unearned hire purchase income and allowance for doubtful accounts. Loans to employees are stated at the outstanding balance net allowance for doubtful accounts.

The Company and its subsidiaries set up an allowance for doubtful accounts based on the estimated collection losses that may incur in collection of receivables. The allowance is based on collection experience, analysis of debtor aging and review of the current financial status of receivables outstanding as the reporting date. The Company and its subsidiaries provide allowance for doubtful accounts based on use of the aging report as follows.-

Aging	Rate on loans and hire purchase receivables Less deferred hire purchase interest (%)
Undue	1
Overdue	
1 - 2 months	2
3 - 6 months	25
7 - 12 months	50
Over 12 months	100

The Company and its subsidiaries provided allowance for doubtful accounts for employee receivables by estimating the losses that may be incurred in these receivables on the basis of past experience. On this basis the Company and its subsidiaries provided allowance for doubtful accounts for employee receivables at the rate of 75 - 100 percent of the outstanding balance.



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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

##### 4.5 Inventories

Inventories are valued at the lower of cost or net realizable value, and is charged to vessel costs of goods sold whenever consumed.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

The Company and its subsidiary provides allowance for obsolete inventories based on current status and aging of inventories.

##### 4.6 Investment in right for claim

Investment in right for claim represents investments in business credit and hire purchase credit is valued at cost, net of allowances for impairment.

##### 4.7 Investment

###### 4.7.1 Temporary investment in securities for sale

Temporary investment in marketable equity securities which are intended to be held for sale are presented at fair value. Unrealized gain or loss from adjusting the fair value of securities for sale are recognized as income or expense in the income statement.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

###### 4.7.2 Investments in subsidiaries and associates in the separate financial statements are measured at cost net of impairment losses (if any).

###### 4.7.3 Investments in associated companies included in the consolidated financial statements are accounted for by equity method.

###### 4.7.4 Long - term investments in non - marketable securities held as "general investment" are valued at cost, net of allowance for impairment of investments. Impairment loss of all investments is charged against the Company's statements of income.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized as income or expenses in the income statement. If the Company disposes only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.8 Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes also includes property that is being constructed or developed for future use as investment property.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs and presented in the statement of financial position at fair value.

The Company and its subsidiaries recognize gain or loss arising from change in the fair value of investment property in profit or loss for the period in which it arises. The Company and its subsidiaries shall measure the investment property at fair value at least once a year.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**4.9 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 capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**4.10 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries or associate undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of position as an intangible asset. Goodwill on acquisitions of associated is included in investments in associated and is tested for impairment as part of the overall balance in the separate financial statements.

Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (Con't)**

##### **4.10 Goodwill (Con't)**

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

##### **4.11 Property Plant and Equipment**

Property is presented at cost amount net allowance for impairment loss (if any).

Plant and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of land, premises and equipment have different useful lives, they are accounted for as separate items (major components) of lands, premises and equipment.

Expenditure for additions, replacement and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The Company and its subsidiaries calculate depreciation for all assets, after deducting residual value, on the straight-line basis over the estimated useful lives as follows:

Building and Condominium	20	years
Building improvements	5	years
Furniture, fixtures and office equipment	5	years
Motor vehicles and vehicles under long-term lease agreements	5	years
Billboard stands	6 - 10	years
Improvement and electricity of billboard stands	5	years

The Company and its subsidiaries no depreciation has been provided for land and assets under construction.

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.12 Intangible assets and amortization**

Intangible assets that are acquired by the Company and have finite useful lives are presented at historical cost net of accumulated amortization and net allowance for impairment (if any).

Intangible assets with finite lives are amortized on a systematic basis by the straight-line method, over the economic useful life from the date that they are available for use and tested for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization of intangible assets are based on their economic useful lives as follows.-

Software licenses	3 - 5	years
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**4.13 Employee benefits****4.13.1 Short - term employee benefits**

Short - term employee benefit obligations, which include salary, wages, bonuses and contributions to the social security fund and provident fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

**4.13.2 Defined contribution plan**

Obligations for contributions to defined contribution pension plans are recognized as an expense in profit or loss as incurred.

**4.13.3 Defined benefit plan**

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in comprehensive income or loss.

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.14 Provision**

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**4.15 Treasury shares**

When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognized as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognized as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

**4.16 Transactions in foreign currencies**

Transactions in foreign currencies are converted into Baht as the functional currency at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on that date. Gain or losses on exchange rates are recognized as income or expense for the reporting period.

**4.17 Income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws)

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.17 Income tax (Con't)**

that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

At each reporting date, the Company and its subsidiaries review 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.

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.18 Earnings per share****Basic Earnings per share**

Basic earnings per share is determined by dividing the net income for the year by the number of weighted-average common shares issued and paid-up during the year, adjusted for own shares held.

**4.19 Related Party Transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company.

They also include associates companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.20 Operating segments**

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

**4.21 Financial Instruments**

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable, and loans to related parties and financial liabilities carried on the statement of financial position include bank overdrafts and short-term loans, trade accounts payable, loans from related parties, and long-term loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**4.22 Impairment of assets**

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**4.23 Operating lease**Where is the lessee

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

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**4. SIGNIFICANT ACCOUNTING POLICIES (Con't)****4.23 Operating lease (Con't)**Where is the lessor

The Company and its subsidiaries present assets for lease under operating lease contract in the statement of financial position according to the nature of the assets. Income from operating lease is recognized as income over the lease term.

**4.24 Finance lease**

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in profit or loss.

**4.25 Significant accounting judgments and estimates**

The preparation of financial statements in conformity with TFRS requires management to assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Significant accounting judgments and estimates are as follow:

**4.25.1 Recognition and derecognition of assets and liabilities**

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

**4.25.2 Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, 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.

**4.25.3 Allowance for obsolescence and diminution**

Allowance for obsolescence and diminution in value of inventories are intended to adjust the value of inventories for probable losses. The management uses judgment to establish allowances for estimated



#### 4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

##### 4.25 Significant accounting judgments and estimates (Con't)

##### 4.25.3 Allowance for obsolescence and diminution (Con't)

losses for each outstanding inventories. The allowances for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

##### 4.25.4 Impairment of investments

The Company and its subsidiaries treat investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

##### 4.25.5 Investment property

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

##### 4.25.6 Property plant and equipment and depreciation

In calculating depreciation on building and equipment, the management estimates useful lives and salvage values of the Company's building and equipment and reviews estimated useful lives and salvage values if there are any changes.

##### 4.25.7 Impairment of assets

The management is required to review 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 amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

##### 4.25.8 Impairment of goodwill estimates

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### 4.25.9 Provision for employee benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

##### 4.25.10 Leases

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 has been transferred, taking into consideration terms and conditions of the arrangement.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

##### 4.25 Significant accounting judgments and estimates (Con't)

##### 4.25.11 Litigation

The Company and its subsidiaries has contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation and believes that no loss will result and therefore no contingent liabilities are recorded as at the end of reporting date. However, actual results could differ from the estimates.

##### 4.25.12 Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

#### 5. RELATED PARTIES TRANSACTION

The Company has certain transactions with its subsidiaries and related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

The related company	Relationship	Operation		Percentage of Holdings (directly and indirectly) (%)	
		Type of business	Location	2016	2015
Mantra Assets Company Limited	1	Real estate for renting and services	Thai	99.99	99.99
121 Power Company Limited	1	Energy and Alternative Energy	Thai	99.99	99.99
Texas 121 Company Limited (Former name : Aqua Power Company Limited)	1	Energy and Alternative Energy	Thai	99.99	99.99
Aqua Ad Public Company Limited	1	Structured billboard stand rental	Thai	99.99	74.00
Thai Consumer Distribution Centre Company Limited	1	Warehouse rental and services	Thai	96.13	96.13
CVK Aqua Energy Company Limited	2	Generate electricity from waste	Thai	-	76.00
Accomplish Way Holdings Company Limited	2	Warehouse rental and services	Thai	99.99	99.99
Green View Godo Kaisha Company Limited	2	Investment in other company and solar power energy business	Japan	100.00	100.00
Solar Mogami Godo Kaisha Company Limited	2	Development in energy project in Japan	Japan	100.00	-
Eastern Printing Public Company Limited	3	Printing business	Thai	38.40	38.40
Stevensilvagni Company Limited	4	-	Thai	-	-
Pacific Investments Management Company Limited	5	-	England and Welsh	-	-
Esdale Ltd.	5	-	Anguilla	-	-
Anambus Holdings Ltd.	5	-	Jersey	-	-
CVK Waste Management Company Limited	6	Waste management	Thai	-	-

**5. RELATED PARTIES TRANSACTION (con't)**

The nature of relationship between the Company and the related parties are as follows.-

1. Subsidiary - direct
2. Subsidiary - indirect
3. Associated company
4. The shareholder of the subsidiary (Ended September 10, 2015)
5. The shareholders' equity of the subsidiary (Ended September 10, 2015)
6. The shareholder of indirect subsidiary (Ended July 11, 2016)

Pricing policy for each transaction are described as follows.-

Type of transactions	Pricing policies
Management fees income	Mutually agreed rate
Dividends income	Upon declaration
Other income	
- Service charges and rental fees	Contract Price
- Loan guarantee fee	Mutually agreed rate
Interest income	In 2016, 2% - 5 % p.a. and In 2015, 5% p.a.
Interest expense	2% and 5% p.a.

**5.1 The significant transactions with related Companies are as follows.-**

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
<u>Subsidiaries</u>				
Management fees income	-	-	3,600	3,660
Others income	-	-	5,788	5,959
Interest income	-	-	3,260	14,424
Dividends income	-	-	53,789	15,414
<b>Associates</b>				
Dividends income	-	-	34,827	90,461
<u>Related companies</u>				
Interest income	159	157	159	157
Interest expense	-	1,207	-	-

Management's benefit expenses

The Company and its subsidiaries had salaries, bonuses, social security contributions, contributions to provident fund, other welfare and meeting allowances to their directors and management and retirement benefit recognized as expenses are as follows.-

5. RELATED PARTIES TRANSACTION (Con't)

5.1 The significant transactions with related Companies are as follows.- (Con't)

Unit : Thousand Baht

	Consolidated		Separate	
	2016	2015	2016	2015
Short - term benefits	28,458	28,029	10,478	11,315
Post - employment benefits	1,946	638	535	168
Total	30,404	28,667	11,013	11,483

5.2 The outstanding balance of accounts with related companies are as follows.-

Unit : Thousand Baht

	Consolidated		Separate	
	2016	2015	2016	2015
<u>Other receivable</u>				
Related companies	-	157	-	157
Subsidiaries	-	-	1,895	101
Total	-	157	1,895	258
<u>Short - term loans</u>				
Related company	-	6,000	-	6,000
Subsidiaries	-	-	264,950	-
Total	-	6,000	264,950	6,000
<u>Other payable</u>				
Related companies	-	25	-	-
Subsidiaries	-	-	-	35
Total	-	25	-	35
<u>Other non - current liabilities</u>				
Subsidiaries	-	-	868	868

The significant movements of short - term loan to related company during the year are as follows.-

Unit : Thousand Baht

	Separate			
	2015	Increase	(Decrease)	2016
<u>Short - term loan to subsidiaries company</u>				
Mantra Assets Company Limited	-	262,750	(88,800)	173,950
Texas 121 Company Limited (Former name : Aqua Power Company Limited	-	91,000	-	91,000
121 Power Company Limited	-	4,600	(4,600)	-
Total	-	358,350	(93,400)	264,950

## 5. RELATED PARTIES TRANSACTION (Con't)

### 5.2 The outstanding balance of accounts with related companies are as follows.- (Con't)

The above mentioned short - term loans were granted in respect of promissory notes without collateral call bearing interest at the rate of 2% - 4.35% per annum.

	Unit : Thousand Baht			
	Consolidated and Separate			
	2015	Increase	(Decrease)	2016
<u>Short - term loan to related company</u>				
CVK Waste Management Company				
Limited	6,000	-	(6,000)	-

The above - mentioned loan to related company was granted in respect of loan agreement which shall be repaid within 5 years (within June 22, 2020) on call and charged interest at the rate of 5% per annum. This loan was secured by pledge of common shares of CVK Aqua Energy Co., Ltd. hold by the related company and by its 2 other person. In the third quarter of 2016, the Company had fully received this short term - loan.

#### Other

1. The Company guaranteed loan facility of a subsidiaries of Baht 1,657 million which the Company charged guarantee fee to the subsidiary, (Thai Consumer Distribution Centre Co., Ltd.) at the rate of 0.15% of the outstanding loan amount at end of year.
2. The Company guaranteed overdrafts facility and letters of guarantee of a subsidiary (Aqua Ad Plc.) with a bank with total facilities of Baht 30 million.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Cash	95	99	10	17
Deposits at banks - Savings account	23,014	21,386	2,361	887
- Current account	68,583	2,156	62,459	169
Fixed deposits 1 - 3 month	567,800	1,317,000	413,000	1,103,000
Total	659,492	1,340,641	477,830	1,104,073

## 7. TEMPORARY INVESTMENT

Temporary investment consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Investment in trading securities	4	4	4	4
<u>Less</u> Allowance for revaluation	(3)	(3)	(3)	(3)
Investment in trading securities - net	1	1	1	1
Bill of exchange	150,000	-	150,000	-
Total	150,001	1	150,001	1

In 2016, the Company has invested in one bill of exchange of a company at face value of Baht 150 million at discounted rate of 5.50% - 6.50% per annum which was due on February 14, 2017, June 14, 2017 and June 28, 2017 respectively. The Company paid for the investment amounting to Baht 146.65 million.

## 8. TRADE ACCOUNTS AND OTHER RECEIVABLE - NET

Trade accounts and other receivable consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
<u>Trade accounts receivable</u>				
Other companies	55,605	52,779	-	-
<u>Less</u> Allowance for doubtful accounts	(610)	(1,135)	-	-
Trade accounts receivable - net	54,995	51,644	-	-
<u>Other receivable</u>				
Prepaid rental	30,519	33,589	-	-
Prepaid expense	6,489	5,191	2,182	539
Advance payments	5,320	8,195	90	101
Deposits	226	112	136	3
Accrued interest	1,794	1,907	3,201	1,235
Others	2,709	11,301	-	-
Total other receivable	47,057	60,295	5,609	1,878
<u>Less</u> Allowance for doubtful- Advance payments	(1,721)	-	-	-
Total other receivable - net	45,336	60,295	5,609	1,878
Trade accounts and other receivable - net	100,331	111,939	5,609	1,878

# 8. TRADE ACCOUNTS AND OTHER RECEIVABLE – NET (Con't)

The balances of trade accounts receivable classified by aging are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Not yet due	52,186	49,812	-	-
Overdue.-				
Past due 1 - 3 month	2,809	1,524	-	-
Past due 4 - 6 month	-	308	-	-
Past due 7 - 12 month	-	455	-	-
Past due over 12 month	610	680	-	-
Total	56,605	52,779	-	-
<u>Less</u> Allowance for doubtful accounts	(610)	(1,135)	-	-
Net	54,995	51,644	-	-

Allowance for doubtful accounts consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Beginning balance for the year	1,135	1,058	-	-
<u>Add</u> Increase for the year	366	2,165	-	-
<u>Less</u> Doubtful account reverse	(891)	(2,088)	-	-
Ending balance for the year	610	1,135	-	-

# 9. DEPOSIT FOR ACQUISITION OF COMPANY

As at December 31, 2016, the Company paid deposit amounting to Baht 30 million for acquiring a company, Boardway Media Co.,Ltd. (See Note 36.1 to financial statements).

As at December 31, 2016, a subsidiary (Aqua Ad Public Company Limited) paid deposit amounting to Baht 10 million for acquiring a business operating media for rent in the forms of billboards and signage.

10. HIRE - PURCHASE/FINANCE LEASE CONTRACT RECEIVABLES AND LOANS

Hire - purchase/finance lease contract receivables and loans consist of:-

Unit : Thousand Baht						
Consolidated						
Current - portion		Long - term		Total		
2016	2015	2016	2015	2016	2015	
Hire - purchase/finance lease contract receivables and loans						
<u>Vehicles</u>						
Hire - purchase contract receivables	267	267	-	-	267	267
Finance lease contract receivables	3,563	4,909	-	-	3,563	4,909
Total Hire - purchase/finance lease contract receivable and loans	3,830	5,176	-	-	3,830	5,176
<u>Less</u> Unearned interest income	(401)	(817)	-	-	(401)	(817)
Total	3,429	4,359	-	-	3,429	4,359
<u>Less</u> Allowance for doubtful account	(3,429)	(4,359)	-	-	(3,429)	(4,359)
Net	-	-	-	-	-	-

Unit : Thousand Baht						
Separate						
Current - portion		Long - term		Total		
2016	2015	2016	2015	2016	2015	
Hire - purchase/finance lease contract receivables and loans						
<u>Vehicles</u>						
Finance lease contract receivables	3,563	4,909	-	-	3,563	4,909
<u>Less</u> Unearned interest income	(379)	(795)	-	-	(379)	(795)
Total	3,184	4,114	-	-	3,184	4,114
<u>Less</u> Allowance for doubtful accounts	(3,184)	(4,114)	-	-	(3,184)	(4,114)
Net	-	-	-	-	-	-



**10. HIRE - PURCHASE/FINANCE LEASE CONTRACT RECEIVABLES AND LOANS (Con't)**

The balances of hire - purchase/finance lease contract receivables (net of unearned interest income) and loans and allowance for doubtful accounts are classified by aging as follows.-

Unit : Thousand Baht							
Consolidated							
Accounts receivable		Percentage of allowance for doubtful accounts	Allowance for doubtful accounts		Net		
2016	2015		2016	2015	2016	2015	
Hire - purchase/finance lease contract receivables and loans							
Not yet due	-	-	1	-	-	-	-
Overdue.-							
1 - 2 month	-	-	2	-	-	-	-
3 - 6 month	-	-	25	-	-	-	-
7 - 12 month	-	-	50	-	-	-	-
Over 12 month	3,429	4,359	100	(3,429)	(4,359)	-	-
Total	3,429	4,359		(3,429)	(4,359)	-	-

Unit : Thousand Baht						
Separate						
Accounts receivable		Percentage of allowance for doubtful accounts	Allowance for doubtful accounts		Net	
2016	2015		2016	2015	2016	2015
Hire - purchase/finance lease contract receivables and loans						
Not yet due	-	-	1	-	-	-
Overdue.-						
1 - 2 month	-	-	2	-	-	-
3 - 6 month	-	-	25	-	-	-
7 - 12 month	-	-	50	-	-	-
Over 12 month	3,184	4,114	100	(3,184)	(4,114)	-
Total	3,184	4,114		(3,184)	(4,114)	-

**10. HIRE - PURCHASE/FINANCE LEASE CONTRACT RECEIVABLES AND LOANS (Con't)**

Allowance for doubtful accounts consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Beginning balance for the period/year	4,359	197,187	4,114	195,931
<u>Add</u> Increase for the period/year	34	-	34	-
<u>Less</u> Doubtful account reverse	(964)	(418)	(964)	(418)
Bad debt written - off	-	(192,410)	-	(191,399)
Ending balance for the period/year	3,429	4,359	3,184	4,114

**11. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERALS**

As at December 31, 2016 and December 31, 2015, the Company and its subsidiaries had pledged fixed deposits of Baht 4.36 million with the banks as collaterals for the letters of guarantee issued by the bank (the Company only: Baht 0.10 million)

As at December 31, 2015, a subsidiary had pledged its saving deposits of Baht 13.80 million as a collateral for its long - term loans. In the third quarter of 2016, the subsidiary had fully repaid the loans and redeemed the saving deposits as collateral (See Note 21 to financial statements).

As at December 31, 2016 and December 31, 2015, an indirect subsidiary had pledged saving deposits of Baht 9 million and Baht 9.29 million respectively to secure a loan of a subsidiary.

**12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY**

Investments in subsidiaries and associated companies consist of.-

	Consolidated							
	Unit : Thousand Baht							
	Portfolio diversification		Paid-up share capital		Equity Method			
	(%)							
	2016	2015	2016	2015	2016	2015		
Associated company								
Eastern Printing Public Company Limited	38.40	38.40	765,585	736,141	674,649	651,387		
	Separate							
	Portfolio diversification		Unit : Thousand Baht					
	(%)		Paid-up share capital		Cost Method		Dividends received	
	2016	2015	2016	2015	2016	2015	2016	2015
Associated company								
Eastern Printing Public								
Company Limited*	38.40	38.40	765,585	736,141	612,763	612,763	34,827	90,461

## 12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (Con't)

In the second quarter of 2016, the Company received dividend income from the associate company in respect of cash and shares consisted of cash Baht 11.31 million and shares at the percentage of 25 shares to 1 share amounted of 11.31 million shares. The percentage of shareholding of the Company remained unchanged.

During the year 2016, the Company received warrants representing the right to purchase common shares (EPCO-W2) of Eastern Printing Plc., at the ratio of 8 existing common shares to 1 unit of warrant at the price of Baht 9 per share. The exercise right was valid for 1 year from the issued date of warrants on November 30, 2016. The first exercise date is May 31, 2017 and the last exercise date is November 30, 2017. However, as at December 31, 2016, the Company has not yet exercise its right to purchase common shares.

		Separate						
		Unit : Thousand Baht						
Portfolio diversification (%)		Paid-up share capital		Cost Method		Dividends received		
2016	2015	2016	2015	2016	2015	2016	2015	
<b>Subsidiaries</b>								
Mantra Asset Company Limited	99.99	99.99	10,000	10,000	808	808	1,000	450
Aqua Ad Public Company Limited*	99.99	74.00	404,431	404,431	483,227	323,227	20,222	14,964
Thai Consumer Distribution Centre Company Limited ****	96.13	96.13	169,400	169,400	778,243	778,243	32,567	-
Texas 121 Company Limited (Former name : Aqua Power Company Limited) ***	99.99	99.99	1,000	1,000	1,000	1,000	-	-
121 Power Company Limited**	99.99	99.99	20,000	20,000	20,000	20,000	-	-
Total					1,283,278	1,123,278	53,789	15,414
Less Allowance for impairment of investment					(4,440)	-	-	-
Investments in subsidiaries - net					1,273,838	1,123,278	53,789	15,414

## 12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (Con't)

\* At the Board of Directors' meeting No. 3/2016 held on March 24, 2016, it was approved the Company to acquire additional common shares of Aqua Ad Public Company Limited ("AA") (the subsidiary which the Company held 74% of total shares) of 105,151,997 shares, par value Baht 1, accounting for 26% of total shares at the price of Baht 1.52 per shares totaling Baht 160 million from former shareholder who had no relationship and/or not related to directors, management, major shareholders or those who had control over the Company. After the acquisition, the percentage of shareholding in AA was 99.99% of total shares. The control of the subsidiary was not changed before or after the acquisition, therefore, the Company has recognized change in equity of the purchase subsidiary proportion to the additional acquired shares amounting to Baht 38.88 million in the consolidated financial statements.

\*\*During the year 2016, the Company provided allowance for decrease in value of investment in 121 Power Co., Ltd. based on its net asset value calculated from the financial statements for the period ended December 14, 2016 amounting to Baht 4.44 million which was audited by an independent auditor. The subsidiary, in effect, has discontinued its operation and registered to be dissolved with the Ministry of Commerce on December 14, 2016.

\*\*\*At the Executive Committee's meeting No. 10/2016 held on December 14, 2016, it was approved to dispose the investment in Texas 121 Co., Ltd. by selling 99,996 common shares with par value of 10 Baht each at the price of Baht 77.05 per share amounting to Baht 7.70 million to Max Metal Corporation Public Company Limited ("MAX"), which is under going the business inspection.

\*\*\*\* During in 2015, at the Company's Board of Directors' meeting No. 9/2015 held on September 23, 2015, it was approved the Company to acquire additional common shares of Thai Consumer Distribution Centre Company Limited's ("TCDC") (the subsidiary which the Company held 69.01% of total shares) of 459,374 shares, par value Baht 100, accounting for 27.12% of total shares at the average price of Baht 685.715 per shares totaling Baht 315 million from other 5 shareholders who had no relationship and/or not related to directors, management, major shareholders or those who had control over the Company. After the acquisition, the percentage of shareholding in TCDC was 96.13% of total shares. The control of the subsidiary was not changed before or after the acquisition, therefore, the Company has recognized change in equity of the purchase subsidiary proportion to the additional acquired shares amounting to Baht 59.76 million in the consolidated financial statements.

At the Board of Directors' meeting of Thai Consumer Distribution Center Company Limited. No. 8/2015 held on October 2, 2015, it was approved to call for the payment of the outstanding amount of newly issued common shares of Baht 17.53 million and premium of Baht 53.72 million totaling Baht 71.25 million.

\*\*\*\* Fair Value of the assets and liabilities of the acquired company at the acquisition date are as follows.

**12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (Con't)**
Thai Consumer Distribution Centre Company Limited

	Unit : Thousand Baht
	Fair value
Cash and cash equivalents	35,969
Other current assets	8,868
Other non - current assets	12,079
Investment Property	2,213,399
Loans	(1,370,717)
Accrued expenses and other payables	(710,241)
Net book value (fair value) in proportion of the existing shareholders	
before increase in share capital	189,357
<u>Add</u> Issued share capital of Aqua Corporation Public Company Limited	475,000
Total equity attributable to shareholders of Thai Consumer	
Distribution Centre Company Limited offer issuance of new share	664,357
Percentage of shareholding by AQUA - 69.01%	458,462
Purchase price	475,300
Goodwill	16,838
<u>Less</u> written - off	(3,550)
Goodwill - Net	13,288

In 2015, at the Board of Directors' meeting No. 10/2015 held on November 12, 2015, it was approved to its subsidiary (Thai Consumer Distribution Center Company Limited) invest in common shares of Accomplish Way Holding Company Limited Totaling 449,998 share, accounting for 100% at the price of Baht 367.632 per share totaling Baht 165.43 million with no have relationship and/or related to directors, management, major shareholders or persons who have control are the Company.

Accomplish Way Holdings Company Limited

	Unit : Thousand Baht
	Fair value
Cash and cash equivalents	2,801
Other current assets	18,521
Other non - current assets	844
Deposit at bank held as collateral	9,292
Investment property	386,500
Loans	(237,970)
Accrued expenses and other payables	(37,472)
Net book value	142,516
Purchase price	165,433
Goodwill	22,917
<u>Less</u> written - off	(242)
Goodwill - Net	22,675

**12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY (Con't)**

The above-mentioned goodwill was included in the value of the investment property (See 15 to financial statements).

**13. OTHER LONG - TERM INVESTMENTS**

Other long - term investments consist of.-

Unit : Thousand Baht						
Consolidated						
Percentage of						
Paid-up share capital		holdings		Cost method		
2016	2015	2016	2015	2016	2015	
Aura Dream Co., Ltd.	500,000	500,000	5.98	5.98	29,900	29,900
Investment in subordinated debenture					1,000	1,000
Total					30,900	30,900

Unit : Thousand Baht						
Separate						
Percentage of						
Paid-up share capital		holdings		Cost method		
2016	2015	2016	2015	2016	2015	
Aura Dream Co., Ltd.	500,000	500,000	5.98	5.98	29,900	29,900

**14. ADVANCED PAYMENT FOR SHARE SUBSCRIPTION - NET**

Advanced payment for share subscription consist of.-

Unit : Thousand Baht				
		Consolidated		Separate
		2016	2015	2016
				2015
Advanced payment for share subscription		50,000	50,000	21,700
<u>Less</u> Allowance for impairment of advanced				
payment for share subscription		(50,000)	(50,000)	(21,700)
Net		-	-	-

The Company and its subsidiary terminated the contract of the right to buy new shares and ask for a return of subscription fee of Baht 50 million and compensation for damage from Parking Management Company Limited (PKM). Furthermore, the Company and its subsidiary appointed a lawyer to file a case to the Civil Court on April 8, 2011, claiming for a damage of Baht 57.10 million and additional damage co – claimed with another 3 associates companies of Baht 100 million. The court has reled the defendant to pay its debt with interest at the rate of 15% per annum of the principle amount. On September 27, 2016 the Civil Court has engaged an executing officer to seize the defendant's assets.

**15. INVESTMENT PROPERTY**

Investment property of the subsidiaries as follows.-

	Unit : Thousand Baht	
	Consolidated	
	2016	2015
a) Land, building, electricity system and other facilities for lease and service	3,118,971	3,109,922
b) Land received from debt settlement	3,000	3,000
c) Land and building in progress	197,209	-
<b>Total</b>	<b>3,319,180</b>	<b>3,112,922</b>

a) Land, building, electricity system and other facilities for lease and service and Buildings improvement consist of.-

	Unit : Thousand Baht	
	Consolidated	
	2016	2015
<b>Fair value</b>		
Balance as at January 1,	3,073,958	2,646,554
Transferred from work in process	-	1,853
Acquired during the year	12,724	2,439
Transferred out during the year	-	(10,341)
Profit from changes in fair value	(3,674)	46,954
Increase from buy business	-	386,500
Goodwill	35,963	35,963
<b>Balance as at December 31,</b>	<b>3,118,971</b>	<b>3,109,922</b>

The fair value of the investment property of the subsidiary as at December 31, 2016 was valued by an Independent appraiser who is a professional expert and has experience in the location and type of the appraised investment property using income approach method reporting dated February 9, 2017 and February 16, 2017, respectively.

b) The above - mentioned land received from debt settlement are as follows.-

	Unit : Thousand Baht	
	Consolidated	Separate
<b>Fair Value</b>		
Balance as at January 1, 2016	3,000	-
Profit from changes in fair value	-	-
<b>Balance as at December 31, 2016</b>	<b>3,000</b>	<b>-</b>

**15. INVESTMENT PROPERTY (Con't)**

b) The above - mentioned land received from debt settlement are as follows.- (Con't)

The above - mentioned land was land acquired by the subsidiary from its debt settlement in a lawsuit, claim for investment in rights which has not been determined for future utilization. On February 21, 2017 the subsidiary has appraised its land by an independent appraiser at fair value by comparative market price method.

c) The above - mentioned land and building in progress are as follows.-

	Unit : Thousand Baht	
	Consolidated	Separate
<b>Fair Value</b>		
Balance as at January 1, 2016	-	-
Acquired during the period	197,209	-
Profit (loss) from changes in fair value	-	-
Balance as at December 31, 2016	197,209	-

In the first quarter of 2016, the Company's Board of Directors meeting No. 3/2016 on March 28, 2016, has approved Mantra Asset Company Limited., its subsidiary to acquire land for the construction of building to lease and service. (See Note 33.4 to financial statements)



**16. PROPERTY, PLANT AND EQUIPMENT - NET**

Property plant and equipment consist of.-

	Unit : Thousand Baht								
	Consolidated								
	Land	Building and condominium	Building improvements	Furniture,fixtures and Equipment	Vehicles	Vehicles under long-term lease agreements	Billboardstands	Constructionin Progress	Total
<b>Cost</b>									
As at January 1, 2015	7,228	29,619	12,727	17,192	2,459	-	565,481	271	634,977
Acquisition during the year	3,809	-	69	301	-	3,200	1,101	6,521	15,001
Transfer in/(Transfer out)	-	-	(20)	(63)	-	-	(2,291)	(3,772)	(6,146)
Disposal during the year	-	-	-	(71)	-	-	(12,642)	-	(12,713)
As at December 31, 2015	11,037	29,619	12,776	17,359	2,459	3,200	551,649	3,020	631,119
<b>Accumulated depreciation</b>									
As at January 1, 2015	-	11,856	11,422	15,747	597	-	223,073	-	262,695
Depreciation for the year	-	1,228	318	485	309	256	53,618	-	56,214
Depreciation - disposals/Transfer out	-	-	(1)	(132)	-	-	(14,302)	-	(14,435)
As at December 31, 2015	-	13,084	11,739	16,100	906	256	262,389	-	304,474
<b>Provision for impairment</b>									
As at January 1, 2015	-	-	-	-	-	-	12,002	-	12,002
Allowance for impairment reversed	-	-	-	-	-	-	(180)	-	(180)
As at December 31, 2015	-	-	-	-	-	-	11,822	-	11,822
<b>Net Book Value</b>									
As at January 1, 2015	7,228	17,763	1,305	1,445	1,862	-	330,406	271	360,280
As at December 31, 2015	11,037	16,535	1,037	1,259	1,553	2,944	277,438	3,020	314,823

**16. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)**

Property plant and equipment consist of.-

Unit : Thousand Baht									
Consolidated									
	Land	Building and condominium	Building improvements	Furniture, fixtures and Equipment	Vehicles	Vehicles under long-term lease agreements	Billboard stands	Construction in Progress	Total
<b>Cost</b>									
As at January 1, 2016	11,037	29,619	12,776	17,359	2,459	3,200	551,649	3,020	631,119
Acquisition during the year	-	-	85	503	803	9,041	47,546	28,928	86,906
Transfer in/(Transfer out)	-	-	-	-	-	-	20,054	(20,054)	-
Disposal during the year	-	-	-	(426)	(230)	(3,200)	(25,479)	-	(29,335)
Purchase of investments in subsidiary	-	-	-	-	-	-	-	3,890	3,890
Provision for dismantling costs	-	-	-	-	-	-	(75)	-	(75)
As at December 31, 2016	11,037	29,619	12,861	17,436	3,032	9,041	593,695	15,784	692,505
<b>Accumulated depreciation</b>									
As at January 1, 2016	-	13,084	11,739	16,100	906	256	262,389	-	304,474
Depreciation for the year	-	1,229	290	485	398	454	56,400	-	59,256
Depreciation - disposal/Transfer out	-	-	-	(426)	(74)	(288)	(20,038)	-	(20,825)
As at December 31, 2016	-	14,313	12,029	16,159	1,230	422	298,751	-	342,904
<b>Provision for impairment</b>									
As at January 1, 2016	-	-	-	-	-	-	11,822	-	11,822
Allowance for impairment reversed	-	-	-	-	-	-	(3,027)	-	(3,027)
As at December 31, 2016	-	-	-	-	-	-	8,795	-	8,795
<b>Net Book Value</b>									
As at January 1, 2016	11,037	16,535	1,037	1,259	1,553	2,944	277,438	3,020	314,823
As at December 31, 2016	11,037	15,306	832	1,277	1,802	8,619	286,149	15,784	340,806
<b>Depreciation for the year end December 31, 2016 and 2015 consist of .-</b>									
							2016	2015	
Cost of services							56,400		53,618
Selling and Administrative expenses							2,856		2,596
Total							59,256		56,214

**16. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)**

Property plant and equipment consist of.-

	Unit : Thousand Baht				
	Separate				Total
	Building and condominium	Building improvements	Furniture, fixtures and Equipment	Vehicles under long-term lease agreements	
<b>Cost</b>					
As at January 1, 2015	38,000	11,430	7,430	-	56,860
Acquisition during the year	-	69	108	3,200	3,377
Transfer in/(Transfer out)	-	(20)	(58)	-	(78)
Disposal during the year	-	-	(71)	-	(71)
As at December 31, 2015	38,000	11,479	7,409	3,200	60,088
<b>Accumulated depreciation</b>					
As at January 1, 2015	17,705	10,150	6,731	-	34,586
Depreciation for the year	1,647	303	273	256	2,479
Depreciation - disposal/Transfer out	-	(1)	(129)	-	(130)
As at December 31, 2015	19,352	10,452	6,875	256	36,935
<b>Net Book Value</b>					
As at January 1, 2015	20,295	1,280	699	-	22,274
As at December 31, 2015	18,648	1,027	534	2,944	23,153

**16. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)**

Property plant and equipment consist of.-

Unit : Thousand Baht					
Separate					
	Building and Condominium	Building improvements	Furniture, fixtures and Equipment	Vehicles under long- term lease agreements	Total
<b>Cost</b>					
As at January 1, 2016	38,000	11,479	7,409	3,200	60,088
Acquisition during the year	-	85	183	5,690	5,958
Disposal during the year	-	-	(222)	(3,200)	(3,422)
As at December 31, 2016	38,000	11,564	7,370	5,690	62,624
<b>Accumulated depreciation</b>					
As at January 1, 2016	19,352	10,452	6,875	256	36,935
Depreciation for the year	1,647	278	255	320	2,500
Depreciation - disposal / Transfer out	-	-	(221)	(288)	(509)
As at December 31, 2016	20,999	10,730	6,909	288	38,926
<b>Net Book Value</b>					
As at January 1, 2016	18,648	1,027	534	2,944	23,153
As at December 31, 2016	17,001	834	461	5,402	23,698
<b>Depreciation for the year end December 31, 2016 and 2015 consist of .-</b>				2016	2015
Selling and Administrative expenses				2,500	2,479

## 16. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

- 16.1 As at December 31, 2016 and 2015. The Company's condominium units and its subsidiary's land and building at cost value of Baht 8.30 million and Baht 46.30 million respectively and at book value of Baht 5.97 million and Baht 24.89 million had been mortgaged as collaterals for credit facilities from a bank (See Note 21 to the financial statements)
- 16.2 As at December 31, 2016 and 2015, part of vehicles at cost value of Baht 9.04 million and Baht 3.20 million respectively in the consolidated financial statements (Baht 5.69 million and Baht 3.20 million in the separated financial statements with net book value of Baht 8.62 million and Baht 2.94 million on respectively in the consolidated financial statements (Baht 5.40 million and Baht 2.94 million in the separated financial statements) were assets under the hire-purchase as described in Note 22 to the financial statements.

## 17. INTANGIBLE ASSETS

Intangible consist of.-

	Unit : Thousand Baht	
	Consolidated	Separate
Net book value as at January 1, 2016	-	-
Increase from buy business	73,673	-
Amortization for the period	-	-
Net book value as at December 31, 2016	73,673	-

Indirect subsidiary:

In the first quarter of 2016, an indirect subsidiary in Japan has paid for the right to use transmission line for a solar plant projects in Japan and right to sell electricity for a project amounting to Baht 8.97 million (Yen 29.67 million) and Baht 64.70 million (Yen 213.88 million) respectively. (See Note 34.2 to the financial statements)

## 18. DEFERRED TAX ASSETS AND LIABILITIES

- 18.1 Deferred tax assets and liabilities are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Deferred tax assets	62,833	59,743	43,022	41,509
Deferred tax liabilities	(303,079)	(281,108)	-	-
Net	(240,246)	(221,365)	43,022	41,509

**18. DEFERRED TAX ASSETS AND LIABILITIES (Con't)**

18.2 Movements in deferred tax assets and liabilities during the period were as follows.-

Unit : Thousand Baht					
Consolidated					
(Changed) Credit for the year to					
Other					
As at	Increase from		comprehensive	As at	
Jan 1, 2016	buy business	profit or loss	income	Dec 31, 2016	
<u>Deferred tax assets</u>					
Trade accounts and other receivable	920	-	(307)	-	613
Hire - purchase contract receivable	872	-	(186)	-	686
Advance payment for share subscription	10,000	-	-	-	10,000
Investments in subsidiary	-	-	888	-	888
Employee benefit	1,127	-	260	210	1,597
Provision for decommissioning costs	4,382	-	718	-	5,100
Deposit for rental investment properties	3,045	-	806	-	3,851
Unused tax loss benefit	39,397	-	701	-	40,098
Total	59,743	-	2,880	210	62,833
<u>Deferred tax liabilities</u>					
Plant and equipment	(6,996)	-	(781)	-	(7,777)
Investment properties	(274,112)	-	(21,190)	-	(295,302)
Total	(281,108)	-	(21,971)	-	(303,079)
Net	(221,365)	-	(19,091)	210	(240,246)

Unit : Thousand Baht					
Consolidated					
(Changed) Credit for the year to					
Other					
As at	Increase from		comprehensive	As at	
Jan 1, 2015	buy business	profit or loss	income	Dec 31, 2015	
<u>Deferred tax assets</u>					
Trade accounts and other receivable	5,420	(138)	(4,362)	-	920
Hire - purchase contract receivable	39,437	-	(38,565)	-	872
Advance payment for share subscription	10,000	-	-	-	10,000
Employee benefit	893	-	234	-	1,127
Provision for decommissioning costs	4,142	-	240	-	4,382
Deposit for rental property	2,239	-	806	-	3,045
Unused tax loss benefit	1,254	-	38,143	-	39,397
Total	63,385	(138)	(3,504)	-	59,743

**18. DEFERRED TAX ASSETS AND LIABILITIES (Con't)**

18.2 Movements in deferred tax assets and liabilities during the period were as follows.- (Con't)

Unit : Thousand Baht					
Consolidated					
(Changed) Credit for the year to					
Other					
As at	Increase from		comprehensive		As at
Jan 1, 2015	buy business	profit or loss	income		Dec 31, 2015
<u>Deferred tax liabilities</u>					
Plant and equipment	(5,352)	-	(1,644)	-	(6,996)
Investment properties	(225,963)	(20,131)	(28,018)	-	(274,112)
Total	(231,315)	(20,131)	(29,662)	-	(281,108)
Net	(167,930)	(20,269)	(33,166)	-	(221,365)

Unit : Thousand Baht					
Separate					
(Changed) Credit for the year to					
Other					
As at			comprehensive		As at
Jan 1, 2016		profit or loss	income		Dec 31, 2016
<u>Deferred tax assets</u>					
Trade accounts and other receivable	138	-	-	-	138
Hire - purchase contract receivable	823	(185)	-	-	638
Investment in right for claim	-	888	-	-	888
Advance payment for share subscription	4,340	-	-	-	4,340
Employee benefit	331	92	(22)	-	401
Unused tax loss benefit	35,877	740	-	-	36,617
Total	41,509	1,535	(22)	-	43,022

Unit : Thousand Baht					
Separate					
(Changed) Credit for the year to					
Other					
As at			comprehensive		As at
Jan 1, 2015		profit or loss	income		Dec 31, 2015
<u>Deferred tax assets</u>					
Trade accounts and other receivable	376	(238)	-	-	138
Hire - purchase contract receivable	39,186	(38,363)	-	-	823
Advance payment for share subscription	4,340	-	-	-	4,340
Employee benefit	253	78	-	-	331
Unused tax loss benefit	1,254	34,623	-	-	35,877
Total	45,409	(3,900)	-	-	41,509

**18. DEFERRED TAX ASSETS AND LIABILITIES (Con't)**

18.2 Movements in deferred tax assets and liabilities during the period were as follows.- (Con't)

Deferred income tax assets are recognized for tax loss and carry forwards only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Company has unrecognized tax losses as at December 31, 2016 of Baht 200 million, (December 31, 2015 : Baht 279.84 million to carry forward against future taxable income ; these tax losses will expire in 2021.

18.3 Income tax expenses for the period are as follows.-

18.3.1 Income tax recognized in profit or loss

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Current income tax				
Corporate income tax charge for the period	29,449	22,347	-	-
Deferred tax				
Deferred tax expense relating to the				
Original and reversal of temporary				
differences	19,091	33,166	(1,535)	3,900
Income tax expenses (income)	48,540	55,513	(1,535)	3,900

18.3.2 Income tax expense reconized in other comprehensive income

	Unit : Thousand Baht		
	Consolidated		
	For the year ended December 31, 2016		
	Tax (expense)		
	Before tax	income	Net tax
Deferred tax for :			
Defined plan remeasurement employee benefit	(1,050)	210	(840)
Income tax recognized in other comprehensive income	(1,050)	210	(840)



**18. DEFERRED TAX ASSETS AND LIABILITIES (Con't)**

18.3 Income tax expenses for the period are as follows.- (Con't)

18.3.2 Income tax expense reconized in other comprehensive income (Con't)

Unit : Thousand Baht			
Separate			
For the year ended December 31, 2016			
Tax (expense)			
	Before tax	income	Net tax
Deferred tax for :			
Defined plan remeasurement employee benefit	112	(22)	90
Income tax recognized in other comprehensive income	112	(22)	90

18.3.3 Reconciliation for effective tax rate

Consolidated				
2016		2015		
Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	
Profit before income tax	245,572		265,288	
Tax expense	49,114	20	53,058	
Tax effect of expenses that are not deductible for tax purposes	(574)		2,455	
Tax expense (effective rate)	48,540	20.93	55,513	

Separate				
2016		2015		
Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	
Profit before income tax	73,252		112,843	
Tax expense	14,650	20	22,568	
Tax effect of expenses that are not deductible for tax purposes	(16,185)		(18,668)	
Tax expense (effective rate)	(1,535)	3.46	3,900	

## 18. DEFERRED TAX ASSETS AND LIABILITIES (Con't)

Tax rate

### Current income tax

The Company calculated interim income tax from net profit for the year after adjust non tax able expenses and revenue in accordance with the Revenue Code.

The main adjustment items are employee benefit obligations and depreciation not in compliance with the Revenue Code.

On January 22, 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after January 1, 2016.

### Deferred tax

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

## 19. DISCOUNTED BILL OF EXCHANGE

As at December 31, 2016, the Company has issued one discounted bill of exchange to a security company at face value of Baht 100 million with discounted rate at 4.25% per annum which was due on May 26, 2017. The Company received cash from selling of the bill of exchange amounting to Baht 97.96 million.

## 20. TRADE ACCOUNTS AND OTHER PAYABLE

Trade accounts and other payable are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
<u>Trade accounts payable</u>				
Other companies	5,013	4,823	-	-
<u>Other payable</u>				
Accrued expense	19,223	28,934	1,139	959
Advance receipts for advertising income	2,874	2,926	-	-
Advance receipts	3,101	283	3,101	83
Deposit payable	4,133	39,032	-	-
Other	50,028	17,000	7	83
Total	84,372	92,998	4,247	1,125

**21. LONG - TERM LOANS FROM FINANCIAL INSTITUTION - NET**

Long - term loans from financial institution are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Beginning balance for the year	1,832,610	95,201	-	-
<u>Add</u> Increase during the year	-	1,657,000	-	-
Increase from buy business	-	237,970	-	-
<u>Less</u> Paid during the year	(216,128)	(157,561)	-	-
Total	1,616,482	1,832,610	-	-
<u>Less</u> Current portion	(175,500)	(194,292)	-	-
Net	1,440,982	1,638,318	-	-

**Indirect subsidiary**

Accomplish Way Holding Company Limited which it has entered into loan agreement with a bank with total facilities of Baht 285 million. The details of the loan's condition are as follows.-

Facilities line (Million Baht)	Loan balance (Million Baht)	Objective	Interest rate (%)	Term of repayment
8	2.39	Refinance	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly from September 2012, for a period of 73 months as stipulated in the loan agreement.
3	0.50	Payment of a life insurance premium	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly from October 2012 to September 2017 as stipulated in the loan agreement.
177	132.45	Warehouse construction	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly from August 2013 to November 2022 as stipulated in the loan agreement.
10	8.25	Purchase of land and building crap	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly from February 2014 to May 2020 as stipulated in the loan agreement.
2	0.97	Insurance premium	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly installment of 30,000 Baht from April 2012 to March 2018.
85	64.85	Warehouse construction	MLR - 2 and MLR - 1.5	Payments of principal and interest by monthly from June 2014 to September 2017 as stipulated in the loan agreement.

**21. LONG - TERM LOANS FROM FINANCIAL INSTITUTION - NET (Con't)**

The collaterals of the above-mentioned loans are as follows.-

1. Land with structure, land title deed numbers 33678, 33679, situated in Tambon Klongjik, Amphur Bnag Pa In, Ayutthaya province.
2. On February 16, 2016, the guarantor was changed from the former shareholders to Thai Consumer Distribution Centre Company Limited.
3. The endorsement of insurance.
4. Reserving funds in "Debt Service" account by not less than Baht 9 million.

#### **Direct Subsidiary**

##### **Thai Consumer Distribution Centre Company Limited**

Subsidiary had entered into long - term loans agreements with a bank with total facilities of Baht 1,657 million. The details and conditions are as follows.-

Facility line (Million Baht)	Loan balance (Million Baht)	Objective	Interest rate (%)	Term of repayment
1,657	1,407.07	The Company's financial restructuring	Year 1 - 5 4.125 Year 6 - 10 MLR - 3	Payments of principal and interest by monthly installment of Baht 16.40 million from March 2015 for a period of 9 years 9 monthly as stipulated in the loan agreement

The collaterals of the above mentioned loans are as follows.-

1. Mortgage of 18 plots of land with building on promises. (See Note 15 to financial statements).
2. The assignment of right to service money under the lease and service agreements.
3. The endorsement of insurance.
4. Aqua Corporation Public Company Limited guarantee in full.

##### **Aqua Ad Public Company Limited**

Subsidiary had entered into long - term loans agreements with a bank with total facilities of Baht 192.69 million. The details and conditions are as follows.-

Facilities (Million Baht)	Loan balance (Million Baht)	Objective	Interest rate (%)	Repayment term	Periods
4.09	-	Re-finance	MLR	Baht 0.13 million per month Commencing from May, 2012	37 installments with in May, 2015
23.00	-	Re-finance	MLR - 1	Baht 0.34 million per month Commencing from May, 2012	84 installments with in April, 2019
96.00	-	Purchase of structured billboard stands	MLR - 0.25	Year 1-3 Baht 2.30 million per month Year 4-5 Baht 1.30 million per month Commencing from July, 2012	60 installments with in June, 2017
69.60	-	Purchase of structured billboard stands	MLR - 0.25	Year 1-3 Baht 1.72 million per month Year 4-5 Baht 0.80 million per month Commencing from April, 2013	60 installments with in March, 2018

## 21. LONG - TERM LOANS FROM FINANCIAL INSTITUTION - NET (Con't)

Collaterals for the above mentioned loans are as follows.-

1. Mortgage the subsidiaries' land for Baht 10 million.
2. Mortgage the Company's condominium units for Baht 85 million.
3. Transfer rental fees of structured billboard stands to the bank not less than Baht 130 million per annum.
4. Pledged the subsidiary's deposits in saving account amounting to Baht 13.80 million.
5. The Company guaranteed as co - debtor for the total loan facilities.

In third quarter of 2016, the subsidiary had fully repaid these long - term loans and redeemed the collateral in the above details No. 2 to No. 4. The collaterals in No. 1 and No. 5 was remain pledged as collateral for its overdraft facility amounting to Baht 10 million.

## 22. LIABILITIES UNDER HIRE - PURCHASE CONTRACTS - NET

Liabilities under hire - purchase contracts are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Liabilities under hire - purchase contracts	6,205	2,064	4,188	2,064
<u>Less</u> Deferred interest	(462)	(167)	(330)	(167)
Liabilities under hire - purchase contracts	5,743	1,897	3,858	1,897
<u>Less</u> Current portion	(1,671)	(536)	(1,014)	(536)
Net	4,072	1,361	2,844	1,361

The Company and its subsidiary has entered into hire - purchase agreement with two leasing companies with payment terms of 48 months at monthly installments of Baht 97,415 and Baht 61,093 respectively.

## 23. EMPLOYEE BENEFIT OBLIGATIONS - NET

The Company and its subsidiaries operates post-employment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long - term benefits to employees based on pensionable remuneration and length of service.

**23. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)**

23.1 Movement in the present value of the employee benefits obligations consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Defined benefit obligations at January 1,	5,634	4,465	1,653	1,264
Current service costs	1,097	1,009	398	341
Interest cost	203	160	63	48
Defined benefit plan remeasurement	1,050	-	(112)	-
Defined benefit obligations at December 31,	7,984	5,634	2,002	1,653
<u>Less</u> Current portion	(478)	-	-	-
Employee benefit obligations - net	7,506	5,634	2,002	1,653

23.2 The expense is recognized in the following line items in the profit or loss.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Profit or loss				
Administrative expense	1,097	1,009	398	341
Interest expenses	203	160	63	48
Total	1,300	1,169	461	389

23.3 Remeasurement of defined benefit plan recognized in other comprehensive income for the year ended December 31, 2016 arising from:

	Unit : Thousand Baht	
	For the year ended December 31, 2016	
	Consolidated	Separate
Financial assumptions	755	173
Experience adjustment	(386)	(209)
Demographic assumptions	681	(76)
Total	1,050	(112)

**23. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)**
**23.4 Principal actuarial assumptions at the reporting date.-**

	Consolidated	
	2016	2015
Discounted rate (%)	2.29 - 2.81	3.01 - 3.80
Salary increase rate (%)	4	2 - 4
Retirement age (year)	55	55
* Employee turnover rate (%)	0 - 42	0 - 39
** Mortality rate	TMO 2008	TMO 2008

\* Upon the length of service

\*\* Reference from TMO2008 (TMO08 : Thai Mortality Ordinary Table of 2008)

	Separate	
	2016	2015
Discounted rate (%)	2.53	3.80
Salary increase rate (%)	4	4
Retirement age (year)	55	55
* Employee turnover rate (%)	0 - 42	0 - 35
** Mortality rate	TMO 2008	TMO 2008

\* Upon the length of service

\*\* Reference from TMO2008 (TMO08 : Thai Mortality Ordinary Table of 2008)

**23.5 Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.-

	Unit : Thousand Baht	
	Consolidated	
	Increase	Decrease
Defined benefit obligation December 31, 2016		
Discount rate (1% movement)	(542)	603
Future salary growth (1% movement)	506	(467)
Resignation rate (1% movement)	(590)	317

## **23. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)**

### **23.5 Sensitivity analysis (Con't)**

	Unit : Thousand Baht	
	Separate	
	Increase	Decrease
Defined benefit obligation December 31, 2016		
Discount rate (1% movement)	(134)	147
Future salary growth (1% movement)	123	(115)
Resignation rate (1% movement)	(147)	68

### **23.6 Amounts of defined benefit obligation for the current and previous four - years are as follows.-**

	Unit : Baht	
	Consolidated	Separate
Year 2016	7,984	2,002
Year 2015	5,634	1,653
Year 2014	4,465	1,264
Year 2013	4,273	3,094
Year 2012	7,060	2,450

## **24. OTHER CURRENT LIABILITIES**

Other current liabilities are as follows.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Rental Deposit	64,862	52,012	869	1,019
Provision for decommissioning costs	25,502	21,909	-	-
Provision	6,024	-	-	-
<b>Total</b>	<b>96,388</b>	<b>73,921</b>	<b>869</b>	<b>1,019</b>

## **25. SHARE CAPITAL**

At the Annual General Meeting for the year 2016, held on April 22, 2016, it was resolved to the decrease its authorized share capital from Baht 2,500,000,000 to Baht 2,296,500,000 to match with its fully paid up capital which the Company has registered the capital decrease with the Ministry of Commerce on May 12, 2016.



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**26. TREASURY SHARES****26.1 Treasury shares**

At the Board of Directors' Meeting held No.9/2016 on August 26, 2016, has approved a share repurchase a share program for financial management purpose (Treasury Stocks) not exceeding 275 million shares, or approximately 5.99 percent of the total issued shares, with the maximum amount of Baht 220 million. The Company shall purchase the shares through the Stock Exchange of Thailand within the period of 6 months, from September 12, 2016 to March 11, 2017. The shares purchased must be resold within 3 years from such completion.

As at December 31, 2016, the Company had purchased 86.04 million shares of the Company's shares, comprising 1.87% of the Company's issued share capital, at a total cost of Baht 66.39 million.

**26.2 Treasury shares reserve**

Under the notification of the Office of the Securities and Exchange Commission No. Gor. Lor. Tor. Chor. Sor. (Wor.) 2/2548 and the notification of the Federation of Accounting Professions No. Sor. Sor. Wor. Bor. Chor. 016/2548 public companies buying back their own shares (treasury shares) must have retained earnings in an amount not less than the outstanding balance of the treasury shares, and if retained earnings are appropriated for dividend payment, the balance of retained earnings remaining after such payment must likewise be no less than the balance of the treasury shares. The Company proceeded in accordance with these guidelines and appropriated an amount of retained earnings to the treasury shares reserve equal to the amount paid to acquire the shares.

As at December 31, 2016, the Company had set aside the treasury shares reserve of Baht 66.39 million from its retained earnings.

**27. DIVIDEND AND LEGAL RESERVE**2016PARENT COMPANY

- 27.1 At the Annual General Meeting for the year 2016, held on April 22, 2016, it was resolved to pay dividend from the operation of the year 2015 and part of retained earnings to its shareholders at Baht 0.03 per share amounting to Baht 137.79 million and appropriated legal reserve amounting to Baht 7.25 million. The Company had paid dividend to its shareholders on May 18, 2016.

SUBSIDIARIES

- 27.2 At the Annual General Meeting for the year 2016 of Thai Consumer Distribution Centre Company Limited held on March 30, 2016, it was resolve to pay dividend from the operating of the year 2015 to its shareholders at Baht 20 per share, amounting to Baht 33.88 million and appropriated legal reserve amounting to Baht 4.30 million. The subsidiary had paid dividend to its shareholders on April 19, 2016.
-

## 27. DIVIDEND AND LEGAL RESERVE (Con't)

### SUBSIDIARIES (Con't)

- 27.3 At the Annual General Meeting for the year 2016 of Aqua Ad Public Company Limited held on April 5, 2016, it was resolve to pay dividend from the operating of the year 2015 to its shareholders at Baht 0.05 per share amounting to Baht 20.22 million and appropriated legal reserve amounting to Baht 2.47 million. The subsidiary had paid dividend to its shareholders on April 19, 2016.
- 27.4 At the Annual General Meeting for the year 2016 of Mantra Asset Company Limited held on April 5, 2016, it was resolve to pay dividend from the operating of the year 2015 to its shareholders at Baht 1 per share amounting to Baht 1 million and appropriated legal reserve amounting to Baht 0.05 million. The subsidiary had paid dividend to its shareholders on April 19, 2016.

### INDIRECT SUBSIDIARY

- 27.5 At the Annual General Meeting for the year 2016 of Accomplish Way Holding Company Limited held on March 30, 2016, it was resolve to pay dividend from the operating of the year 2015 (For the period commencing from July 1, 2015 to December 31, 2015) to its shareholders at Baht 10 per share amounting to Baht 4.50 million and appropriated legal reserve amounting to Baht 2.98 million. The subsidiary had paid dividend to its shareholders on April 19, 2016.

### 2015

### PARENT COMPANY

- 27.6 At the Annual General Meeting for the year 2015, held on April 23, 2015, it was resolved to pay dividend from the operating of the year 2014 to its shareholders at Baht 0.0174 per share amounting to Baht 79.92 million and appropriated legal reserve amounting to Baht 6.22 million. The Company had paid dividend to its shareholders on May 20, 2015.

### SUBSIDIARIES

- 27.7 At the Annual General Meeting for the year 2015 of Aqua Ad Public Company Limited held on March 31, 2015, it was resolve to pay dividend from the operating of the year 2014 to its shareholders at Baht 0.05 per share amounting to Baht 20.22 million and appropriated legal reserve amounting to Baht 1.58 million. The subsidiary had paid dividend to its shareholders on April 8, 2015.
- 27.8 At the Annual General Meeting for the year 2015 of Mantra Asset Company Limited held on March 31, 2015, it was resolve to pay dividend from the operating of the year 2014 to its shareholders at Baht 0.45 per share amounting to Baht 0.45 million and appropriated legal reserve amounting to Baht 0.02 million. The subsidiary had paid dividend to its shareholders on April 8, 2015.

**28. EARNINGS PER SHARE**
**BASIC EARNINGS PER SHARE**

The calculations of basic earnings per share were based on the profit for the year attributable to equity holders of the Company and the number of common shares outstanding during the year as follows.-

	Consolidated		Separate	
	2016	2015	2016	2015
Profit attributable to equity holders of				
The parent company (basic)				
(Thousand baht)	236,575	285,167	74,786	108,943
Number of ordinary shares as at January 1,	4,593,000	4,593,000	4,593,000	4,593,000
<u>Less</u> Treasury shares	(21,668)	-	(21,668)	-
Weighted average number of common				
shares outstanding (basic)				
(Thousand Share)	4,571,332	4,593,000	4,571,332	4,593,000
Earnings per share (basic) (Baht)	0.0518	0.0621	0.0164	0.0237

**29. EXPENSES BY NATURE**

Significant expenses classified by nature consist of.-

	Unit : Thousand Baht			
	Consolidated		Separate	
	2016	2015	2016	2015
Rental	76,160	76,706	79	90
Employees benefit expenses	60,020	55,362	23,320	25,595
Depreciation and amortization	59,256	56,237	2,500	2,479
Commission	13,123	14,079	-	-
Service expense and cost of production	16,745	20,219	-	-
Bad debt and doubtful accounts (reversal)	(2,761)	(594)	3,510	(417)
Electric billboards fees	9,037	9,138	-	-
Premium billboards fees	8,593	8,566	89	-
Billboards tax	12,486	12,200	-	-
Professional fees	5,588	6,239	3,220	2,117
Fees	3,592	4,141	2,335	2,292
Repair	15,547	28,388	77	135
Financial cost	81,110	63,898	4,770	118

**30. PROVIDENT FUND**

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries companies and their employees contributed to the fund monthly at the rate of 2 - 3 percent of their basic salary. The fund, which is managed by Krungsri Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. For the year ended December, 2016 and 2015, the Company and its subsidiaries contributed Baht 0.65 million and Baht 0.69 million in the consolidated financial statements and amounting to Baht 0.09 million and Baht 0.19 million in the separate financial statement respectively.

**31. OPERATING SEGMENT**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

Segment information is presented in respect of the Company and its subsidiaries operating segments. The primary format, business segments, is based on the Company and its subsidiaries management and the internal reporting structure provided to the chief operating decision maker.

Segment assets and revenues include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**Business segments**

Segment 1 : Hire - purchase business

Segment 2 : Rental space for advertising signage

Segment 3 : Service and warehouse lease

**31. OPERATING SEGMENT (Con't)**

Asset, revenue and operating results, based on business segments, in the consolidated financial statements are as follows.-

Unit : Thousand Baht					
Consolidated					
For the year ended December 31, 2016					
	Segment 1	Segment 2	Segment 3	Elimination	Total
Revenues	416	306,957	286,015	-	593,388
Operating profit					342,320
Unallocated income - net					24,080
Interest income					20,357
Loss on revaluation of					
investment properties	-	-	(3,674)	-	(3,674)
Depreciation	-	(56,400)	-	-	(56,400)
Share of profit on investment					
in associated company					45,597
Finance cost					(81,110)
Income tax					(48,540)
Income of non - controlling interest					(6,055)
Net profits attributable shareholders					
of the parent					236,575
<u>Assets of the segment</u>					
Investment in associate					
are accounted for by equity method					674,649
Allocated					
Billboard	-	298,043	-	-	298,043
Investment property	200,209	-	3,118,971	-	3,319,180
Unallocated					1,140,143
Total assets as at December 31, 2016					5,432,015

**31. OPERATING SEGMENT INFORMATION (Con't)**

Unit : Thousand Baht					
Consolidated					
For the year ended December 31, 2015					
	Segment 1	Segment 2	Segment 3	Elimination	Total
Revenues	170	313,327	248,600	-	562,097
Operating profit					290,737
Unallocated income - net					21,365
Gain on change in fair value of investment properties	500	-	46,954	-	47,454
Interest income					23,248
Depreciation	-	(53,618)	-	-	(53,618)
Share of profit on investment in associated company					94,916
Financial cost					(63,898)
Income tax					(55,513)
Income of non - controlling interest					(19,524)
Net profits attributable shareholders of the parent					285,167
<u>Assets of the segment</u>					
Investment in associate are accounted for by equity method					651,386
Allocated					
Billboard	-	280,458	-	-	280,458
Investment property	3,000	-	3,109,922	-	3,112,922
Unallocated					1,576,498
Total assets as at December 31, 2015					5,621,264

**32. FINANCIAL INSTRUMENTS**

The Company and its subsidiaries complied with the Thai Accounting Standard No. 107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows:-

**32.1 Accounting policies**

The related accounting policies are disclosed in Note 4.21 to the financial statements.

**32.2 Financial risk management**

The Company and its subsidiaries are exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and subsidiaries did not speculate or engage in the trading of any derivative financial instrument.

**32. FINANCIAL INSTRUMENTS (Con't)**
**32.3 Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to hire purchase receivable, trade accounts receivable, loans, and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The Company and its subsidiaries do not expect to incur material financial losses in excess of the allowance for doubtful accounts they have already provided.

**32.4 Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, Hire-purchase/financial lease contract receivables and loans bank overdrafts and short-terms and long-term loans charged with interest and financial lease. However, since interest rates of the majority of these financial assets and liabilities vary according to market rates or are fixed and closed to market rates, the Company and its subsidiaries management deemed their interest risk at low level. The Company and its subsidiaries thus do not use derivative financial instruments to hedge such risk.

The Company and its subsidiaries had interest rate risk as follows.-

Unit : Thousand baht							
Consolidated (As at December 31, 2016)							
	Fixed interest rates			Floating Interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	655,197	4,295	659,492	0.50 - 2.00
Temporary investments	150,000	-	-	-	1	150,001	5.50 - 6.50
Trade accounts and other receivable	-	-	-	-	140,331	140,331	-
Deposits at financial institution pledged as collaterals	-	-	-	13,360	-	13,360	0.80 - 1.00
Long-term investments	-	-	1,000	-	29,900	30,900	4.50
<b>Financial liabilities</b>							
Discounted bill of exchange	100,000	-	-	-	-	100,000	4.25
Trade accounts and other payable	-	-	-	-	84,372	84,372	-
Long-term Loan from financial institution	-	340,386	-	1,276,096	-	1,616,482	*
Liabilities under lease contracts	1,671	4,072	-	-	-	5,743	2.39, 4.82

\* 4.125% p.a., MLR - 2% p.a. and MLR - 3% p.a.

**32. FINANCIAL INSTRUMENTS (Con't)**

Unit : Thousand baht							
Consolidated (As at December 31, 2015)							
	Fixed interest rates			Floating Interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,338,386	2,255	1,340,641	0.50 - 2.50
Temporary investments	-	-	-	-	1	1	-
Trade accounts and other receivable	-	-	-	-	111,939	111,939	-
Short - term loans to related companies	6,000	-	-	-	-	6,000	5
Deposits at financial institution pledged as collaterals	-	-	-	27,470	-	27,470	0.75 - 1.50
Long-term investments	-	-	1,000	-	29,900	30,900	4.50
<b>Financial liabilities</b>							
Trade accounts and other payable	-	-	-	-	92,998	92,998	-
Long-term Loan from financial institution	135,704	-	-	1,696,906	-	1,832,610	*
Liabilities under lease contracts	536	1,361	-	-	-	1,897	2.65

\* 4.125% p.a., MLR -1 p.a. to MLR and MLR - 1.5% p.a.

Unit : Thousand baht							
Separate (As at December 31, 2016)							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	477,603	227	477,830	0.50 - 2.00
Temporary investments	150,000	-	-	-	1	150,001	5.50 - 6.50
Trade accounts and other receivable	-	-	-	-	35,609	35,609	-
Short - term loans to related company	264,950	-	-	-	264,950	264,950	2.00 - 4.35
Deposits at financial institution pledged as collaterals	-	-	-	97	-	97	0.75
Long - term investments	-	-	-	-	29,900	29,900	-
<b>Financial liabilities</b>							
Bills Discounted	100,000	-	-	-	-	100,000	4.25
Trade accounts and other payable	-	-	-	-	4,247	4,247	-
Liabilities under lease contracts	1,014	2,844	-	-	-	3,858	2.39



32. FINANCIAL INSTRUMENTS (Con't)

	Unit : Thousand baht						
	Separate (As at December 31, 2015)						
	Fixed interest rates			Floating	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate			
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,103,887	186	1,104,073	0.50 - 2.25
Temporary investments	-	-	-	-	1	1	-
Trade accounts and other receivable	-	-	-	-	1,878	1,878	-
Short - term loans to related company	6,000	-	-	-	-	6,000	5.00
Deposits at financial institution pledged as collaterals	-	-	-	97	-	97	0.75
Long - term investments	-	-	-	-	29,900	29,900	-
<b>Financial liabilities</b>							
Trade accounts and other payable	-	-	-	-	1,125	1,125	-
Liabilities under lease contracts	536	1,361	-	-	-	1,897	2.65

32.5 Defaulting of agreement risk

The subsidiary have a risk from it was unable to extend the lease premise agreement for billboard stands since the agreement was signed for the short - term. The Management then hedged this risk by entering into agreement the condition to extend the agreement and must inform the cancellation of agreement in advance. For the risk on damages to its customers who rented billboard, its subsidiaries will seek the new billboard to be tabs in the better location immediately

The subsidiary have a risk from the uncleanness of evidence supporting the billboard stand construction as follows:

	2016	2015
Billboard stand construction permission (Billboard stand)	106	87
Cost (Million Baht)	277.97	284.44
Net book value (Million Baht)	143.05	161.58
Advertising income (Million Baht)	146.82	146.07
Percentage of total advertising income	57.25	56.49
The reflection to income for demolishing billboard tabs (Million Baht)	(146.82)	(146.07)
The reflection to total assets and share holders equity for demolishing billboard stands (Million Baht)	(143.05)	(161.58)

The management deems that such stands were purchased from the seller whose the operation is used and constructed before the effective of the Bangkok's Instruction B.E. 2549 and altogether of the advertising and Sign Producing Association ("ASPA") is under the request for relaxing of permission. The management also deems that the expenses in demolition is not material together with the supplies from such demolition could be use in the alternative construction and installation.

## **32. FINANCIAL INSTRUMENTS (Con't)**

### **32.6 Currency risk**

The Company and its subsidiaries have no foreign currency exchange rate risk, all material respect.

### **32.7 Liquidity Risk**

The Company and its subsidiaries monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's and its subsidiaries operations and to mitigate the risk of fluctuations in cash flows.

### **32.8 Fair value of financial instruments**

A number of the company and its subsidiaries accounting policies and disclosures require the determination of fair value, for both financial and non - financial assets and liabilities.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as trade in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique.

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amount presented in the statements of financial position.

## **33. COMMITMENT AND CONTINGENT LIABILITIES**

33.1 The Company and its subsidiaries had contingent liabilities in respect of letters of guarantee issued by banks mainly to secure contractual performance, electricity usage and others as follows.-

	Unit : Thousand Baht	
	2016	2015
<u>The Company and its subsidiary</u>		
Aqua Corporation PCL.	97	97
Aqua Ad PCL.	8,050	7,263

**33. COMMITMENT AND CONTINGENT LIABILITIES (Con't)**

- 33.2 The subsidiaries was in possession of commitments from land agreements for sites of structured billboard stands which are liable to make future payment under operating lease agreement as follows.-

Unit : Thousand Baht		
Consolidated		
	2016	2015
Within 1 year	31,431	31,461
2 - 5 years	32,765	25,332
After 5 years	10,458	3,684
Total	74,654	60,477

- 33.3 A subsidiary had contingent liabilities from a damage claim of Baht 2.20 million in a civil case for the collapse of structured billboard stand causing damage to third parties in 2007 (prior to the subsidiary investing in such company) and the subsidiary had an agreement with the former shareholders to be responsible for the damage claim. On February 2, 2016, the case has come to an end with the Supreme Court ordered the subsidiary to pay the claim amount of Baht 3.44 million which the subsidiary has already paid for the claim and damage of the former shareholders to repay the claim amount.
- 33.4 On March 30, 2016, Mantra Assets Company Limited a subsidiary has entered into an agreement for lease with The Cabin Chiang Mai Company Limited. To lease the property after the completion of construction of the Rehabilitation Treatment Center for a period of 10 years and it shall be entitle to extend the lease term for another 10 years, whereby the total project value was approximately Baht 450 million. At present, the building is under construction and shall be completed within 1 years and 6 months.

**34. OTHER INFORMATION**

- 34.1 Cease of solar power energy and waste to energy

The Company's Board of Directors' Meeting No.5/2016 held on June 24, 2016, approved the cease of solar energy and waste to energy business considered to be the same business as that of Eastern Power Group Public Company Limited ("EP"). EP in the subsidiary of Eastern Printing Public Company Limited ("EPCO"), the associate company and it planned to list Eastern Power Group Plc., EP, in the Stock Exchange of Thailand in order to create value added to EPCO and to dissolve the conflict of interest that may arise from operating in energy business. The Company had plans as follows.-

- 34.1.1 It was approved in principle to dispose investment in Green View Godo Kaisha ("GK") in Japan, a 100% indirect subsidiary of AQUA Power Company Limited. After the disposition of investment, Green View Godo Kaisha and Solar Mogami Godo Kaisha were no longer the subsidiary and the indirect subsidiary of the Company, respectively. The Board of Directors assigned the executive committee to process for the disposition of the investment with the policy that the Company shall receive the investment amount and the loan amount in full when converting into Thai Baht, the Company, however, has already disposed this investment (See Note 12 to the financial statements).

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**34. OTHER INFORMATION (Con't)**

**34.1 Cease of solar power energy and waste to energy (Con't)**

34.1.2 It was approved in principle to liquidate and dissolve CVK Aqua Energy Company Limited ("CVK AQUA"), the indirect subsidiary, holding 76% by 121 Power Company Limited and approved to acquisition 24% of CVK AQUA shares from the other shareholders which on July 11, 2016, the Company had acquired total shares and in the third quarter of 2016, CVK Aqua Energy Company Limited was dissolved with the Ministry of Commerce on August 23, 2016.

**34.2 Investments in solar energy business in Japan**

SUBSIDIARIES: Texas 121 Company Limited (Former name : Aqua Power Company Limited)

Solar Farm Development Agreement :

On December 30, 2015, Aqua Power Company Limited has entered into a Solar Farm Development Agreement with a company in Japan (Green Future Kabushiki Kaisha (Jpn Co.)) to develop a 3.98 Megawatt Solar Farm Projects in Japan.

The abovementioned solar farms projects in Japan were incorporated by Solar Mogami Godo Kaisha consist of 2 projects as follows.-

1. Project in MOGAMI, capacity of 1.99 Megawatt.
2. Project in HANAMAKI, capacity of 1.99 Megawatt.

MOGAMI Project, capacity 1.99 megawatt

As at March 31, 2016, Solar Mogami Godo Kaisha Company Limited had made an advance payment for land rental and project development expense under the agreement amounting to Yen 8.98 million (Baht 2.73 million).The indirect subsidiary has been transferred the construction licenses.

In the second quarter of 2016, the project was ceased as described in condensed note 34.1 to the financial statements.

**35. CAPITAL MANAGEMENT**

The primary objectives of the Company and subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain appropriate capital structures.

As at December 31, 2016 and December 31, 2015, debt - to - equity ratios in the consolidated financial statements were 0.66 : 1 and in the separate financial statements were 0.04 : 1 and 0.002 : 1 respectively.

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**36. EVENTS AFTER REPORTING PERIOD**

PARENT COMPANY

- 36.1 At the Board of Directors' Meeting No. 2/2017 held on February 14, 2017 has approved the investment in Boardway Media Co.,Ltd (\*Boardway Media\*) the investment will be conducted through an acquisition of (1) common shares of 90% of the total shares , or equivalent of 881,999 shares, from the existing shareholders at a price per share of 697.9592 baht amounting to Baht 615.60 million. (2) preferred shares of 100% of the total preferred shares, or equivalent of 136 shares from the existing shareholders at a price per shares of 100 baht amounting to Baht 0.01 million. The total investment transactions of Baht 615.61 million.
- 36.2 At the Board of Directors' Meeting No. 4/2017 held on February 28, 2017, it was resolved to propose to the shareholders to distribute dividend for the year 2016 at the rate of Baht 0.01 per share, totaling Baht 45.07 million and to appropriate legal reserve amounting to Baht 3.74 million.
- 36.3 At the Board of Directors' Meeting No. 4/2017 held on February 28, it was resolved to propose to the shareholders to issue and offer to sell the debenture for general operating purpose and / or loan repayment and / or the Company and its subsidiaries' investment and / or working capital of the Company and its subsidiaries. The total principal shall not exceed Baht 2,000 million at anytime. The debentures may be offered on a revolving basis so long as the total outstanding amount of the debentures does not exceed Baht 2,000 million.

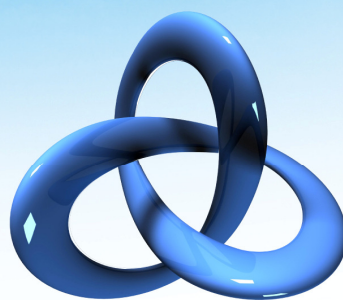
SUBSIDIARIES

- 36.4 At the Board of Directors' Meeting of Aqua Ad Public Company Limited No. 1/2017 held on February 24, 2017, it was resolved to distribute dividend for the year 2016 at the rate of Baht 0.075 per share, totaling Baht 30.33 million and to appropriate legal reserve amounting to Baht 2.19 million.
- 36.5 At the Board of Directors' Meeting of Thai Consumer Distribution Centre Company Limited No. 1/2017 on February 24, 2017 it was resolved to distribute dividend for the year 2016 at the rate of Baht 5 per share, totaling Baht 8.47 million.
- 36.6 At the Board of Directors' Meeting of Accomplish Way Holdings Company Limited No. 1/2017 on February 24, 2017 it was resolved to distribute dividend for the year 2016 at the rate of Baht 20 per share, totaling Baht 9 million and provided legal reserve amounting to Baht 1.26 million.

**37. APPROVAL OF FINANCIAL STATEMENTS**

These interim financial statements have been approved by the Company's Board of Directors on February 28, 2017.

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**AQUA CORPORATION**

**AQUA CORPORATION PUBLIC COMPANY LIMITED**

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