



Ekarat Engineering (Public) Co.,Ltd.

# รายงานประจำปี Annual Report

2016



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## FINANCIAL HIGHLIGHTS

### Summary of Financial Information of Ekarat Engineering Public Company Limited

Items	Units	2016	2015
Revenue from the sale of goods	(Million Baht)	1,341.29	1,807.32
Revenue from services and repairing	(Million Baht)	257.00	263.75
Revenue from sales of electricity current	(Million Baht)	21.71	21.06
Gross Profit	(Million Baht)	276.79	561.19
Net Profit	(Million Baht)	(65.71)	93.03
Total Assets	(Million Baht)	2,093.08	2,097.88
Total Liabilities	(Million Baht)	914.82	780.40
Total Shareholders' Equity	(Million Baht)	1,178.25	1,317.48
Paid-up share capital	(Million Baht)	1,074.63	1,074.63
Par Value	(Baht)	0.80	0.80
Earning Per Share	(Baht)	(0.049)	0.069
Book Value per Share	(Baht)	0.88	0.98
Gross Profit Margin	(%)	17.09	26.82
Net Profit Margin	(%)	(4.06)	4.45
ROA	(%)	(2.22)	4.27
ROE	(%)	(5.67)	7.06



## Summary of Financial Information of Ekarat Engineering Public Company Limited and Subsidiary

Items	Units	2016	2015
Revenue from the sale of goods	(Million Baht)	1,342.85	1,810.17
Revenue from services and repairing	(Million Baht)	258.62	263.73
Revenue from sales of electricity current	(Million Baht)	21.71	21.06
Gross Profit	(Million Baht)	289.00	563.93
Net Profit	(Million Baht)	(62.18)	94.61
Total Assets	(Million Baht)	2,106.12	2,110.14
Total Liabilities	(Million Baht)	915.26	783.58
Total Shareholders' Equity	(Million Baht)	1,190.85	1,326.55
Paid-up share capital	(Million Baht)	1,074.63	1,074.63
Par Value	(Baht)	0.80	0.80
Earning Per Share	(Baht)	(0.046)	0.070
Book Value per Share	(Baht)	0.89	0.99
Gross Profit Margin	(%)	17.80	26.92
Net Profit Margin	(%)	(3.83)	4.52
ROA	(%)	(2.04)	4.32
ROE	(%)	(4.94)	7.13





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**MESSAGE  
FROM THE CHAIRMAN**  
**Mr. Vichit Yamboonrueng**  
**Chairman of the Board**

In 2016, the World's economic was still slow down and struggle continued from 2015. It has been a real effect on Thailand's economic in every aspect, and also caused Ekarat Engineering Public Company Limited tremendously.

Last year, the Ministry of Energy had given a clearer picture of Alternative Energy Development Plan (AEDP), particularly Solar Energy for both Solar Farm for Government Unit and Agriculture Cooperatives and the Pilot Project of Solar Rooftop for saving electricity bills. Moreover, nowadays Solar panel price has been decreased rapidly which may attract many investors to invest in solar energy project.

In 2017, The Company will still focus on development our Products and Services together with reducing production costs to increase our strength and ability to be competitiveness in the markets.



Finally, The Board of Directors would like to deeply express appreciation to all our shareholders, our customers, our trading partners, our employees and our supportive financial institutions. The Company is committed to improve the operational competency and organizational transparency for the utmost benefits of all parties involved. The company will support any kinds of social activities and continue to operate our business at its best for the future.

On behalf of the Directors and Management Team  
Ekarat Engineering Public Company Limited



(Mr. Vichit Yamboonrueng)  
Chairman of the Board



## AUDIT COMMITTEE'S REPORT

The Audit Committee of Ekarat Engineering Public Company Limited was appointed by the resolution of the Board of Director on February 18, 2005. The members of the Audit Committee are Mr. Vinai Vittavasgarvej as the Chairman of the Committee, Mr. Wara Tongprasin, and Mr. Pitak Chaicharoen as the Audit Committee members, and Mrs. Suwannee Sujaritvanichpong – Internal audit Manager, as the secretary of the Audit Committee. Each of the Audit Committee members is not the executive or staff or related person with the company.

Since January 1 – December 31, 2016, the Audit Committee held 6 meetings. The Audit Committee has invited the management and/or the company's auditors to attend the meeting for discuss or inform the board as the agenda required. The Audit Committee's meeting considered the subjects as stipulated duties as follows :

1. Reviewed, commented, and provided suggestion, the company's quarterly and annually financial statements before submitting to the Board of Directors for approval.
2. Consider the related transactions between the company, the subsidiaries and the person who might have the conflict of interests. The Audit Committee did not find any transactions that might indicate the conflict of interests.
3. Presented the Internal audit reports and corrective suggestions to the Board of Directors.
4. Evaluated the company's and subsidiaries' internal controls, which comprise the organization and environment, risk management, management operation control, information system and communication, and monitoring system. The Audit Committee will present to the board for consideration in the said matters.
5. Recommended Office of SP Audit Company Limited to be the company's auditors for year 2017 including company's auditor remuneration.
6. The Audit Committee considered the Corporate Governance and Risk Management system and agreed that the Corporate Governance and Risk Management system of the company is efficient.
7. The Audit Committee evaluated the operation of Audit Committee time by time and adjusted the Audit Committee charter to conform to related rules and regulations.

On behalf of the Audit Committee,



(Mr. Vinai Vittavasgarvej)

Chairman of the Audit Committee



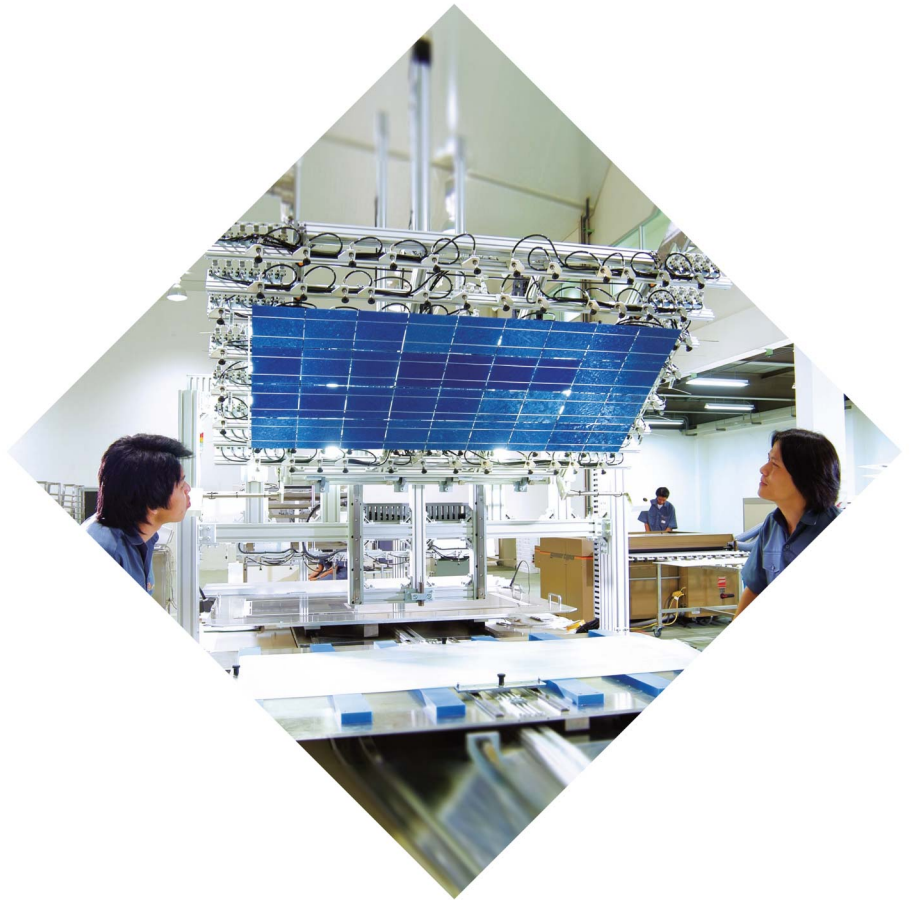
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## General Information

### General Information

Company name	:	Ekarat Engineering Public Company Limited
Address	:	9/291 Floor 28 <sup>th</sup> , U.M. Tower, Ramkamhaeng Road, Suanluang, Bangkok 10250, Thailand
Registration No.	:	0107537002711
Website	:	www.ekarat-transformer.com
Registered Capital	:	Baht 1,074,631,523.20 divided into 1,343,289,404 Ordinary shares at Par value of 0.80 Baht each
Paid-up Capital	:	Baht 1,074,631,523.20 divided into 1,343,289,404 Ordinary shares at Par value of 0.80 Baht each
Telephone No.	:	02-719-8777 (Automatic 30 lines)
Fax. No.	:	02-719-8760

### Securities Registrar

Company Name	:	Thailand Securities Depository Company Limited
Address	:	93 Rachadapisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone No.	:	0-2009-9000
Fax. No.	:	0-2009-9991

### Auditor

Auditors	:	Mrs. Suvimol	Krittayakiem	C.P.A No. 2982 or
		Mr. Wisut	Petpanichkul	C.P.A No. 7309 or
		Miss Somjintana	Pholhirunrat	C.P.A. No. 5599

Company Name	:	D I A International Audit Company Limited
Address	:	316/32 Sukhumvit Soi 22 Sukhumvit Rd., Klongtoey, Bangkok, Thailand 10110
Telephone No.	:	0-2259-5300
Fax. No.	:	0-2260-1553



## NATURE OF BUSINESS

### Products and Services

The company products and services can comprise of 4 activities. :

1) **Distribution Transformer** – The Company is the Distribution Transformer manufacturer and distributor. The Company can produce either Oil Type Distribution Transformer or Dry Type Distribution Transformer which have the electric power between 1 kVA. to 30,000 kVA.

2) **Services** – The Company has 10 sell representatives through out the country. The service provided to the customer is Distribution Transformer Maintenance and Repairing service and Electric system Maintenance service.

3) **Solar Farm** – The Company is the electrical power generator by generating electricity from photovoltaic 2 places. The first is at Prachinburi province which has power capacity 1.26 Megawatt per year and selling to Provincial Electricity Authority (PEA) and received the adder supporting from PEA for 10 years. The second is at Nonthaburi province which has power capacity 3.35 Megawatt per year and selling to Metropolitan Electricity Authority (MEA) and received Feed-in-Tariff 5.66 Baht per unit for 25 years.

4) **Solar Cell** – The company is the manufacturer of Solar Module and can produce Solar Cell with the capacity of 60 Megawatt per year for the usage as raw material for Solar Module assembly and for sell as the merchandise both local market and foreign market.



## MARKET CONDITIONS AND COMPETITION

### Distribution Transformer

Ekarat Engineering Public Company Limited is concentrated in manufacture the high quality Distribution Transformer and Transformer parts. The factors that support quality of Ekarat's transformer are Design with computer programs, used of high quality raw materials. The Company use the Copper strips instead of Copper wires which made Ekarat's transformer can endure the electric shock. Ekarat's staffs are experience and skillful and with the modern technology of machinery, the Company can also produce Hermetically Sealed Oil Type Distribution Transformer and Dry Type Cast Resin, which received the technology from Starkstrom-Geratebau GmbH, Germany.

The company was the leader in Thailand to use the Water-Based Paints technology from Germany in the production of Transformer Tank. The said technology is friendly to the environment because there is no toxic chemical in the paints.

The customer of Distribution Transformer can be divided into 3 categories, Public sector (Metropolitan Electricity Authority and Provincial Electricity Authority), Private sector (Contractors, Others company) and Foreign sector. In 2016, the company has the proportion of Public to Private to Foreign sector equal to 76.14 : 10.11 : 13.75 percentage respectively.

The demand of Distribution Transformer is depend on the increasing of demand on electrical power which is conforming to the GDP. The electric power peak demand in year 2014, 2015, and 2016 is 26,942 27,345 and 29,619 MW, respectively or equal to the growth rate of 3.36, 5.39, and 8.32 percentages, respectively. The increasing in GDP in year 2014, 2015, and 2016 is percentage of 0.75 2.8 and 3.1 (approximately) respectively. The demand on electrical power is increasing by the year, especially year 2016. This reason supporting the growth opportunity of Distribution Transformer Business.

At present, there are about 25 transformer manufactures in the market. As a result, the competition of transformer business is higher than in the past. However, the company still is the leader in the Distribution Transformer's market share. The average of market share from 2014-2015 is about 20% and the company's major competitors are Charoenchai Transformer Co.,Ltd., Tirathai PCL., and Thai Maxwell Electric Co.,Ltd.



## Services

The service, we offer to the customer is maintenance and repairing the distribution transformer and with the vast network of representatives, the company can also sale the distribution transformer to replace the damage of broken transformer through the representatives.

The growth of Service has a direct variation to the sale of distribution transformer and it can also grow with the service in electric system for a huge manufacturer plant. The competition in Services is not desperate; the strength of the company has the number of representatives in the industry. The company has 10 representatives throughout the country. The competitors of Services are Thai Maxwell Co., Ltd., R. Support Co., Ltd., A.B.B. Co., Ltd., Charoenchai Transformer Co., Ltd., and Tirathai Public Co., Ltd. In 2016, we committed to develop the maintenance service of distribution transformer all personnel, equipment and facility to more efficiency.

## Solar Farm

The Company is the electrical power generator by generating electricity from photovoltaic 2 places. The first is at Prachinburi province which has power capacity 1.26 Megawatt per year and selling to Provincial Electricity Authority (PEA) and received the adder supporting from PEA for 10 years. The second is at Nonthaburi province which has power capacity 3.35 Megawatt per year and selling to Metropolitan Electricity Authority (MEA) and received Feed-in-Tariff 5.66 Baht per unit for 25 years.

The company's Solar Farm business does not have the competition due to the electricity current generated will sell directly to the government.

## Solar Energy Business

Ekarat Engineering Public Company Limited is a manufacturer and distributor of Solar Module (Crystalline Silicon). The capacity of the module we can produce is from 30 Watts to 320 Watts depend on customer demand. The Company's Solar Module has the efficiency about 12%-15% for changing the solar energy to electric energy. The module can be use for 20-25 years and we test the module before deliver to the customers. The price of the module has direct variation to the price of raw materials likes Solar cell because the solar cell is the main raw material and the cell has the highest price. The Company has the customer in both local and overseas that operated the business by distributing the solar module or solar module installation.



The trend of the demand in solar cell for local market grew up since 2015. The comparison of local renewable investment in year 2015 was Baht 86,158 million and year 2014 was Baht 7,319 million or increased by Baht 78,839 million. In 2016, Domestic Manufacturer of Solar Cell had the capacity about 3,944 MW per year and most of the production are manufacture for export under term of BOI.

For the competition in the solar energy business, despite to the high jump in the growth of the industry, as a result to high competition. However, the company has the opportunity in the market and new companies also have chance in this market.



## RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, and expenses of the Company was derived from its related parties. These companies are related to the Company through the co-shareholders and/or co-directors. The financial statements are reflected the effects of these transactions on the basis determined by the normal course of business with related parties at the same rate applicable to other parties.

	Type of business	Relationship
Ekarat Solar Co., Ltd.	Distributor of solar cell	Subsidiary/directorship
Ekarat Energy Co., Ltd.	Operate on solar power	Subsidiary/directorship
Ekarat Chemical Co., Ltd.	None operation	Common shareholder
KV Asset Company Limited	Investment in other company	Common shareholder and director
Ms. Theeraya Kanokpruk		Shareholders
Chula Engineering Company Limited	Distributor of plumbing equipment	Common shareholder

The Company has pricing policy as follows :

Type of transaction	Pricing policy
Trading price and buying price of assets	Base on market price
Rental and service income	At agreed rate indicated in agreement
Interest income	At agreed interest rate of commercial bank
Co-ownership on land	At agreed rate and proportion of purchasing price
Guarantee loans from bank by share certificate	2% per annum



Significant transactions with related parties as at December 31, 2016 and 2015, are as follows :

		(Unit : Baht)	
		Separate financial statements	
		2016	2015
Other receivables			
Ekarat Solar Co., Ltd.	28,119,157.96	27,162.00	
Ekarat Energy Co., Ltd.	38,000.00	14,000.00	
Total	28,157,157.96	41,162.00	
Prepaid guarantee fee			
KV Asset Company Limited	570,180.85	2,144,813.51	
Ms. Theeraya Kanokpruk	570,180.85	2,144,813.51	
Total	1,140,361.70	4,289,627.02	
Trade accounts payable			
Ekarat Solar Co., Ltd.	2,776,181.68	3,320,848.50	

		(Unit : Baht)			
		Separate financial statements			
		2015	Increase	Decrease	2016
Ekarat Solar Co., Ltd.					
Loans	189,378,250.00	0.00	0.00	189,378,250.00	
Accrued interest income	29,564,872.67	10,067,834.17	(1,425,532.93)	38,207,173.91	
Allowance for doubtful accounts for loans to a subsidiary and accrued interest income	(218,943,122.67)	(10,067,834.17)	1,425,532.93	(227,585,423.91)	
Loans - net	0.00	0.00	0.00	0.00	



Significant revenues and expenses in statements of comprehensive income for the year ended December 31, 2016 and 2015, are as follows :

	(Unit : Baht)	
	Separate financial statements	
	2016	2015
<b>Ekarat Solar Co., Ltd.</b>		
Acquire of goods	603,968.33	1,988,898.95
Acquire of other assets	0.00	1,695.00
Other income	140,749.71	27,162.00
System installation income	26,104,150.51	0.00
Interest income	10,067,834.17	10,545,411.14
Doubtful accounts of loans and accrued interest income	10,067,834.17	10,545,411.14
<b>Ekarat Energy Co., Ltd.</b>		
Rental	24,000.00	14,000.00
<b>KV Asset Co., Ltd.</b>		
Other guarantee fee	3,523,032.67	2,501,500.44
<b>Ms. Theeraya Kanokpruk</b>		
Other guarantee fee	3,523,032.67	2,501,500.44
<b>Chula Engineering Company Limited</b>		
Revenue from services	5,250,000.00	0.00
Cost of services	4,495,856.03	0.00



## RISK FACTORS

The company is aware of the important of risk management of the organization by forming the Risk Management Committee to evaluate the potential risk and assign the strategies to conform to the objectives and goals of the company. However, even the company has the Risk Committee to prevent the risk, but in 2016 the company and its subsidiary still have the risk factors as shown below :

### 1. Distribution Transformer Business Risk

#### 1.1 Risk related to relying on specific Distribution Transformer's customer

Most of the company's revenue came from the sale of Distribution Transformer. In year 2014, 2015, and 2016, the company had the sale revenue from sales of Distribution Transformer to the Metropolitan Electric Authority and the Provincial Electric Authority in the amount of Baht 358.90 million, Baht 267.60 million, and Baht 113.31 million or 17.53%, 12.92%, and 7.80%, respectively, of the Transformer revenue and Services revenue of the company. However, considering in the total revenue of every customer sector in year 2016 of Baht 1,619.99 million decreased by Baht 472.13 million compared to year 2015 or decreased 22.57% of the revenue from sales and services. The proportion of the revenue in public sector in 2015 is Baht 267.60 million and in 2016 is Baht 113.31 million decreased by Baht 154.29 million or decreased 57.66%.

Moreover, the revenue from government sector dropped in the last quarter of 2016, due to the delay of an auction. However, government has budget for an auction on transformer every year. In addition, the government has their own way to compensate the revenue by relying on the producer of distribution transformer

#### 1.2 Risk related to the unstable of Distribution Transformer's raw materials price

In 2016, the company has the major revenue from the sale of Distribution Transformer. In the production of Distribution Transformer used the local raw material and imported material likes Silicon steel, Copper wire, Copper plate, Transformer Oil, etc. Therefore, the company may affect from the unstable of the material price in the global market. For example, the average price of Silicon steel procured in 2016 compared to 2015 decreased by 4.49%, the average price of Copper strip procured in 2016 decreased by 3.40% compared to 2015, and the average price of Transformer Oil procured in 2016 decreased by 5.52% compared to 2015. From the factor aforesaid, make the cost of production decreased. However, the company planed and stocked the materials for the production for 3 months.



### 1.3 Risk related to the quality of the Distribution Transformer's raw material

Distribution Transformer is a very important part in the electricity system. If the transformer malfunctions the effect will cause the damage of the industry and resident. Therefore, we need to select the raw material likes Silicon steel, Copper wire, Copper plate, Insulator paper, transformer oil, and transformer tank, in the production of high quality distribution transformer. To avoid the risk from low quality of raw material, the company has the procedure follow ISO 9001 standard which comprise with Design, assign the characteristic of raw materials, monitoring and testing. The company also carefully selects the supplier to make the company confident that the raw material meets the standard qualification.

### 1.4 Risk related to relying on skilled staffs to produce the Distribution Transformer

In 2016, 85.38% of the revenue from sale of Distribution Transformer and Services came from the sale of Distribution Transformer which is rely on the experience staffs to produce and develop the quality of Distribution Transformer to be accepted. Therefore, relying on the skilled staffs in specific field of work is important to producing Distribution Transformer and operation of the company. Anyway, with the good operation system awarded ISO 9001, ISO standard has the operating manual, training, and operation process. In case of the company recruit a new staff, the standard will help the new comer to understand the process of work which will make a new staff can operate soon. In additional, the company has the training program to develop the staff continuously. The company also awarded the benefit or has the policy to stimulate the staffs. For example, Provident Fund, Bonuses, Loyalty awards, this will reduce the turn over rate of the staffs.



## 2. Solar Energy Business Risk

### Risk related to the government power purchasing policy.

In 2016, the government changed the power purchasing policy for both Solar rooftop and Solar farm. The progress is as follow :

#### 2.1 Risk related Anti-Damping Law.

Risk related Anti-Damping Law's the Europe Union and the United States about Solar Cell from China. Chinese entrepreneurs have set up factories to produce cells and solar cells in Thailand more than past, in order to avoid that law and to get the Certificate of Origin. That make the competition for Solar Cell is higher. The company has to find ways to reduce the operating cost to be competitive.

#### 2.2 Risk related to the government power purchasing policy.

2.2.1 According to Energy Regulatory Commission (ERC) had issued the regulations to purchase electric current from PV power plant and published in the government gazette on August 7, 2015 and issued the first phases bidding of Solar Power Plant for government agencies and agricultural cooperatives programme 800 MW on November 1-10, 2015. Unfortunately, in 2016 only 281 mw is invested in this project and the rest 519 mw is still unclear what the government will do. However, on 9th January 2017 the department of energy saving had announced and promoted the benefit of using solar cell to the government sector. That is a great opportunity for the company to increase sales and installation of solar panel even more of these project.

2.2.2 In January 2015, The Board of Investment of Thailand (BOI) has announced the benefits for general entrepreneurs who install Solar Rooftop. That is a great opportunity for the company to increase sales.



### 3. Financial Risk

#### 3.1 Interest rate Risk

The company has the risk due to the uncertainty of the interest rate in the market due to the company has the bank deposit and credit line in a commercial bank. The bank code the interest rate as follow :

1. Facilities limit, which the rate of MLR per year.
2. L/C and/or T/R and/or short term loan or L/G, if the loan is Baht currency the rate is MOR per year; and if the loan is foreign currency the rate might be SIBOR or LIBOR from the highest rate which the bank offer or determine by the bank in each time in the day before the beginning of interest terms on each term 2 working days.

Therefore, the company might have the uncertainty of the interest rate that might change from the situation of the market. The interest rate in 2015 and 2016 for MLR is 6.50% and 6.25% per annum; MOR is 7.37% and 7.12% per annum, respectively. The change in the said interest rate is very low therefore the company doesn't use the financial derivative to protect the said risk.

#### 3.2 Foreign exchange rate risk

The company order the material to produce the Distribution Transformer from overseas likes Silicon steel, Coil Cast Resin and Ekarat Solar Co., Ltd. (subsidiary), the player in Solar Energy Business, import the main material, Silicon Wafer, include with others material. The quote price will be paid mainly in U.S. Dollar and EURO. The company and subsidiary made a Forward contract which can be execute to prevent the exchange rate risk in the amount of \$3.1 million with a commercial bank and closely monitor the exchange rate. In the additional, the company determines other related factors to reduce the exchange rate risk and increase the efficiency in financial management.



#### 4. Economy and Political Risk

From the slightly economic growth caused from the change in political situation and continuously effect trough 2016, the economic forecast from economic agencies forecast that, Thai's GDP will grow 3.1% mainly from the government investment in infrastructure and energy. In industrial, export, and tourism sector, there is no significant signal of growth in short term. From the lack of confident, if the government can accelerate the investment project within the second half of year 2016, the expansion of economic can be achieve the target.

In 2016, Overview of the private investment and the domestic consumption were continuously slow down. The private investment is an important factor that can be directly impact to transformer business. However, in 2017, the private investment is expected to grow up more than last year, a result of economy stimulation from public investment. Furthermore, the renewable energy industrial, which receiving attention from both local and neighbor countries is still in high demand. This will be the important opportunity to promote the business to compensate the regression in other sectors.

#### 5. ASEAN Economic Community Risk

From the joining into AEC, Thailand as one of the members might has the risk from the crash of tax burden which increase the competition of Thai and other members entrepreneurs. The customers will benefit from the competition and select the product from quality. However, from the past, Thai's Transformer industry is stronger than the others in ASEAN which will give the opportunity to Thai's Transformer industry to expand the business to overseas. Therefore, Ekarat Engineering Public Company Limited, the leader in Transformer business of Thailand might receive the benefit from joining AEC.





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## STRUCTURE OF SHAREHOLDING AND MANAGEMENT

### Dividend Payment Policy

The company and the subsidiary have the dividend policy to pay the dividend to the shareholders about 50% of Net profit after corporate income tax and legal reserve each year. Therefore, the company's Board of Directors is able to acts inappropriate with this policy time by time under the condition to use the profit in the best interest for the shareholders likes pay back the loan, use for investment or other subject related to the company operation. However, the dividend payment must approve by the Annual General Meeting and approved by the Board of Directors.

### Shareholders

#### List of top 10 Shareholders as at December 31, 2016

Shareholders' Name	Shares	%
1. KV assets Co., Ltd.*	170,000,000	12.656
2. Miss Teeraya Kanokpruk	128,550,000	9.570
3. Miss Chadchada Kanokpruk	100,000,000	7.444
4. Mr. Poompat Numpaisarn	55,500,000	4.132
5. Mr. Kongkrai Kanokpruk	26,240,000	1.953
6. Miss Uravee Kanokpruk	26,000,000	1.936
7. Mr. Jeerapong Itsarangkul Na Ayuttaya	19,600,000	1.459
8. Mrs. Paradee Chiamchanya	17,000,000	1.266
9. Thai NVDR Co., Ltd.	15,154,538	1.128
10. Mr. Pornchai Tongvanij	15,134,187	1.127
<b>Total</b>	<b>573,178,725</b>	<b>42.671</b>

<sup>/1</sup>Data from Thailand Securities Depository Co., Ltd. for the depositor



Remarks :

\* List of KV Asset Co., Ltd. shareholders

Shareholders' Name	Shares	%
1. Miss Rompissri Noichaiboon	99,275	18.05
2. Mr. Vornpahol Sangtian	41,250	7.50
3. Miss Pimolwan Sangtian	41,250	7.50
4. Miss Wanravee Topongkasame	17,188	3.13
5. Mrs. Daranee Kantamara	27,500	5.00
6. Mr. Danucha Noichaiboon	48,125	8.75
7. Mr. Daroonwat Noichaiboon	27,500	5.00
8. Miss Chompicha Noichaiboon	99,275	18.05
9. Mr. Ruengrat Noichaiboon	17,188	3.13
10. Mr. Visitsak Noichaiboon	17,187	3.12
11. Miss Peerayachan Noichaiboon	97,075	17.65
12. Miss Khanittha Topongkasame	17,187	3.12
<b>Total</b>	<b>550,000</b>	<b>100.00</b>



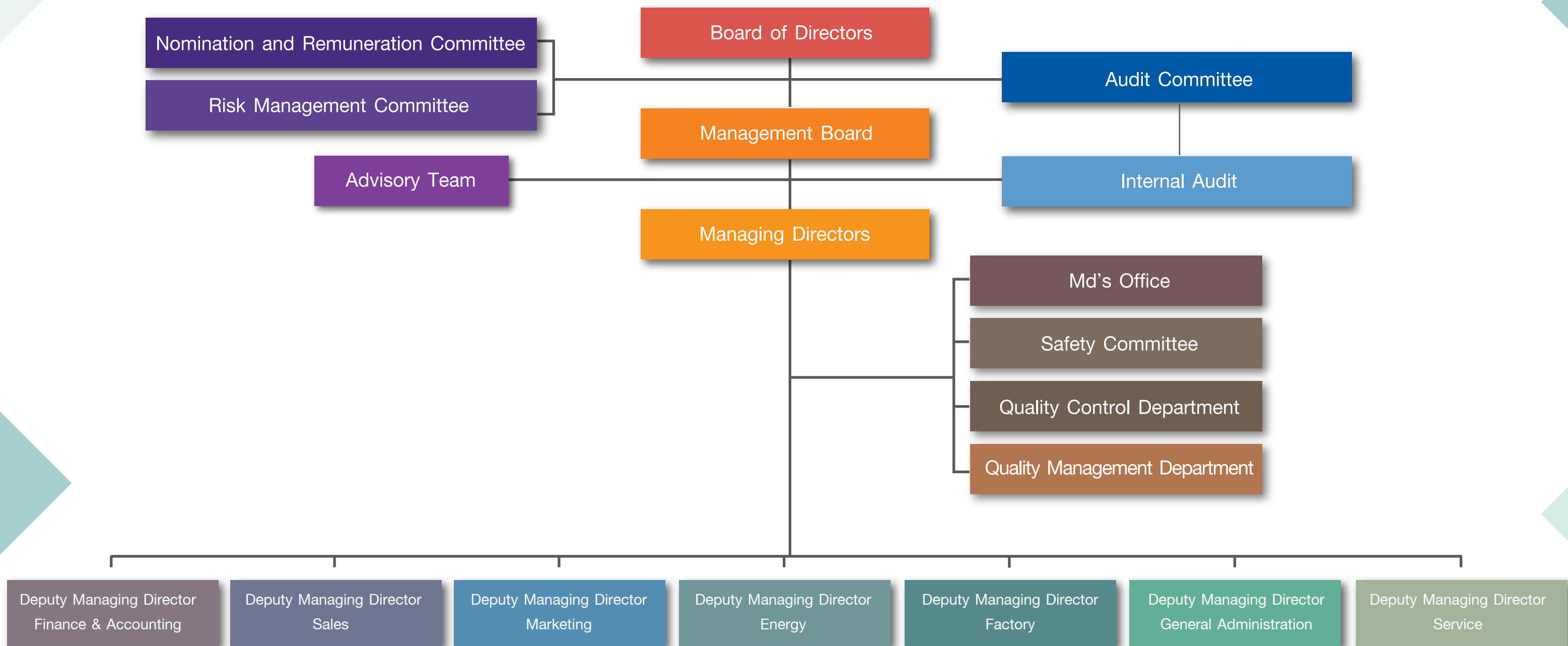
Number of Company's Stock holding by the Directors as of December 30, 2016

Name	Position(s)	Amount	%
Mr. Vichit Yamboonruang	Independent Director/ Chairman of the Board	1,407,310	0.105
Mr. Vinai Vittawasgarnvej	Independent Director/ Chairman of Audit Committee	-	-
Mr. Wara Tongprasin	Independent Director/ Audit Committee	108,039	0.008
Mr. Pitak Chaicharoen	Independent Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee	340,544	0.025
Mr. Danucha Noichaiboon	Managing Director/ Nomination and Remuneration Committee/ Chairman of Risk Management Committee	3,063,720	0.228
Mr. Anan Santichewasatian	Director/Risk Management Committee	-	-
Mrs. Daranee Kantamara	Director	1,895,453	0.141
Miss Urawee Kanokpruk	Director/Nomination and Remuneration Committee	26,000,000	1.936
Mr. Wiwat Sangtian	Director	170,000	0.013
Mr. Chatri Siripanichkorn	Independent Director/Nomination and Remuneration Committee	-	-



## Management

### Organization Chart as of December 31, 2016





## 1. Board of Directors

There were 10 Directors in the Board of Directors as at December 31, 2016 as follow :

1. Mr. Vichit	Yamboonruang	Independent Director/Chairman of the Board
2. Mr. Vinai	Vittavasgarnvej	Independent Director/ Chairman of Audit Committee
3. Mr. Pitak	Chaicharoen	Independent Director/Audit Committee/Chairman of Nomination and Remuneration Committee
4. Mr. Wara	Tongprasin	Independent Director/Audit Committee
5. Mr. Chatri	Siripanichkorn	Independent Director /Nomination and Remuneration Committee
6. Miss Urawee	Kanokpruk	Director/Nomination and Remuneration Committee
7. Mr. Wiwat	Sangtian	Director
8. Mr. Danucha	Noichaiboon	Managing Director/Nomination and Remuneration Committee/Chairman of Risk Management Committee
9. Mr. Anan	Santichewasatian	Director/Risk Management Committee
10. Mrs. Daranee	Kantamara	Director

The director No.8 or 9 or 10, authorized to sign on behalf of the company where by two of them must co-sign and affix with company seal, having Miss Nuanchan Sirikul to act as secretary of the company.

As at May 16, 2016 Mr. Prinya Nakchatree resigned from the Board of Directors and as at July 12, 2016 Mr. Chatri Siripanichkorn was appointed to the Board of Directors.



### Scope of power and duties of the Board of Directors

The directors shall sincerely and faithfully perform their duties and carefully act in the best interest of the company to be in accordance with the objectives, rules and regulations of the company and the resolution of the shareholders' meeting and the matter legally required the approval of the shareholders' meeting. The conclusion of scope of power and duties of the Board of Directors are as follow :

1. Prescribe the Corporate Governance of the company and establish the unit to monitor the overall operation conforms to the company's policies.
2. Consider, and assign the management policies and examine, and monitor the company performance.
3. Determine the Organization Structure.
4. Consider, and determine the company rules, codes and regulations.
5. Address the Annual General Meeting at least once a year and Board of Directors meeting at least once a quarter.
6. Appoint the Risk Management Committee.
7. Determine the company annual budget which comprise with operation budget and investing budget.
8. Issue the Balance sheet and Income statement as of the end of company account period which audit by the company auditor and submit to the shareholders' meeting for the approval.
9. Determine and approve for the fund rising, issue the debenture and present to the shareholders' meeting.
10. Give the opinions in every agendas of shareholders' meeting for approval.
11. Report the correct and complete in both Board of Directors meeting minutes and shareholders' meeting minutes.
12. Approve the appointment, transfer, and dismissal of Deputy Managing Director or above positions.
13. Appoint and authorize one or many directors or the third party to perform an action for the Board of Directors under the control of the Board of Directors; or gland the power to a person to perform as the Board of Directors in the period of time including the demotion and modification of the power.
14. Consider, determine, and approve the company important transactions or the Board of Directors agree to take the action for the benefit of the company.



By the power and authorities mentioned above, the power and authorities is not include the related transaction, alien of enterprise, acquisition and disposition of assets by rules and regulations of The Stock Exchange of Thailand and the company must respect the rules and regulation of The Stock Exchange of Thailand in the matter of transactions. Furthermore, the power and authorities above are not include to others transaction that conduct by the company's rule and regulations which need the approval of shareholders' meeting.

### Audit Committee

As of December 31, 2016, the member of Audit Committee is as follow :

1. Mr. Vinai	Vittavasgarnvej	Chairman of the Audit Committee
2. Mr. Pitak	Chaicharoen	Audit Committee
3. Mr. Wara	Tongprasin	Audit Committee

Secretary of the Audit Committee is the manager of Internal Audit Department, Mrs. Suwannee Sujaritvanitchpong.

### Scope of power and duties of the Audit Committee

1. To review the Company's financial statements to ensure they are accurate, complete, and reliable.
2. To review the efficiency and effectiveness of the Company's Internal Controls and Internal Audit procedures by included the bellowing topics.
  - 2.1 Give the consent to appointed, rotated, layoff, and determine to reward the head of Internal Audit.
  - 2.2 Determine the independent of Internal Audit Division, in term of operation, reporting and structure
3. To review the efficiency and effectiveness of the Company's risk management systems.
4. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
5. Determine and selected to nominate and remunerate the company auditor and considering the independent of company auditor which might give the company other services.
6. Meeting with the company auditor without the management for receive the comment from auditor at least once a year.



7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit group and coordinate with external auditors and report the performance of Audit Committee to the Board of Directors at least 4 times a year.
8. To consider disclosure of corporate information so it is reliable and adequate especially in the case of any related transactions or potential conflict of interest.
9. To prepare a report on corporate governance reviewed by the audit committee and signed by the Chairman of the Audit Committee for disclosure in the Company's annual report. The information including with :
  - The accuracy, completion, and reliable of Company financial report.
  - The adequacy of internal control system.
  - To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand, and other related authorities.
  - The suitability of the external auditor.
  - Conflict of interest transactions.
  - Opinions or comments received by applying follow the AC's charter.
10. To perform other tasks assigned by the Board of Directors and Audit committee approved.

### The responsibility of the Audit Committee

The Audit Committee has the responsible to the Board of Directors in terms of the duties received from the Board of Directors but the responsibility in the activities, which the company get involve, with other party is the Board of Directors obligation.

### Nomination and Remuneration Committee

As of December 31, 2016, there were 4 members of the Nomination and Remuneration Committee as follow :

1. Mr. Pitak	Chaicharoen	Chairman of the Nomination and Remuneration Committee
2. Miss Urawee	Kanokpruk	Nomination and Remuneration Committee
3. Mr. Danucha	Noichaiboon	Nomination and Remuneration Committee
4. Mr. Chatri	Siripanichkorn	Nomination and Remuneration Committee

Secretary of the Nomination and Remuneration Committee is Mr. Danucha Noichaiboon



As at May 16, 2016 Mr. Prinya Nakchatree resigned from Nomination and Remuneration Committee and as at July 12, 2016 Mr. Chatri Siripanichkom was appointed to Nomination and Remuneration Committee.

#### Scope of power and duties of the Nomination and Remuneration Committee

1. Assign the policies, qualification, and procedure for the nomination of the director and management level.
2. Determine the nomination policies for the benefit of the company.
3. Nominate and select the qualify person follow the related rules and regulations and present to the Board of Directors for the appointment of Director or management level.
4. Control and monitor the suitable size and structure of the Board of Directors and adjust the size and structure to conform to the changing environment.
5. Present to the Board of Directors for the nomination of the directors replacing the resigned directors from the articles of association.
6. Give the proposal and evaluation of the management level.
7. To perform other tasks assigned by the Board of Directors.
8. Broach with the rules of Board of Directors compensation, Executive Board compensation, Others Committee, and the advisor of the company to approve by the Board of Directors.

For the Managing Director, Deputy Managing Director or above positions, and Internal Audit Department Manager compensation is determine by the Chief Executive Officer and pass through the Remuneration Committee to accept and pass through the Board of Directors to approve.

9. Broach with the rules of Board of Directors annual compensation to approve by the Board of Directors before the shareholders' meeting approval.
10. Determine the employee's bonus to approve by the Board of Directors.
11. Determine the employee's annual adjusted salary to approve by the Board of Directors.
12. Determine the rules and regulations of the company that concern to the benefit of the employee by the order of the Board of Directors.



## Risk Management Committee

As of December 31, 2016, there were 8 members in the Risk Management Committee as follow :

1. Mr. Danucha	Noichaiboon	Chairman of the Risk Management Committee
2. Mr. Anan	Santichewasatian	Risk Management Committee
3. Mr. Vithep	Vachirabhahu	Risk Management Committee
4. Mr. Daroonwat	Noichaiboon	Risk Management Committee
5. Mr. Weera	Niyomthai	Risk Management Committee
6. Mr. Paithoon	Indaravisute	Risk Management Committee
7. Mrs.Supaporn	Chansuroj	Risk Management Committee
8. Mr. Somphong	Rob-loak	Risk Management Committee and Secretary

## Scope of power and duties of the Risk Management Committee

1. Evaluate, analyze, and develop the framework of risk management and the method of risk evaluation in the future.
2. Assign the policies of overall risk management of the company which include any important type of risk likes business risk, competitive, production, procurement, credit risk, liquidity risk, and exchange rate risk.
3. Assign the conform strategies with the company risk management policies which can be evaluate, monitor, and control the risk
4. Assign the sufficient policies and risk management including with the efficiency of the system and follow the policies.
5. Report the result of approach to the Board of Directors to modify direct to the policies and regulations of risk management and notice to the Audit Committee for the proper audit.

The Risk Management Committee has the meeting at least once in 3 months. The quorum is comprised at least half of the total number of Risk Management Committee and the meeting use the majority vote of the committee attend the meeting. Therefore, the Risk Management Committee must report to the Board of Directors every 6 months.



## The Management Board

As of December 31, 2016, there were 3 members in the Management Board as follow :

1. Mr. Danucha	Noichaiboon	Director/Managing Director
2. Mr. Anan	Santichewasatian	Director/Chief Financial Officer
3. Mrs. Daranee	Kantamara	Director/Deputy Managing Director of General Administration Division

## Scope of power and duties of the Management Board

1. Report and present the business policies, Goals, operation plan, business strategies, and annual budgeting of the company for the Board of Directors approval.
2. Control and monitor the company's operation to go along with rules, regulations, business policies, business plan, and business strategies by the resolution of the Board of Directors and/or the resolution of the shareholders' meeting
3. Determine and assign the Human Resource Management policies, IT Technology, expand the businesses, Personal Relations, and regulated the operation to meet the company's goal.
4. Determine and approve to bid in the project or be a contractor for the agencies or the person.
5. Approve the appoint, hire, dismiss, assign fees, compensation, bonus, and workfare for the employee and Management team, except for appoint, hire, transfer, and dismiss Internal Audit Department Manager and officer which need the approval of the Audit Committee. For the appointment, hire, transfer, and dismiss of Deputy Managing Director and higher positions and the advisors, the Remuneration Committee will be determine and pass the subject to the Board of Directors to approve. The Management Board is authorized to perform the financial transactions :

5.1 If conducted in the business plan or budget which is already approved, the Management Board can use in the line that already approved.

5.2 If not in concern with 5.1 above, the Management Board can approve the financial amount not over Baht 20 million and the amount mentioned is include with the financial transactions, capital expenditure and can approve for the financial obligations (Loan) in any kind of financial tools which not over Baht 20 million and the affiliate, when the transaction is finish, the Management Board need to report the conclusion to the Board of Director.



6. The Management Board has the power to authorize one or more than one person to perform an action for the Management Board which the action is under the control of the Management Board within the period of time and the Management Board can cancel or modify the authority or power.

7. Perform the tasks received from the Board of Directors.

In order that, the authorities give to the Management Board will act under the regulations and law and rules and regulation of the company; In case of any actions which develop the conflict of interest to any member of the Management Board or the conflict person (Notification from SEC). The Management Board has the authority to present the subject to the Audit Committee and the Board of Director will approve by voting, the director and the person who connect to the subject cannot vote for the approval.

### Management Team

As of December 31, 2016, there were 6 members of the Management Team as follow :

1. Mr. Danucha	Noichaiboon	Managing Director
2. Mr. Anan	Santichewasatian	Chief Financial Officer
3. Mr. Vithep	Vachirabhahu	Senior Deputy Managing Director of Marketing
4. Mrs. Daranee	Kantamara	Deputy Managing Director of General Administration
5. Mr. Daroonwat	Noichaiboon	Deputy Managing Director of Service and Sale
6. Mr. Weera	Niyomthai	Deputy Managing Director of Energy



### Scope of power and duties of Managing Director

1. Bring forward the policies from the Board of Directors and Responsible for all of the management received.
2. Assign the strategies to meet the goal for operation and policies.
3. Approve the important investment that code in the annual budget which approved from the Board of Directors.
4. Approve the operation plan and the policies in each division, also monitor the operation of the company to conform to the plan and policies.
5. Issue orders, rules, notices, memo for the benefit of the company and the organization tidiness.
6. Approve to appoint, hire, transfer, and dismiss of the employee whose position below the Deputy Managing Director.
7. Assign the third party, by approval of Managing Director, to manage and operate for the Managing Director in the necessary matter and not above authorized financial amount
8. Determine and bring forward the expenditure budget for the approval of the Board of Directors.
9. Conduct the employees to work with ethics, morals, laws, and cultural to the shareholders, customers and employees and related person.
10. Operated in the normal manner of the company, and in case of the important subject, Managing Director must present to the Board of Directors or the Management Board for the approval.
11. Support and develop the organization and employees in term of skill and the cultural of organization.
12. Support and encourage the education and develop new technology to increase the production and develop the business by using the resources in full capability.
13. Act with honest and care for the best of company.

In order that, the authorities give to Managing Director will act under the regulations, law and rules and regulation of the company; In case of any actions which develop the conflict of interest to Chief Executive Officer or any related person (Notification from SEC).



## 2. Recruitment of Directors

### (1) Board of Directors

The Company has the policy to recruit by consideration on several factors, such as, knowledge, capability and experience related to the business, etc. and has prescribed principles to appoint and withdraw the directors as follows :

1. The Board of Directors is consisted of at least 5 persons and not less than half of total directors must domicile in the kingdom and duly qualified according to the requirement of the law.
2. The shareholders' meeting shall appoint the directors based on majority votes according to the principles and methods as follows :
  - 2.1 One shareholder shall have one share per one vote.
  - 2.2 The shareholder shall vote to elect the director individually.
  - 2.3 The person earned highest mark respectively shall be elected as director equal to the number of directors required or elected in such election. In case of equal vote, the Chairman shall cast the final vote.
3. In every annual ordinary meeting, 1/3 of directors shall be resigned from their position. In case of number of directors are not equally separated into 3 parts, the nearest number to 1/3 of the directors resigned in first or second years after company formation shall be resigned by mean of lot drawing. For subsequent year, the directors assuming his position for the longest time shall be resign; such resigned director may be re-elected to assume the position.
4. Not only the directors resign from the assign period, but also can be dismissing from the position if :
  - 4.1 Pass away
  - 4.2 Quit
  - 4.3 Lack of the qualification or not pass the qualification of Public Company Law
  - 4.4 The shareholders' meeting vote for resignation of the directors by the meeting must have half of the voting rights.
  - 4.5 Judge by the court.
5. If the director wishes to quit from the position, the letter of resignation must be applied to the company and the effective date will be the date that the company received the letter and the resigned director can notice to the registrar.



6. In case of vacancy by any reason other than the rotation, the Board of Directors shall elect any qualified person who is not prohibited by law to assume such position in the following meeting except in case of the remaining period is less than 2 months, such elected director shall retain the position only for such remaining period.

7. In case of the Board of Directors is resign, the directors must act for the operation of the company as necessary until the new Board of Directors is selected, except the court order if resign from 4.5

The resigned Board of Directors will conduct the shareholders' meeting to appoint the new Board of Directors within 1 month after the resigned date and send the notification appointment to shareholders at least 14 days before the meeting.

8. In case of the directors is not enough to form a quorum; the remaining directors can act for the company in the matter of conducting the shareholders' meeting to elect the directors in the available position.

The shareholders' meeting will be held within 1 month from the date that the number of the directors cannot form a quorum. The replacing director(s) remaining period is equal to the remaining time of resigned director(s).



## (2) Audit Committee

The company has the criteria to select the Audit Committee and Independent Directors by determine the minimum qualification assigned by SEC. Furthermore, the selection will be made based on experience, education, and renowned person for the best image of company. The selected person must not have direct or indirect conflict of interest with the company, subsidiaries, affiliate, or major shareholders. The selected person is independence, free from the control of the Management team, major shareholders and its relative and one of the members in Audit Committee must expertise in Accounting and Finance. The term of Audit Committee is 3 years and the Chairman will be select by the member of the Committee.

## 3. Remuneration of the Board of Directors and the Management Team

### A. Remuneration of the Board of Directors and the Committees

#### 1. Monthly Allowance

1.1 Chairman of the Board	Baht 44,000 per month
1.2 Directors	Baht 22,000 per month
1.3 Chairman of the Audit Committee	Baht 20,000 per month
1.4 Audit Committees	Baht 10,000 per month

#### 2. Allowance for each meeting

2.1 Chairman of the Remuneration Committee	Baht 15,000 per meeting
2.2 Remuneration Committees	Baht 10,000 per meeting
2.3 Chairman of the Risk Management Committee	Baht 15,000 per meeting
2.4 Risk Management Committees (Directors)	Baht 10,000 per meeting
2.5 Risk Management Committees	Baht 5,000 per meeting



## Remuneration of the Board of Directors and the Committees

Name-Surname	Position	Appointed Date	Amount (in Thousand)	
			2015	2016
Mr. Vichit Yamboonruang	Independent Director/Chairman of the Board	Feb. 28, 11	818	818
Mr. Vinai Vittavasgarnevej	Independent Director/Chairman of the Audit Committee	Jun. 11, 12	694	694
Mr. Wara Tongprasit	Independent Director/Audit Committee	Jun. 17, 09	574	574
Mr. Pitak Chaicharoen	Independent Director/Audit Committee/Chairman of the Nomination and Remuneration Committee	Feb. 21, 07	604	619
Mr. Prinya Nakchatree	Director/Nomination and Remuneration Committee	Jun. 17, 08	474	299
Mr. Danucha Noichaiboon	Managing Director/Chairman of the Risk Management Committee/Nomination and Remuneration Committee	Jan. 15, 11	504	499
Mr. Anan Santichewasatian	Director/Risk Management Committee	Jan. 31, 07	474	464
Mrs. Daranee Kantamara	Director	Jan. 15, 11	454	454
Miss Urawee Kanokpruk	Director/Nomination and Remuneration Committee	Feb. 28, 11	474	484
Mr. Wiwat Sangtian	Director	Jun 25, 15	374.8	454
Mr. Chatri Siripanichkorn	Independent Director/Nomination and Remuneration Committee	July 12, 16	-	131

As at May 16, 2016 Mr. Prinya Nakchatree resigned from the Board of Directors and as at July 12, 2016 Mr. Chatri Siripanichkorn was appointed to the Board of Directors.



## B. Remuneration of the Management

### Remuneration of the Management Team

Remuneration	2015	2016
Number of person	7	6
Salaries	14,746,800	15,000,000
Bonuses	2,325,700	971,100
Provident Fund	296,424	273,660
Others Benefit	Car, Fuel Expense, and Mobile Expense	

### Number of Board of Directors meeting and Number of each Director attended in the meeting for Year 2016

Name of Director	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
Mr. Vichit Yamboonruang	/	/	/	/	/	/	/	/	8/8
Mr. Danucha Noichai boon	/	/	/	/	/	/	/	/	8/8
Mrs. Daranee Kantamara	x	x	/	/	/	/	/	/	6/8
Mr. Wara Tongprasin	/	/	/	/	/	/	/	/	8/8
Mr. Prinya Nakchatree*	/	/	x	/	x	-	-	-	3/5
Mr. Pitak Chaicharoen	/	/	/	/	/	/	/	/	8/8
Mr. Anan Santichewasatian	/	/	/	/	/	/	/	/	8/8
Miss Urawee Kanokpruk	/	/	/	/	/	/	x	/	7/8
Mr. Vinai Vittavasgarnevej	/	/	/	/	/	/	/	/	8/8
Mr. Wiwat Sangtian	/	/	/	/	/	/	/	/	8/8
Mr. Chatri Siripanichkorn**	-	-	-	-	-	/	/	/	3/3

/ means Attended the Meeting

X means Absented the Meeting

\*As at May 16, 2016 Mr. Prinya Nakchatree resigned from the Board of Directors

\*\*As at July 12, 2016 Mr. Chatri Siripanichkorn was appointed to the Board of Directors.



## 4. Corporate Governance

Ekarat Engineering Public Company Limited recognizes the importance of the operation principles. The Board of Directors have the policy to behave under the best practices for the Director which conducted from Code of Best Practices for Directors of Listed Company that governed by The Stock Exchange of Thailand. The assigned principles must able to do practically. The company applied the Good Corporate Governance to develop the policies which will increase the ability to the competition, management, and operation for the value added and efficiency of the company which will give the security and confidential to the stakeholders.

### 4.1 Rights of the Shareholders

1. The company gives the equal treatment for all shareholders as the right to vote in the annual general meeting of Shareholders and right to receive the dividend as the number of holding company's stock.
2. The company must proposes the remuneration of the Directors to the Shareholders in the annual general meeting of Shareholders in every year and the Remuneration Committee will consider for the rules and reason for the remuneration of the directors and others committee.
3. The company has the policy in the subject of the remuneration for each committee and declares in the Annual Report. The shareholders are able to acknowledge the principle and the approach of the Remuneration Committee.
4. For the agenda of the director(s) appointment, the company has given the opportunity to the shareholders to consider and voting for each nominee.
5. The company gives the opportunity to the shareholders to propose the agenda and nomination of new board members by shareholders in every year. The requirement and procedure are declared on the website of the company and notify to the shareholders via the website of SET.



6. The company has the minimum requirement for the Annual General Meeting of Shareholders' appointment letter as follow :

6.1 In the event of AGM, the company must declare the information of the nominee who will be elected by the shareholders. The information consist of Name and Surname, Education, Work Experience, Number of the company directed, and if the nominee is the ex-director the detail of the Board of Directors meeting attended will be acquire in the said letter.

6.2 In the agenda of appointing the company's auditor, the company must declare the name of the auditor(s), the company of the auditor(s), the independent of the auditor(s), and the auditor(s) fee.

6.3 In the agenda of approving the dividend paid to the shareholders, the company must declare the dividend policy, the dividend rate, and the reasons will be acquired if the agenda is subject to refrain from paying the dividend.

6.4 The objective and reasons will be acquired in each agenda.

6.5 The Board of Directors' opinions is declared in each agenda.

7. The company has the minimum requirement for the Annual General Meeting of Shareholders' minute as follow :

7.1 The detail of the voting and counting procedure

7.2 The details of questions and answers during the meetings

7.3 The resolutions of the meeting and the record of voting in each agenda

8. The record of directors' name who attended the AGM is acquired in the Annual report.

9. In the AGM, the company has the policy that the Chairman of the Board, the Chairman of the committees, Directors, and the Executives attend the meeting to answer the question from the shareholders.

10. The AGM's agenda cannot be added if not declared in the AGM's appointment letter.

11. The AGM's appointment letter and other documents will be made in English for the convenience of foreign shareholders.



#### 4.2 Equal treatment for the Shareholders

1. In AGM, each shareholder has the voting right of one share one vote.
2. The company gives the opportunity to the shareholders to propose the agenda and nomination of new Board members via the channel conduct by the company.
3. The company has the policy to prevent the executives or the employees from using the company information trading the company's stock. The punishment will be made if the executives or the employees use the company information trading the company's stock.
4. In case of the related transaction(s) occur, the company will follow the rules of SET and declare the information, detail, and reasons to the public.
5. The company and the subsidiary will reveal and verify the related transaction(s).
6. The company provided the proxy form attached with the AGM's appointment letter for the convenience of the shareholders who cannot attend the AGM.
7. The company will notify the shareholders of the evident, and documents which apply with the proxy form in the AGM's appointment letter.
8. For the convenience of the shareholders, the company used the minimum requirement of the documents acquire for the proxy voting.
9. The company must send the AGM's appointment letter to the company's registrar before the AGM 21 days.
10. The company has declared the AGM's schedule and appointment letter on the company's website in advance. The investors and shareholders can access to download the documents before the AGM 21 days.
11. The company uses the Cumulative Voting for the agenda of nomination of new Board members in AGM.
12. The company has a subsidiary and the company holds 99.99% of register capital in the subsidiary. Therefore, the company is necessary for the company to give the loan to the subsidiary.



#### 4.3 Disclosure and Transparency

1. The company disclosed the organization chart and structure of shareholders in the annual report for the shareholder to understand the structure of the company. The information must include the number of stock holding by the directors and executive management.
2. The annual report of the company consist of Financial Highlights, Message from the Chairman, Message from the CEO, Audit Committee's Report, General Information, Nature of Business, Market Conditions and Competition, Related Party Transactions, Risk Factors, Structure of Shareholding and Management, Board of Directors, Management Team, Management Discussion and Analysis, The Board of Directors' obligation for the Financial Statements, and Auditor's Report and the Company's and Subsidiary's Financial Statements.
3. The company disclosed the related party transaction of the company and subsidiary in the company annual report and form 56-1.
4. The company has the policy subject to trading and transfer of company's stock. The Directors who traded the company's stock must report the transaction to the related unit to report to SEC.
5. The company has appointed the Audit Committee to consider and select the auditor of the company in every year and the auditor selected by the Audit Committee must pass the requirement of SEC.
6. The company has the mediums to communicate with the public likes Annual Report, Company Visit by the Analyst, Press release.
7. The company has the policy to report the Financial Statement comply with the rules and regulations appointed by SET, SEC, and Ministry of Commerce.
8. The company must report the Financial Report not later than the last date of sending the report directed by SET, SEC and Ministry of Commerce.
9. The company has the channel to propose the company's news via the company's website for the investor to reach the information.
10. The company has the Investor Relations unit to provide the information and communication with the shareholders and related agency.
11. The Financial Report of the company must review or audited without qualifying clause by the company's auditor. The investor can be assuring of using the information to make a decision.



#### 4.4 The Directors' Responsibility

1. The Board of Directors of the company conducted the Good Governance Policy by subject to transparency, accountability, fair treat to related party.
2. The Board of Directors of the company conducted the Business Ethics Policy and Ethical manual for the Directors, Executive, and employees to be a guideline.
3. The Board of Directors has appointed the quality management team to set the Vision and Mission of the company to achieve the Goal.
4. The company has the internal audit unit to monitor partial unit of the company and the internal audit has the duty to report directly to the Audit Committee of the company.
5. The Audit Committee of the company has to notify the Board of Directors in the subject of Duty report, Number of meeting of the Audit Committee, Evaluate and Review the internal audit system, Monitoring the operation, the company's auditor consideration, Financial Report review, and Monitor and Comment for the overall operation.
6. The Board of Directors has appointed the Risk Management Committee to set the policy for risk management and suggest the risk preventive proposal.
7. For the effective operation, the company clearly divided the role and decision power between the Director and Executive.
8. The company has set the Audit Committee's role and responsibility and the members of the Audit Committee are the Independent Directors.
9. The company has appointed the Remuneration Committee and clearly set the role and responsibility.
10. The Board of Directors conducted "The Board of Directors' obligation for the Financial Statements" in every year. The investor can be assuring of the correction and completion of the company's Financial Report.



#### 4.5 Overseeing the internal information utilization

The company has the rules and regulations to prevent the employee and management, who know the internal information related to the company performance, to trade the stock of the company since the day that received the information until the information was sent to the public. Any news or information that affected the price of stock is prohibited.

The company has the policies to be honest to the customers, allies, and shareholders. The employees or management, who used the internal information personally or publicly or builds the conflict of interest, will be punished.

The company is notified to the Director and Management Team of the company about the duty to report amount of company stock each director or management holding including their spouse and their minor child. Furthermore, the change in amount of holding stock must be reported to the SEC in the next official day.

#### 4.6 Human Resources

##### The policies of Human Resource Management

The company has the policies to develop the staffs for the operational potential and reasonable benefit for every employee. The company also concerns about the working environment which will be safe for life and property of the employee. Job promotion, rotation, award, and penalty will be applied. The development of staff experience and skills by giving the opportunity to the employee is the way the company used.

The company applied for the Provident fund which is the benefit of the employee by deducting 3% of the salary and the company will double the amount, and the employee will get 100% of the total amount if work not less than 5 years or 75% if work not less than 3 years.



## 5. Social Responsibility

### Corporate policy

Ekarat Engineering Public Company Limited is operating under good corporate governance concepts and focus on developing our business together with the environment and social. We concentrate on both internal and external stakeholders including with the public. The Company had set our policies as follow :

1. Produce the standard quality products that satisfy the customer.
2. Maintain the quality of the environment and prevent the pollution that might cause by our production, activities, and products
3. The Company strongly promote both internal and external to comply with Anti-Corruption principle.
4. Operating under any laws, rules and regulations that related
5. Use natural resources and any kinds of energy efficiently is our staffs' duties
6. The Company will appropriately contribute its staffs, budget, tools, and equipment to improve the quality, safety, and health of the environment and community
7. This policy is well published to staffs and stakeholders.
8. This policy must up-to-date and concern about the effect to staffs and stakeholders.

### Anti-Corruption Policy

Ekarat Engineering Public Company Limited and its subsidiary are conducting their business operations with fair strategy and transparency, adhering to the principle of excellent quality of the products and strictly complying with applicable laws and regulations. The Company is committed to fight against all forms of corruption by forbidding Member of the boards, Executives, Managers and all Employees to associate with or to be involved in any inappropriate business whether to benefit or to preserve its interest unless the cases are permitted by laws, regulations, standards, customs, or business traditions.

Nevertheless, the Company will regularly make the assessment on the possible corruption risk which may occur in the process and communicate to the stakeholders and public our Anti-Corruption policy.



## Role of Stakeholders

### Shareholders

1. The company has the policy to acts with honestly and equally to the shareholders by notifies the information and gives the opportunity to propose the comment.
2. The company gave the opportunity to the shareholders to reports and requests any subjects via the company's Investor Relations unit which will report to the company's secretary to attach the said matters into the agendas and the shareholders can propose the requests and reports to [secretary@ekarat-transformer.com](mailto:secretary@ekarat-transformer.com)

### Staffs and Employees

1. The company has the policy of the safety, welfare, and benefit, including with the working procedure for the employee as the employee manual.
2. The company has the provident fund to sustain the employees in the long-term and raise the morale of the employees.
3. The company has promoted and developed personal and training to educated the staffs and develop the organization. In the year 2016, the training hours is 11,792 hours, average staffs of 823 staffs, the average training hours is 14.33 hours per staff.
4. The Company set the principle of personal rights. This principle is follows Thai's labor standard law.
5. The Company is support the education by receiving under graduation trainees each year (not over 70 persons) and the rate of wages paid is Baht 150 per person.

The company realized the important of employees, so we had to talk with the representation of our employees about their need, impact or recommendations for take care them by law in term of healthy, social protection, safety in the workplace and provides the opportunity for personnel development by equally.

In 2016, we had a project "Enjoy Pavilion" for the employee of the plant could take a rest at the safety place. The company adjust the old pavilion by material which wasted from the manufacture and bought a new pavilion install in front of the poor. The period of this project was 3 month since February to April, 2016 and the budget of all expense was Baht 35,000.

The investors can access for more information via Form 56-1



## Competitors

The Company competed with fair, applicable with the law, and follow the guide in the Company's ethics manual. For more details, please visit us at :

<http://www.irplus.in.th/Listed/AKR/pdf/นโยบายการกำกับดูแลกิจการที่ดีและคู่มือจรรยาบรรณของบริษัท.pdf>

## Suppliers and Creditors

1. The company has the policy to acts with honestly to the suppliers and applied the standard to do business with the suppliers.
2. The company acts with honestly to the creditors and conforms to the creditors' term. The working procedure of the company states the procedure of payment which will be made to the creditors.
3. The Company has issued the rules not to pirate to intellectual properties. For full related rules please visit :

<http://www.irplus.in.th/Listed/AKR/pdf/นโยบายการกำกับดูแลกิจการที่ดีและคู่มือจรรยาบรรณของบริษัท.pdf>

## Customers

The company has the policy to acts with honestly, equally, and responsible to the customers. Therefore, the customers can trust and confident to do business with the company and for a long-term relationship.

## Communities and Environment

The company realized the important of community and environment by assign the practical of working and awarded ISO 9001:2000, ISO 14001, ISO 50001:2011, Green Industry System Award Level 3, Systematic Environmental Management Award from Ministry of Industry, and others certificates as prove of social responsibility. In 2016, the company is committed to develop green industry continuous from level 3 (Green system) to level 4 (Green Culture) as

The Company was award with CSR-DIW Continuous AWARD 2016 at IMPACT Exhibition and Convention Center on July 28, 2016. The Company achieved 7 major topics as follow :



1. Organizational Governance
2. Human Rights
3. Labor Practices
4. The environment
5. Fair Operating Practices
6. Consumer Issues
7. Community Involvement and Development

The investors can access for more information via Form 56-1

The company commits to work with the community and offers special attention to those who need special care. It is a step to gather information from the community before carrying out the development activities.

In 2016, the company has established the project “Ekarat built the safety pathway” which aim to improve the pathway to the raft in the multi-purpose yard in front of the Bangprakong District Office. The schedule was from April to June 2016.

The company sponsored 2 panels of 210 Watt Solar Panel for the rural development volunteer club King Mongkut’s University of Technology Thonburi to install a solar power system for Ban Mae Bang School at Mae Hong Son Province. The project is continue the activities of the club. The building was already completed. However, there are insufficient budget for electricity and lighting system to operate. The installation was completed in June 2016.

In September 2016, the company participated in the carbon footprint assessment program which involved the life cycle assessment of product from raw material, manufacturing process, transportation and product debris management after use. By specifying the amount of energy and raw materials used including waste discharged into the environment. It was the process of collecting and evaluating emissions that cause global warming. In order to try to improve the impact on the environment to a minimum. It covers both transformer and solar cell products.

The investors can access for more information via Form 56-1



## BOARD OF DIRECTORS



1. Mr. Vichit Yamboonruang  
Independent Director/  
Chairman of the Board
2. Mr. Vinai Vittawasgarnvej  
Independent Director/  
Chairman of Audit Committee
3. Mr. Pitak Chaicharoen  
Independent Director/  
Chairman of Nomination and  
Remuneration Committee/  
Audit Committee
4. Mr. Wara Tongprasin  
Independent Director/  
Audit Committee
5. Mr. Chatri Siripanichkorn  
Independent Director/  
Nomination and  
Remuneration Committee
6. Miss Urawee Kanokpruk  
Director/Nomination and  
Remuneration Committee
7. Mr. Wiwat Sangtian  
Director
8. Mr. Danucha Noichai boon  
Director/ Nomination and  
Remuneration Committee/  
Chairman of Risk Management  
committee
9. Mr. Anan Santichewasatian  
Director/ Risk Management  
committee
10. Mrs. Daranee Kantamara  
Director



## MANAGEMENT TEAM



1. Mr. Danucha Noichaiboon  
Managing Director
2. Mr. Anan Santichewasatian  
Chief Financial Officer
3. Mr. Vithep Vachirabhahu  
Senior Deputy Managing Director  
of Marketing
4. Mrs. Daranee Kantamara  
Deputy Managing Director of  
General Administration
5. Mr. Daroonwat Noichaiboon  
Deputy Managing Director of  
Service and Sale
6. Mr. Weera Niyomthai  
Deputy Managing Director of Energy



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial analysis and Performance of year 2015 compared to year 2016

In 2016, the World's economic was still slow down and struggle continued from 2015. It has been a real effect on Thailand's economic in every aspect, and also caused Ekarat Engineering Public Company Limited tremendously. The company had total revenues in year 2016 and 2015 of Baht 1,623.18 million and Baht 2,094.97 million, respectively. The company Gross Profit Margin in year 2015 and 2016 is 26.92%, and 17.80%, respectively.

The Net Profit (Loss) (before tax) Margin of the company in year 2015 and 2016 is 5.85% and (4.57%), respectively. The Net Profit (Loss) in year 2015 and 2016 show the amount of Baht 94.61 million and Baht (62.18) million, respectively.

### Operation Analysis

#### Revenues

The company has the revenues comprised in 3 activities Distribution Transformer, Service, and Sales of electricity current.

The revenue from the sales of goods in year 2015 and 2016 is Baht 1,807.17 million and Baht 1,342.85 million, respectively or decrease 25.82%. The said revenue in year 2016 decreased from Thailand's economic and local Investment slow down.

The revenue from Service of the company in year 2015 and 2016 is Baht 263.73 million and Baht 258.62 million, respectively or decrease 1.94%.

The revenue from Sales of electricity current in year 2015 and 2016 is Baht 21.06 million and Baht 21.71 million, respectively.



### Cost of sales

The company has the cost of the sale of goods in year 2015 and 2016 of Baht 1,326.45 million and Baht 1,182.95 million, respectively. The proportion of Cost of the sale of goods to the revenue from the sale of goods in year 2015 and 2016 is 73.17% and 88.09%, respectively. The proportion of Cost of the sale of goods to the revenue from the sale of goods in year 2016 is increase if compare to year 2015.

The Cost of the sale of Services in year 2015 and 2016 is Baht 193.12 million and Baht 181.77 million, respectively. The proportion of Cost of the sale of Services to the revenue from the sale of Services in 2015 is 73.22% higher than year 2016 which is 71.27%.

The company has the proportion of Cost of electricity current selling to PEA (Solar Farm) to the revenue from sales of electricity current in year 2015 and 2016 about 51.35% and 52.84%, respectively.

### Selling and Administration Expenses

The company has the Selling and Administration Expenses in year 2015 and 2016 of Baht 414.74 million and Baht 342.01 million, respectively. The proportion of the Selling and Administration Expenses to Total revenues in year 2015 and 2016 is 19.82% and 21.11%, respectively.

### Gross Profit

The company has the gross profit margin from the sale of goods in year 2015 and 2016 of 26.83% and 11.91%, respectively. The gross profit margin from Services in year 2015 and 2016 is 26.78% and 28.73%, respectively. The decreased in gross profit margin of the sale of goods caused from the increase in production costs per unit which resulted from the declining production volumes and high competitive market made to higher price.

### Net Profit

The Company has the Net Profit (loss) before the corporate income tax in year 2015 and 2016 of Baht 122.47 million and Baht (74.26) million, respectively or decreases 160.63.

The company has the corporate income tax expense in year 2015 and 2016 of Baht (27.86) million and Baht 12.08 million. The Net Profit (loss) in year 2015 and 2016 is Baht 94.61 million and Baht (62.18) million decreased Baht 156.79 million or 165.73% compared to year 2015.



## Financial Analysis

### Assets

As at December 31, 2015 and 2016, the company has the total assets of Baht 2,110.14 million and 2,106.12 million, respectively or decreases Baht 4.02 million or 0.19%. The decreased in assets of the Company caused from the decreasing of inventories of Baht 63.68 million.

### Account Receivable

As at December 31, 2015 and 2016, the Company has Trade and Others receivable after deducted allowance for doubtful debt of Baht 431.07 million and Baht 440.43 million, respectively.

The company has the credit terms for the customer about 60-90 days. The average collection days in year 2015 and 2016 are 82 and 104 days, respectively.

### Inventories

The company has the Inventories (Net) after deducted the allowance for devaluation of inventories at December 31, 2015 and 2016 of Baht 466.81 million and Baht 403.13 million, respectively. In year 2016, the Inventories comprise of Finished goods deducted the allowance for devaluation of inventories Baht 48.42 million, Work in process Baht 73.75 million, Raw Material Baht 256.99 million, Supplies Baht 18.04 million, and Materials in transit Baht 5.93 million. The inventories turnover ratio in year 2014 and 2015 is 7.52 and 7.63 times which show the appropriate of the inventories management of the company.

### Liabilities

As at December 31, 2015 and 2016, the Company has the liabilities of Baht 783.58 million and Baht 915.26 million or increased Baht 131.68 million. The cause of the increasing of the Liabilities of the company is the increasing of Trade and other payable, Bank overdrafts and short-term loans from financial institutions.

### Account Payable

As at December 31, 2015 and 2016, the Company recorded Trade and Other payables of Baht 205.79 million and Baht 308.73 million, respectively.

The company received the credit terms from the creditor about 30-60 days. The average repayment days of year 2015 and 2016 are 61 and 70 days, respectively.



### Shareholders' Equity

As at December 31, 2015 and 2016, the Company shareholders' equity is Baht 1,326.55 million and Baht 1,190.85 million, respectively or increase Baht 135.70 million because the company had loss from operation of Baht 62.18 million, Dividend paid Baht 67.15 million and loss from Owners of the Company Baht 7.96 million, got profit from Income tax expenses Baht 1.59 million.

### Capital Structure Suitability

The company's Debt to Equity (D/E) ratio at December 31, 2015 and 2016 is 0.59 and 0.77 times, respectively. The D/E ratio decrease from the decreasing in retained earnings.



**060 The Board of Directors' obligation for the Financial Statements**

**061 Auditor's Report and the Company's Subsidiary's Financial Statements**





## THE BOARD OF DIRECTORS' OBLIGATION FOR THE FINANCIAL STATEMENTS

The Board of Directors of Ekarat Engineering Public Company Limited concerned to the duty and responsibility of the completeness and accuracy of the financial statements. The financial statements of Ekarat Engineering Public Company Limited were prepared in accordance with the rules and regulations of the company and generally accepted accounting standards in Thailand. Appropriate accounting policies were selected and applied consistently and were accompanied by careful judgment. All of the important data is disclosed in Notes to financial statements accurately which audited by Certified Public Accountant and reviewed by the Audit Committee.

The Board of Directors has appointed the Audit Committee, which comprised with the Independent Directors, to review and responsible for the quality of the financial statements and Internal audit. The observation of Audit Committee related to these matters is appeared in the Audit Committees' Report which is in this annual report.

The Board of Directors has ensured the accuracy and appropriated disclosure of the Company's financial statements disclosed in the annual report year 2016 and the financial statements were prepared in accordance with the generally accepted accounting standards. The Internal audit of the company was accurate and appropriated.



Mr. Danucha Noichaiboon  
Managing Director





**EKARAT ENGINEERING PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EKARAT ENGINEERING PUBLIC COMPANY LIMITED

### Opinion

I have audited the accompanying consolidated and separate financial statements of EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES (the Group) and of EKARAT ENGINEERING PUBLIC COMPANY LIMITED (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of EKARAT ENGINEERING 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 Matters

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 of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key Audit Matters included Auditing Procedures are as follows :

#### Allowance for doubtful accounts

As stated in notes 8 to financial statements, as at December 31, 2016 the Company had trade accounts receivable in the amount of Baht 436.55 million and provided allowance for doubtful accounts amount of Baht 25.90 million which these amounts are material in the financial statements. The estimates of allowance for doubtful accounts must use various assumptions. Therefore, the Management has to use substantive judgment for consideration such assumptions in estimates of contingent loss when the receivable have defaulted on payment. The estimation of allowance for doubtful accounts is significant. It ,therefore, may have risk involved allowance for doubtful accounts value.

I have assessed and tested internal control system relating to calculation of allowance for doubtful accounts by enquire the respondent, obtained an understanding and sampling test the control procedures of the Company as designed, and assessed the assumption and methodology used in allowance for doubtful accounts of the Company, by included ;

Obtained an understanding providing allowance for doubtful accounts basis and reviewed the consistency of such basis and found out the reason for providing allowance for doubtful accounts of specific receivable.

- Analytical review the outstanding period information and movement of trade accounts receivables for indicating the group of receivables who had made delay payment.
- Reviewed the subsequent receipt after the reporting date.
- Considered the challenging receivables.

#### Impairment of building and equipment

As stated in note 17 to financial statements, as at December 31, 2016 the Company recorded impairment of building and equipment used in production, solar farm and plants with incapability in manufacturing which had carrying value amount of Baht 545.20 million (net by provision for impairment Baht 42.02 million). This amount is material in statements of financial position and there is an indicator that impairment of such assets is incurred. In determining of impairment of such building and equipment, the Management must make the significant judgment of the Management for calculation fair value of assets to compare with the carrying value. Accordingly, I have addressed recoverable value estimation as key audit matters.



I have obtained an assurance and assessed the following matters :

- Assessed the appraisal methodology of assets value used by the Management of the Company whether they are corresponded with the usefulness of assets.
- Assessed the appraisal report of assets appraised by the experts of the Management involving the knowledge, competence, independent, assumption and significant information supported the fair value measurement of assets.

In addition, I have assessed the adequacy of information disclosure relating to assessment of impairment of such building and equipment.

#### Other Information

Management is responsible for the other information. The other information comprises information in the annual report of the Group. The annual report of the Group is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I have read other information in the annual report that has been prepared for issuance, I did not find any material inconsistency therein which I have to report.

#### 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 the 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.

#### 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 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the Group to express an opinion on the consolidated financial statements.
- I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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.

D I A International Audit Company Limited



(Mrs. Suvimol Chrityakierne)

C.P.A. Thailand

Registration No. 2982

February 23, 2017



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2016

(Unit : Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Current assets					
Cash and cash equivalents	6	65,127,597.37	86,661,811.20	60,330,473.62	82,364,075.14
Current investment	7	69,085.14	69,085.14	69,085.14	69,085.14
Trade and other receivables	8	465,665,242.81	462,537,607.45	435,290,596.62	462,061,238.71
Trade accounts receivable - related parties	9	0.00	0.00	28,157,157.96	41,162.00
Loans and accrued interest income from subsidiary	10 , 28	0.00	0.00	0.00	0.00
Inventories	11	403,128,467.92	466,811,022.12	400,968,783.42	464,388,603.64
Total current assets		933,990,393.24	1,016,079,525.91	924,816,096.76	1,008,924,164.63
Non-current assets					
Investment in subsidiaries	12	0.00	0.00	2,499,925.00	2,499,925.00
Long-term investment in other companies	13	0.00	0.00	0.00	0.00
Pledged bank deposits	14	1,650,000.00	6,000,000.00	1,650,000.00	6,000,000.00
Investment properties	15	1,631,755.00	1,312,938.00	1,631,755.00	1,312,938.00
Assets for rent	16	3,168,910.31	4,721,351.81	3,168,910.31	4,721,351.81
Property, plant and equipment	17	1,117,535,284.82	1,060,755,684.26	1,111,486,383.13	1,053,631,269.28
Intangible assets	18	10,047,433.74	1,679,702.36	10,047,433.74	1,679,702.36
Prepaid expenses under operating lease	19	5,075,856.98	0.00	5,075,856.98	0.00
Deferred tax assets	25	32,353,430.52	18,680,490.68	32,353,430.52	18,680,490.68
Other non-current assets		664,702.42	905,888.68	346,871.84	427,166.12
Total non-current assets		1,172,127,373.79	1,094,056,055.79	1,168,260,566.52	1,088,952,843.25
Total assets		2,106,117,767.03	2,110,135,581.70	2,093,076,663.28	2,097,877,007.88

Note to financial statements are parts of these financial statements.



**EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2016**

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	2016	2015	2016	2015
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	20	218,551,046.01	141,466,425.50	218,551,046.01	141,466,425.50
Trade and other payables	21	308,732,633.10	205,795,791.03	310,077,044.70	205,721,524.72
Trade accounts payable from related party	28	0.00	0.00	2,776,181.68	3,320,848.50
Accrued expenses		62,645,750.39	57,758,697.61	58,085,605.39	53,169,392.61
Cash received in advance for goods and services		35,750,240.73	62,140,230.77	35,750,240.73	60,296,886.63
Current portion of financial lease liabilities	22	3,788,055.85	4,477,763.54	3,788,055.85	4,477,763.54
Current portion of long-term loans	23	111,089,475.15	112,343,906.27	111,089,475.15	112,343,906.27
Accrued corporate income tax		0.00	20,723,452.07	0.00	20,723,452.07
<b>Total current liabilities</b>		<b>740,557,201.23</b>	<b>604,706,266.79</b>	<b>740,117,649.51</b>	<b>601,520,199.84</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	22	3,573,165.65	7,546,938.02	3,573,165.65	7,546,938.02
Long-term loans	23	101,930,481.28	109,079,655.28	101,930,481.28	109,079,655.28
Employee benefit obligations	24	69,203,843.00	62,248,531.00	69,203,843.00	62,248,531.00
<b>Total non-current liabilities</b>		<b>174,707,489.93</b>	<b>178,875,124.30</b>	<b>174,707,489.93</b>	<b>178,875,124.30</b>
<b>Total liabilities</b>		<b>915,264,691.16</b>	<b>783,581,391.09</b>	<b>914,825,139.44</b>	<b>780,395,324.14</b>

Note to financial statements are parts of these financial statements.



# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

### AS AT DECEMBER 31, 2016

(Unit : Baht)

Liabilities and shareholders' equity (Cont'd)	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Shareholders' equity</b>				
Share capital				
Authorized share capital				
1,343,289,404 common shares of Baht 0.80 each	1,074,631,523.20	1,074,631,523.20	1,074,631,523.20	1,074,631,523.20
Issued and paid-up share capital				
1,343,289,404 common shares of Baht 0.80 each	1,074,631,523.20	1,074,631,523.20	1,074,631,523.20	1,074,631,523.20
Retained earnings (Deficit)				
Appropriated				
Legal reserve	22,638,834.75	22,638,834.75	22,638,834.75	22,638,834.75
Unappropriated	93,582,717.92	229,283,832.66	80,981,165.89	220,211,325.79
<b>Total shareholders' equity</b>	<b>1,190,853,075.87</b>	<b>1,326,554,190.61</b>	<b>1,178,251,523.84</b>	<b>1,317,481,683.74</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,106,117,767.03</b>	<b>2,110,135,581.70</b>	<b>2,093,076,663.28</b>	<b>2,097,877,007.88</b>

Note to financial statements are parts of these financial statements.



# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Revenues</b>				
Revenue from sales of goods	1,342,854,041.96	1,810,170,232.85	1,341,290,667.71	1,807,315,589.85
Revenue from services and maintenance	258,616,228.51	263,733,609.94	256,995,894.87	263,747,609.94
Revenue from sales of electricity current	21,709,691.27	21,062,135.84	21,709,691.27	21,062,135.84
<b>Total revenues</b>	<b>1,623,179,961.74</b>	<b>2,094,965,978.63</b>	<b>1,619,996,253.85</b>	<b>2,092,125,335.63</b>
<b>Cost</b>				
Cost of sales	1,182,947,021.22	1,326,448,982.84	1,151,619,711.60	1,322,480,072.10
Cost of services and maintenance	181,771,919.42	193,115,892.67	183,154,033.86	193,115,892.67
Cost of electricity current sales	11,472,013.85	10,815,434.18	11,316,485.61	10,569,214.15
(Reversed) loss on devaluation of goods	(42,015,330.32)	651,333.48	(2,882,350.13)	4,772,830.19
<b>Total cost</b>	<b>1,334,175,624.17</b>	<b>1,531,031,643.17</b>	<b>1,343,207,880.94</b>	<b>1,530,938,009.11</b>
<b>Gross profit</b>	<b>289,004,337.57</b>	<b>563,934,335.46</b>	<b>276,788,372.91</b>	<b>561,187,326.52</b>
Other income	33,295,972.85	16,791,997.06	28,762,569.35	16,084,155.48
Reversed doubtful accounts for loan to related party	0.00	0.00	1,425,532.93	0.00
Loss on impairment of fixed assets	(11,572,115.65)	(7,150,808.09)	(11,572,115.65)	(7,150,808.09)
Selling expenses	(119,713,989.84)	(191,225,726.97)	(119,713,989.84)	(191,225,726.97)
Administrative expenses	(228,569,537.43)	(219,792,147.70)	(216,777,097.36)	(217,964,224.10)
Directors' remuneration	(5,520,000.00)	(5,554,000.00)	(5,520,000.00)	(5,554,000.00)
<b>Profit (loss) before finance costs and income tax</b>	<b>(43,075,332.50)</b>	<b>157,003,649.76</b>	<b>(46,606,727.66)</b>	<b>155,376,722.84</b>
Finance costs	(31,188,239.88)	(34,530,368.61)	(31,185,889.88)	(34,483,948.61)

Note to financial statements are parts of these financial statements.



# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit (Loss) before corporate income tax		(74,263,572.38)	122,473,281.15	(77,792,617.54)	120,892,774.23
Income tax expenses	25	12,080,727.44	(27,863,744.99)	12,080,727.44	(27,863,744.99)
Profit (Loss) for the year		(62,182,844.94)	94,609,536.16	(65,711,890.10)	93,029,029.24
Other comprehensive income :					
Owners of the Company	24	(7,961,062.00)	0.00	(7,961,062.00)	0.00
Non-controlling interests	25	1,592,212.40	0.00	1,592,212.40	0.00
Other comprehensive income (expense) for the year, net of tax		(6,368,849.60)	0.00	(6,368,849.60)	0.00
Total comprehensive income (expense) for the year		(68,551,694.54)	94,609,536.16	(72,080,739.70)	93,029,029.24
Profit (loss) attributable to :					
Owners of the Company		(62,182,844.94)	94,609,536.16	(65,711,890.10)	93,029,029.24
Non-controlling interests		0.00	0.00	0.00	0.00
		(62,182,844.94)	94,609,536.16	(65,711,890.10)	93,029,029.24
Total comprehensive income (expense) attributable to :					
Owners of the Company		(68,551,694.54)	94,609,536.16	(72,080,739.70)	93,029,029.24
Non-controlling interests		0.00	0.00	0.00	0.00
		(68,551,694.54)	94,609,536.16	(72,080,739.70)	93,029,029.24
Earnings (Loss) per share					
Basic earnings (loss) per share		(0.046)	0.070	(0.049)	0.069
Weighted average number of common shares (unit : share)		1,343,289,404	1,343,289,404	1,343,289,404	1,343,289,404

Note to financial statements are parts of these financial statements.



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

Consolidated financial statements				
Note	Issued and paid-up share capital	Retained earnings (Deficit)		Total shareholders' equity
		Appropriated Legal reserve	Unappropriated	
Beginning balance as at January 1, 2015	1,074,631,523.20	17,987,383.29	233,350,756.24	1,325,969,662.73
Changes in shareholders' equity for the year :				
Dividend paid	26	0.00	(94,025,008.28)	(94,025,008.28)
Legal reserve	27	4,651,451.46	(4,651,451.46)	0.00
Total comprehensive income (expense) for the year	0.00	0.00	94,609,536.16	94,609,536.16
Balance as at December 31, 2015	1,074,631,523.20	22,638,834.75	229,283,832.66	1,326,554,190.61
Changes in shareholders' equity for the year :				
Dividend paid	26	0.00	(67,149,420.20)	(67,149,420.20)
Total comprehensive income (expense) for the year	0.00	0.00	(62,182,844.94)	(62,182,844.94)
Other comprehensive income (expense) for the year	0.00	0.00	(6,368,849.60)	(6,368,849.60)
Balance as at December 31, 2016	1,074,631,523.20	22,638,834.75	93,582,717.92	1,190,853,075.87

Note to financial statements are parts of these financial statements.



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

Separate financial statements				
Note	Issued and paid-up share capital	Retained earnings (Deficit)		Total shareholders' equity
		Appropriated Legal reserve	Unappropriated	
Beginning balance as at January 1, 2015	1,074,631,523.20	17,987,383.29	225,858,756.29	1,318,477,662.78
Changes in shareholders' equity for the year :				
Dividend paid 26	0.00	0.00	(94,025,008.28)	(94,025,008.28)
Legal reserve 27	0.00	4,651,451.46	(4,651,451.46)	0.00
Total comprehensive income (expense) for the year	0.00	0.00	93,029,029.24	93,029,029.24
Balance as at December 31, 2015	1,074,631,523.20	22,638,834.75	220,211,325.79	1,317,481,683.74
Changes in shareholders' equity for the year :				
Dividend paid 26	0.00	0.00	(67,149,420.20)	(67,149,420.20)
Total comprehensive income (expense) for the year	0.00	0.00	(65,711,890.10)	(65,711,890.10)
Other comprehensive income (expense) for the year	0.00	0.00	(6,368,849.60)	(6,368,849.60)
Balance as at December 31, 2016	1,074,631,523.20	22,638,834.75	80,981,165.89	1,178,251,523.84

Note to financial statements are parts of these financial statements.



# EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before corporate income tax	(74,263,572.38)	122,473,281.15	(77,792,617.54)	120,892,774.23
Reconciliation of net profit (loss) to cash provided by (used in) from operating activities				
Bad debt and doubtful accounts (reversed)	7,408,604.12	3,474,565.00	8,445,004.69	4,188,761.50
Reversed doubtful accounts for trade accounts receivable related party	0.00	0.00	(1,425,532.93)	0.00
Loss on devaluation of goods	(34,159,823.34)	651,333.48	(2,882,350.13)	4,772,830.19
Loss on impairment of fixed assets	11,491,821.37	7,150,808.09	11,572,115.65	7,150,808.09
Amortized intangible assets	812,768.62	824,309.19	812,768.62	824,309.19
Write off assets	944,694.11	2,071,218.40	703,507.85	1,773,556.29
Write off liabilities	(7,259,408.22)	(2,287,175.31)	(5,386,904.08)	(2,287,175.31)
Depreciation	96,275,505.79	94,534,113.08	95,238,102.92	93,510,199.25
Employee benefit expenses	6,732,300.00	14,852,558.80	6,732,300.00	14,852,558.80
Interest income	(495,875.57)	(1,120,974.65)	(478,649.57)	(1,111,557.92)
Indemnity income as assets	(1,822,100.77)	0.00	(1,822,100.77)	0.00
(Gain) Loss on sales of assets	(5,543,486.82)	(1,519,717.15)	(5,543,486.82)	(1,519,838.80)
Unrealized (gain) loss on exchange rate	2,329,894.24	512,023.24	1,293,493.67	512,023.24
Interest expenses	18,841,827.12	22,964,770.14	18,841,827.12	22,964,770.14
<b>Profit from operating activities before changes in assets and liabilities</b>	<b>21,293,148.27</b>	<b>264,581,113.46</b>	<b>48,307,478.68</b>	<b>266,524,018.89</b>
(Increase) Decrease in trade and other receivables	(4,910,706.40)	54,701,119.74	24,987,152.00	53,984,496.09
(Increase) Decrease in trade accounts receivable from related parties	0.00	0.00	(28,115,995.96)	(41,162.00)

Note to financial statements are parts of these financial statements.



**EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
(Increase) Decrease in inventories	9,749,987.07	(95,483,197.58)	(21,790,220.12)	(99,601,222.31)
(Increase) Decrease in other non-current assets	0.00	(14,981.02)	0.00	(14,948.05)
(Increase) Decrease in trade and other payables	93,364,623.95	(96,560,846.56)	94,783,301.86	(96,629,481.30)
Increase (Decrease) in trade accounts payable from related parties	0.00	0.00	(544,666.82)	2,129,935.57
Increase (Decrease) in accrued expenses	6,653,880.90	(15,428,965.40)	6,653,880.90	(15,449,040.40)
Increase (Decrease) in cash received in advance for goods and services	(22,805,526.98)	(30,894,326.85)	(22,805,526.98)	(30,894,326.85)
Employee benefit paid - retirement	(7,738,050.00)	(7,298,650.00)	(7,738,050.00)	(7,298,650.00)
Interest paid	(18,589,174.34)	(22,980,867.25)	(18,589,174.34)	(22,980,867.25)
Corporate income tax paid	(26,456,299.21)	(33,209,228.58)	(26,456,299.21)	(33,209,228.58)
<b>Net cash provided by (used in) operating activities</b>	<b>50,561,883.26</b>	<b>17,411,169.96</b>	<b>48,691,880.01</b>	<b>16,519,523.81</b>
<b>Cash flows from investing activities</b>				
Payments for investment in subsidiaries acquisition	0.00	0.00	0.00	(2,499,925.00)
(Increase) Decrease in deposit for assets	(409,000.00)	(788,000.00)	(409,000.00)	(788,000.00)
(Increase) Decrease in prepaid expenses under operating lease	(5,085,348.00)	0.00	(5,085,348.00)	0.00
Payments for intangible assets acquisition	(9,180,500.00)	(313,038.00)	(9,180,500.00)	(313,038.00)
(Increase) Decrease in pledged bank deposits	4,350,000.00	(6,000,000.00)	4,350,000.00	(6,000,000.00)
Increase (Decrease) in assets payable	(2,311,414.38)	(4,247,814.23)	(2,311,414.38)	(4,247,814.23)
Proceeds from sales of assets for rent	11,050,287.63	552,557.48	11,050,287.63	552,557.48
Payments for assets for rent acquisition	(6,984,848.00)	(2,545,441.31)	(6,984,848.00)	(2,545,441.31)
Payments for property, plant and equipment acquisition	(58,216,893.41)	(52,522,021.86)	(58,255,003.83)	(51,402,745.03)
Proceeds from sales of assets	113,467.28	1,517,607.48	113,467.28	1,517,607.48
Interest income	507,099.02	1,168,104.92	1,915,825.00	1,159,033.65
<b>Net cash provided by (used in) investing activities</b>	<b>(66,167,149.86)</b>	<b>(63,178,045.52)</b>	<b>(64,796,534.30)</b>	<b>(64,567,764.96)</b>

Note to financial statements are parts of these financial statements.



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from financing activities</b>				
Increase (Decrease) in bank overdraft and short-term loan from financial institutions	75,068,388.82	71,590,040.43	75,068,388.82	71,590,040.43
Repayment for financial lease liabilities	(4,663,480.06)	(5,545,585.30)	(4,663,480.06)	(5,545,585.30)
Proceeds from long-term loans	103,940,130.66	19,531,641.40	103,940,130.66	19,531,641.40
Repayment for long-term loans	(113,124,566.45)	(113,304,607.56)	(113,124,566.45)	(113,304,607.56)
Dividend paid	(67,149,420.20)	(94,025,008.28)	(67,149,420.20)	(94,025,008.28)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,928,947.23)</b>	<b>(121,753,519.31)</b>	<b>(5,928,947.23)</b>	<b>(121,753,519.31)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(21,534,213.83)</b>	<b>(167,520,394.87)</b>	<b>(22,033,601.52)</b>	<b>(169,801,760.46)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>86,661,811.20</b>	<b>254,182,206.07</b>	<b>82,364,075.14</b>	<b>252,165,835.60</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>65,127,597.37</b>	<b>86,661,811.20</b>	<b>60,330,473.62</b>	<b>82,364,075.14</b>

Note to financial statements are parts of these financial statements.



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### 1. GENERAL INFORMATION

Registration	: The Company was registered as a company limited on June 24, 1981, Registration No. 0105524014004 and was registered as a public company limited on December 9, 1994, Registration No. BorMorJor. 0107537002711 and was listed companies in The Stock Exchange of Thailand on August 7, 2006.
Head office	: 9/291 UM Tower, 28th Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok.
Factory 1	: 190/1 Moo 6 Hoklee Canal, Bangpakong River, Thasa-An Sub - District, Bangpakong District, Chachoengsao.
Factory 2	: 7/242 Moo 6, Mabyangporn, Pluakdang, Rayong.
Electricity generating plant	
Factory 1	: 365 , 365/1 Moo 3, Kroksoomboon, Sri-mahapo, Prachinburi.
Factory 2	: 38/9 Moo 6, Lahan, Bang Bua Thong, Nonthaburi.
Type of business	: To manufacture and sell of distribution transformers. : To manufacture and sell electricity from solar energy (Solar Farm)



## 2. FINANCIAL STATEMENTS PREPARATION BASIS

### 2.1 Financial Statements Presentation Basis

The financial statements have been prepared in accordance with the financial reporting standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the Department of Business Development by the Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and the regulations the Securities and Exchange Commission regarding the preparation and presentation of the financial reporting under the Securities and Exchange Act B.E. 2535.

The Company and subsidiaries' financial statements are prepared in the Thai language as required by Thai law, and translated into English for the convenience of the reader of the financial statements.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.



## 2.2 Financial reporting standards that became effective in the current year

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee which are effective for the financial statements beginning on or after January 1, 2016 as detailed below :

Accounting Standards	Contents
TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statements of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Change in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events After the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Venture
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture



## Financial Reporting Standards

TFRS 2 (Revised 2015)  
TFRS 3 (Revised 2015)  
TFRS 4 (Revised 2015)  
TFRS 5 (Revised 2015)  
TFRS 6 (Revised 2015)  
TFRS 8 (Revised 2015)  
TFRS 10 (Revised 2015)  
TFRS 11 (Revised 2015)  
TFRS 12 (Revised 2015)  
TFRS 13 (Revised 2015)

## Contents

Share-Based Payments  
Business Combinations  
Insurance Contracts  
Non-current Assets Held for Sale and Discontinued Operations  
Exploration for and Evaluation of Mineral Resources  
Operating Segments  
Consolidated Financial Statements  
Joint Arrangements  
Disclosure of Interests in Other Entities  
Fair Value Measurement

## Standing Interpretations Committee

TSIC 10 (Revised 2015)  
TSIC 15 (Revised 2015)  
TSIC 25 (Revised 2015)  
TSIC 27 (Revised 2015)  
TSIC 29 (Revised 2015)  
TSIC 31 (Revised 2015)  
TSIC 32 (Revised 2015)

## Contents

Government Assistance - No Specific Relation to Operating Activities  
Operating Leases - Incentives  
Income Taxes - Changes in the Tax Status of an Entity or its Shareholders  
Evaluating the Substance of Transactions Involving the Legal Form of a Lease  
Service Concession Arrangements : Disclosures  
Revenue - Barter Transactions Involving Advertising Services  
Intangible Assets - Website Costs

## Financial Reporting Interpretations Committee

TFRIC 1 (Revised 2015)  
TFRIC 4 (Revised 2015)  
TFRIC 5 (Revised 2015)  
TFRIC 7 (Revised 2015)  
TFRIC 10 (Revised 2015)

## Contents

Changes in Existing Decommissioning, Restoration and Similar Liabilities  
Determining whether an Arrangement contains a Lease  
Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds  
Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies  
Interim Financial Reporting and Impairment



## Financial Reporting Interpretations Committee

## Contents

TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customers Loyalty Programmes
TFRIC 14 (Revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requireent and their Interaction for TAS 19 Employee Benefits
TFRIC 15 (Revised 2015)	Agreements for the Contruction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-Cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2015)	Levies

During the year, the Company and subsidiaries have adopted the revised and new financial reporting standards and accounting guidance issued by the Federation of Accounting Professions. From aforementioned adoption, 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 financial statements of the Company.



## 2.3 Financial Reporting Standards issued and revised which will be effective in the future

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the financial statements for the periods beginning on or after January 1, 2017 onwards, as follows :

Accounting Standards	Contents
TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investment in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings Per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture



### Accounting Standards

TAS 104 (Revised 2016)  
TAS 105 (Revised 2016)  
TAS 107 (Revised 2016)

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The Company and subsidiaries still have not a plan to adopt such financial reporting standards early application and expected that they will have no material impacts on the financial statements in the year in which they are applied.



### 3. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PREPARATION

3.1 These financial statements are consolidated by including the accounts of Ekarat Engineer Public Company Limited and subsidiaries.

3.2 Transaction between the Company and subsidiaries have been eliminated under the equity method and investment in subsidiaries was eliminated with the subsidiaries shareholders' equity in preparing consolidated financial statements.

3.3 The consolidated financial statements have been prepared in conformity with the same accounting policy for the accounts and accounting events of the Company and subsidiaries.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenues and Expenses Recognition

- Revenue from the sales of goods is recognized when the goods were delivered and transferred the right of ownership to the buyer.
- Revenue from services and repairing is recognized after the services rendered and complying with the service contracts.
- Construction income is recognized according to constancy contractual price using percentage of completion method by using ratio of the actual construction cost accrued until present and estimated total construction cost.
- Subsidy from government.



The Company has received the subsidy from government as increment from purchasing price of electricity energy in accordance with the supporting project for the minor electricity generator who used cycle energy in the form of solar energy at the price of Baht 8 per kilowatt per hour in compliance with the announcement of the Provincial Power Authority and the resolution of the Board of Energy Policy dated March 9, 2009. The subsidy period is 10 years from the electricity trading date. The Company starts to trade electricity since April 2010. Such subsidy was recognized as income from disposal of electricity current and recognized income when the electricity current is distributed to the Provincial Power Authority.

- Rental income is recognized on over the term of relevant lease.
- Interest income is recognized on a time proportion basis by reference to the effective rate of the asset.
- Other income and expenses are recognized on the accrual basis.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank which the maturing is less than three months without obligation.

#### 4.3 Trade and other receivables

The Company and subsidiary presented trade and other receivables at the amount net of allowance for doubtful accounts. Allowance for doubtful accounts are considered of each respective trade accounts and notes receivable anticipated of uncollectable and considered from classification of outstanding aging accounts receivable as at period end. Allowance for doubtful accounts will be provided in full for trade accounts and notes receivable due over 1 year.

#### 4.4 Inventories

Inventories are stated at cost or net realizable value, whichever is lower.

- Finished goods and work in process are valued at cost by using the specific method.
- Raw materials are value at cost by using the FIFO method.
- Allowance for devaluation of goods is considered from the actual obsolete and depreciated inventories, and an estimate from the selling price and direct cost related to events after the financial statements date, as well as the slow-moving inventories.



#### 4.5 Investment in subsidiary

Investments in subsidiary in the separate financial statements were recorded at cost net from provision for impairment of the investment. The change in value of the investment in the statements of comprehensive income will be recognized upon the distribution or investments is impaired.

#### 4.6 Investment

4.6.1 Temporary investment in investment in marketable securities which are stated at fair value. Difference between carrying value and fair value are presented as unrealized gain and loss in statements of comprehensive income.

4.6.2 Long-term investments in non-marketable equity securities represents as general investments are stated at cost less provision for impairment of investment.

#### 4.7 Investment properties

Investment properties are land held to earn rentals from increment of land valuation in the long period, are stated at cost less provision for impairment.

#### 4.8 Assets for rent

Assets for rent are inventories for rent or lend to customer. Depreciations are calculated by the straight-line method over the useful life for 5 years.



#### 4.9 Property, plant and equipment

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any). Depreciation is calculated by the straight-line method over the estimated useful lives of assets as follows :

	Number of years
Office buildings	40
Buildings and construction	20-25
Buildings improvement	10-15
Machinery, tools and equipment	5-18
Furniture and office equipment	3-5
Vehicles	5
Other fixed assets	5

The Company is required to include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of the assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.



#### 4.10 Intangible assets

Intangible assets are amortized by the straight-line method as follow :

	Number of years
Computer software	5-10
Quality certificate	5
Electricity current selling royalty from solar project	25

#### 4.11 Impairment of assets

The Company and subsidiary have assessed the impairment of assets for investment, property, plant and equipment whenever events or changes indicate that the carrying amount of an asset exceeds its recoverable value (net selling price of such assets under current operations or its utilization value, whichever is higher). The Company will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical.

In case the carry amount of an asset exceeds its recoverable value, the Company and subsidiary will recognize an impairment loss in the statements of comprehensive income. The Company and subsidiary will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction.

#### 4.12 Long-term lease

Land, building and equipment lease is a lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a financial lease which is recorded as capital expenditures at amount equal to the fair value of the leased assets at the inception of the agreement of the present value of the minimum lease payments under the lease agreement whichever is lower. Lease obligation less finance charges is charged to long-term liabilities. Interest expenses will be recognized over the period of the lease in statement of comprehensive income. Depreciation of leased assets will determine on over the useful lives of leased assets.

Payment made under operating leases are charged to the statement of comprehensive income as expenses on a straight-line basis over the period of the lease.



#### 4.13 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

#### 4.14 Transactions in foreign currencies

The Company records its transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transactions date. The outstanding balance of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gain or loss on exchange rate are included in statements of comprehensive income.

#### 4.15 Income tax expenses and Deferred tax

Income tax expense for the year comprises current and deferred tax.

##### 4.15.1 Income tax

The Company records corporate income tax at the amount to be paid in each year by calculating with the use of tax rate pronounced as at the reporting date from net profit added back other reserves and expenses which should not be allowed as expenses in tax calculation as described in Revenue Code. Subsidiary has no tax obligations since it incurred operating loss.

##### 4.15.2 Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognize deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.



At each reporting date, the Company 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 record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.16 Earnings per share

Basic earnings per share is determined by dividing the profit for the year by the weighted average number of common shares issued and paid-up during the year.

#### 4.17 Accounting estimates

Preparation of financial statements in conformity with the financial reporting standards required the management to make estimates and assumption which affected the amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates which may be required to make adjustment to the assets in the next financial year related to allowance for doubtful accounts, depreciation, allowance for devaluation of inventories and provision for impairment of assets. Other estimates are described in the corresponding disclosures.

#### 4.18 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.



#### 4.19 Employee Benefits

The Company provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company determine the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation. Subsidiaries has no staff.



#### 4.20 Measurement of fair values

A number of the Company and subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified. Significant valuation issues are reported to the Company and subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and subsidiaries recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



## 5. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

For the year ended December 31, 2016 and 2015, the Company has non-monetary transactions are as follows :

5.1 In the separate financial statements as at December 31, 2016 and 2015, the Company transferred inventories to be assets for rent amount of Baht 1.15 million and Baht 1.29 million respectively and transferred assets for rent to be inventories amount of Baht 2.12 million and Baht 2.58 million respectively.

5.2 In the separate financial statements as at December 31, 2016 and 2015, the Company transferred other raw materials and solar cell to be construction in progress amount of Baht 91.06 million and Baht 2.12 million respectively.

5.3 In the separate financial statements as at December 31, 2016 and 2015, the Company 's machinery equipment and vehicle in the amount of Baht 12.85 million and Baht 6.23 million respectively derived from provide assets payable and financial lease liabilities and transferred deposit to be assets in the amount of Baht 0.79 million

## 6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	871,897.00	712,512.00	871,897.00	712,512.00
Current accounts	12,508,235.56	14,969,622.01	12,494,144.06	14,960,766.01
Savings deposit	49,497,046.66	69,830,284.87	44,714,014.41	65,541,404.81
Cheque due for deposit	2,250,418.15	1,149,392.32	2,250,418.15	1,149,392.32
<b>Total</b>	<b>65,127,597.37</b>	<b>86,661,811.20</b>	<b>60,330,473.62</b>	<b>82,364,075.14</b>



## 7. CURRENT INVESTMENT

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Investment in securities	1,128,315.00	1,128,315.00	1,128,315.00	1,128,315.00
(Less) Provision for devaluation of investment	(1,059,229.86)	(1,059,229.86)	(1,059,229.86)	(1,059,229.86)
Current investment - net	69,085.14	69,085.14	69,085.14	69,085.14

## 8. TRADE AND OTHER RECEIVABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
8.1 Trade accounts receivable	440,427,251.27	431,073,883.60	410,536,263.40	431,073,883.60
8.2 Other receivables	25,237,991.54	31,463,723.85	24,754,333.22	31,028,517.11
Total	465,665,242.81	462,537,607.45	435,290,596.62	462,102,400.71

### 8.1 Trade accounts receivable, consist of

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade notes receivable	19,369,857.25	19,905,505.56	19,369,857.25	19,905,505.56
Trade accounts receivable and accrued service income	452,701,599.30	439,455,898.13	417,039,189.83	431,236,083.97
Total	472,071,456.55	459,361,403.69	436,409,047.08	451,141,589.53
Less Allowance for doubtful accounts	(31,644,205.28)	(28,287,520.09)	(25,872,783.68)	(20,067,705.93)
Trade accounts receivable - net	440,427,251.27	431,073,883.60	410,536,263.40	431,073,883.60



During the year ended December 31, 2016 and 2015, the movements of allowance for doubtful accounts are as following :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
As at the beginning of the year	28,287,520.09	30,152,548.02	20,067,705.93	21,218,537.36
Add Allowance increased				
during the year	11,076,966.97	5,964,874.73	11,076,966.97	5,964,874.73
Less Recovered bad debt	(2,749,712.34)	(2,640,492.76)	(2,749,712.34)	(1,926,296.26)
Write off bad debt	(4,970,569.44)	(5,189,409.90)	(2,522,176.88)	(5,189,409.90)
As at the end of the year	31,644,205.28	28,287,520.09	25,872,783.68	20,067,705.93

As at December 31, 2016 and 2015, the Company and subsidiaries have outstanding trade accounts receivable separated on aging, counting from the due date as follows :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade notes receivable				
Undue trade notes receivable				
Due not over 3 months	19,369,857.25	19,905,505.56	19,369,857.25	19,905,505.56
Trade accounts receivable and accrued service income				
Undue	277,992,499.91	229,505,941.73	270,866,689.19	229,505,941.73
Overdue not exceed 3 months	115,848,882.03	128,703,084.40	93,083,704.88	128,703,084.40
Overdue exceed 3 months but not exceed 6 months	5,113,181.03	26,033,700.40	5,113,181.03	26,033,700.40
Overdue exceed 6 months but not exceed 12 months	20,453,423.11	24,590,635.21	20,453,423.11	24,590,635.21
Overdue exceed 12 months	33,293,613.22	30,622,536.39	27,522,191.62	22,402,722.23
Total	472,071,456.55	459,361,403.69	436,409,047.08	451,141,589.53



As at December 31, 2016, the Company taken the right for claiming in trade accounts receivable amount of Baht 51.97 million to discount to bank under factoring agreement amount of Baht 41.57 million against guarantee credit line with bank amount of Baht 200 million as stated in note 20

## 8.2 Other receivables, consist of

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deposit, advance payment for goods and services	4,197,026.29	6,318,588.69	4,197,026.29	6,318,588.69
Revenue Department receivable	4,454,766.49	4,454,311.49	0.00	0.00
Income tax deducted at source	5,732,936.03	0.00	5,732,847.14	0.00
Prepaid expenses	7,098,738.32	18,251,727.92	7,098,738.32	18,251,727.92
Others	8,204,544.80	6,889,116.14	7,725,721.47	6,458,200.50
<b>Total</b>	<b>29,688,011.93</b>	<b>35,913,744.24</b>	<b>24,754,333.22</b>	<b>31,028,517.11</b>
Less Allowance for doubtful accounts	(4,450,020.39)	(4,450,020.39)	0.00	0.00
<b>Other receivables-net</b>	<b>25,237,991.54</b>	<b>31,463,723.85</b>	<b>24,754,333.22</b>	<b>31,028,517.11</b>



## 9. TRADE ACCOUNTS RECEIVABLE - RELATED PARTIES

(Unit : Baht)

Separate financial statements

	2016	2015
Undue	8,195,659.98	2,000.00
Overdue not exceed 3 months	19,839,947.56	17,351.56
Overdue exceed 3 months but not exceed 6 months	73,562.73	21,810.44
Overdue exceed 6 months but not exceed 12 months	33,987.69	0.00
Overdue exceed 12 months	14,000.00	0.00
<b>Total</b>	<b>28,157,157.96</b>	<b>41,162.00</b>

## 10. LOANS TO SUBSIDIARY AND ACCRUED INTEREST INCOME

(Unit : Baht)

Separate financial statements

	2016	2015
Loans	189,378,250.00	189,378,250.00
Accrued interest income	38,207,173.91	29,564,872.67
<b>Total</b>	<b>227,585,423.91</b>	<b>218,943,122.67</b>
Less Allowance for doubtful accounts	(227,585,423.91)	(218,943,122.67)
<b>Loans to subsidiary and accrued interest income - net</b>	<b>0.00</b>	<b>0.00</b>

As at December 31, 2016 and 2015, the Company has loans providing to subsidiary amount of Baht 189.38 million at interest rate of MLR-1% per annum. The Company has recorded allowance for doubtful accounts in full amount for such loans caused by subsidiary still have operating capital deficiency.



## 11. INVENTORIES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Finished goods	113,665,174.59	196,488,284.80	71,522,180.41	135,752,717.96
Work in process	73,749,388.82	70,946,422.03	73,749,388.82	70,946,422.03
Raw materials	256,989,898.81	266,591,609.02	248,002,575.82	237,134,468.01
Supplies	18,037,480.34	19,984,969.33	16,821,145.76	18,435,310.81
Raw materials in transit	5,932,183.56	20,060,725.91	5,932,183.56	20,060,725.91
<b>Total</b>	<b>468,374,126.12</b>	<b>574,072,011.09</b>	<b>416,027,474.37</b>	<b>482,329,644.72</b>
Less Allowance for loss on devaluation of inventories	(65,245,658.20)	(107,260,988.97)	(15,058,690.95)	(17,941,041.08)
<b>Inventories - net</b>	<b>403,128,467.92</b>	<b>466,811,022.12</b>	<b>400,968,783.42</b>	<b>464,388,603.64</b>

## 12. INVESTMENTS IN SUBSIDIARIES

As at December 31, 2016 and 2015, the Company has investments in subsidiaries as follows :

	Paid-up capital		Company's shareholding proportion	
	2016	2015	2016	2015
	Thousand	Thousand Baht	Percent	Percent
Ekarat Solar Co., Ltd.	1,000,000.00	1,000,000.00	99.99	99.99
Ekarat Energy Co., Ltd.	2,500.00	2,500.00	99.99	99.99

(Unit : Baht)

	Separate financial statements					
	Cost		Provision for impairment of investment		Net	
	2016	2015	2016	2015	2016	2015
Ekarat Solar Co., Ltd.	999,999,930.00	999,999,930.00	(999,999,930.00)	(999,999,930.00)	0.00	0.00
Ekarat Energy Co., Ltd.	2,499,925.00	2,499,925.00	0.00	0.00	2,499,925.00	2,499,925.00
	<b>1,002,499,855.00</b>	<b>1,002,499,855.00</b>	<b>(999,999,930.00)</b>	<b>(999,999,930.00)</b>	<b>2,499,925.00</b>	<b>2,499,925.00</b>

As at December 31, 2016 and 2015, the Company has provided additional provision for impairment of investment in Ekarat Solar Co., Ltd. in full amount because of its has operating capital deficiency.



### 13. LONG-TERM INVESTMENTS IN OTHER COMPANIES

As at December 31, 2016 and 2015, investment in other companies consist of investments in the Company's ordinary shares as following :

	Paid-up capital		Company's shareholding proportion	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Percent	Percent
G.E.C. Engineering Company Limited	230,000.00	230,000.00	1.19	1.19
Saha Karn Engineering Company Limited	402,979.00	402,979.00	0.04	0.04

(Unit : Baht)

Consolidated and Separate financial statements

	2016	2015
Cost of investment :-		
G.E.C. Engineering Company Limited	2,726,400.00	2,726,400.00
Saha Karn Engineering Company Limited	158,849.10	158,849.10
<b>Total</b>	<b>2,885,249.10</b>	<b>2,885,249.10</b>
Less Provision for impairment	(2,885,249.10)	(2,885,249.10)
<b>Long-term investments in other companies - net</b>	<b>0.00</b>	<b>0.00</b>



As at December 31, 2016 and 2015, the Company has investment in ordinary share from received the debt settlement from trade accounts receivable which converted debt to capital under rehabilitation plan. Such trade accounts receivable has faced the operating problem and could not comply with the rehabilitation plan, the Company, therefore, provided for impairment in full amount. In addition, the difference of unpayment from receivable amount of Baht 4.02 million is presented as non-current assets. The Company provided allowance for doubtful accounts in full amount.

#### 14. PLEDGED BANK DEPOSITS

As at December 31, 2016 and 2015, the Company used bank deposit amount of Baht 1.65 million and Baht 6 million respectively, guarantee as operation under agreement with a government agency and guarantee against letter of credit and trust receipt of a local bank (as stated in note 30.2).

#### 15. INVESTMENT PROPERTIES

(Unit : Baht)

Consolidated and Separate financial statements

	2016	2015
<b>Land</b>		
Cost	12,973,886.00	12,973,886.00
Provision for impairment	(11,342,131.00)	(11,660,948.00)
Net book value	1,631,755.00	1,312,938.00
Fair value	1,531,205.00	1,420,312.50

Fair value as at December 31, 2016 and 2015, is the appraisal value of the independent appraiser (The Valuation and Consultants Co., Ltd.) by using market approach method.

Part of land at cost of Baht 12.42 million had areas 136 rais 1 ngan and 67 square wah that the Company has jointly registered the ownership of such land with a related party in proportion at cost Baht 12.42:5.50 million.



## 16. ASSETS FOR RENT

(Unit : Baht)

### Consolidated and Separate financial statements

	Repurchased transformer	Transformer reserved at center	Transformer for borrow - rent	Total
<b>Cost :</b>				
As at the beginning of 2015	29,952,185.96	2,338,635.69	7,914,806.63	40,205,628.28
Acquisition	2,545,441.31	0.00	0.00	2,545,441.31
Transfer in	13,436,792.78	925,695.56	18,507,905.34	32,870,393.68
Sales	(577,887.54)	0.00	(307,084.27)	(884,971.81)
Transfer out/transfer to production	(17,475,627.29)	(959,935.26)	(16,197,567.17)	(34,633,129.72)
As at December 31, 2015	27,880,905.22	2,304,395.99	9,918,060.53	40,103,361.74
Acquisition	6,939,950.74	30,000.00	14,897.26	6,984,848.00
Transfer in	16,684,492.99	1,209,743.02	15,736,088.11	33,630,324.12
Sales	(7,286,173.85)	(94,200.00)	(863,568.94)	(8,243,942.79)
Transfer out/transfer to production	(16,446,959.09)	(1,176,559.82)	(17,510,180.39)	(35,133,699.30)
As at December 31, 2016	27,772,216.01	2,273,379.19	7,295,296.57	37,340,891.77
<b>Accumulated depreciation :</b>				
As at the beginning of 2015	(24,751,438.40)	(2,244,974.23)	(6,883,739.30)	(33,880,151.93)
Increase	(2,029,306.78)	(51,997.74)	(676,036.45)	(2,757,340.97)
Transfer in	(10,273,219.53)	(879,606.57)	(15,283,429.98)	(26,436,256.08)
Sales	478,376.94	0.00	307,082.27	785,459.21
Transfer out/transfer to production	12,461,410.81	959,925.26	13,484,943.77	26,906,279.84
As at December 31, 2015	(24,114,176.96)	(2,216,653.28)	(9,051,179.69)	(35,382,009.93)
Increase	(1,509,092.12)	(26,755.16)	(421,850.06)	(1,957,697.34)
Transfer in	(13,454,756.81)	(1,193,746.41)	(13,055,099.85)	(27,703,603.07)
Sales	1,888,443.05	94,199.00	642,400.59	2,625,042.64
Transfer out/transfer to production	11,902,906.18	1,109,802.52	15,233,577.54	28,246,286.24
As at December 31, 2016	(25,286,676.66)	(2,233,153.33)	(6,652,151.47)	(34,171,981.46)
<b>Net book value :</b>				
As at December 31, 2016	2,485,539.35	40,225.86	643,145.10	3,168,910.31
As at December 31, 2015	3,766,728.26	87,742.71	866,880.84	4,721,351.81
<b>Depreciation in statements of comprehensive income</b>				
For the year ended December 31, 2016				1,957,697.34
For the year ended December 31, 2015				2,757,340.97



## 17. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

### Consolidated financial statements

	Land and land improvement	Building and construction	Machinery, tools and equipment	Furniture and office equipment	Vehicles	Work under construction	Total
<b>Cost :</b>							
As at the beginning of 2015	77,204,295.97	752,346,303.54	1,439,764,718.17	64,598,226.86	42,822,758.26	6,763,172.56	2,383,499,475.36
Acquisition	0.00	2,582,339.80	38,084,212.48	5,264,412.12	4,646,900.00	8,386,216.18	58,964,080.58
Transfer in	0.00	10,331,523.80	3,665,355.80	439,077.42	0.00	2,119,539.96	16,555,496.98
Sales/write off	0.00	0.00	(13,482,220.54)	(2,063,125.23)	(2,766,740.42)	0.00	(18,312,086.19)
Transfer out	0.00	0.00	0.00	0.00	0.00	(14,491,987.02)	(14,491,987.02)
As at December 31, 2015	77,204,295.97	765,260,167.14	1,468,032,065.91	68,238,591.17	44,702,917.84	2,776,941.68	2,426,214,979.71
Acquisition	0.00	774,692.45	8,176,064.00	3,204,237.93	3,100.00	60,229,586.97	72,387,681.35
Transfer in	0.00	130,852,828.12	20,946,452.27	367,878.33	0.00	91,058,761.84	243,225,920.56
Sales/write off	0.00	0.00	(333,000.00)	(21,218.69)	(1,094,261.68)	0.00	(1,448,480.37)
Transfer out	0.00	0.00	0.00	0.00	0.00	(152,704,185.59)	(152,704,185.59)
As at December 31, 2016	77,204,295.97	896,887,687.71	1,496,821,582.18	71,789,488.74	43,611,756.16	1,361,104.90	2,587,675,915.66
<b>Accumulated depreciation :</b>							
As at the beginning of 2015	0.00	(333,991,992.42)	(631,682,424.14)	(52,654,533.35)	(25,271,393.80)	0.00	(1,043,600,343.71)
Depreciation for the year	0.00	(23,140,239.08)	(58,465,892.34)	(3,949,619.53)	(6,221,021.16)	0.00	(91,776,772.11)
Sales/write off	0.00	0.00	13,039,982.83	2,048,982.26	2,766,733.42	0.00	17,855,698.51
As at December 31, 2015	0.00	(357,132,231.50)	(677,108,333.65)	(54,555,170.62)	(28,725,681.54)	0.00	(1,117,521,417.31)
Depreciation for the year	0.00	(23,003,637.65)	(60,680,947.87)	(4,673,866.53)	(5,959,356.40)	0.00	(94,317,808.45)
Sales/write off	0.00	0.00	332,999.00	19,853.75	1,094,258.68	0.00	1,447,111.43
As at December 31, 2016	0.00	(380,135,869.15)	(737,456,282.52)	(59,209,183.40)	(33,590,779.26)	0.00	(1,210,392,114.33)
<b>Provision for impairment of assets :</b>							
As at the beginning of 2015	(2,117,685.00)	(92,527,540.17)	(146,173,190.76)	(22,183.64)	0.00	0.00	(240,840,599.57)
(Increase) Decrease	0.00	(4,639,286.91)	(2,445,253.12)	(12,738.54)	0.00	0.00	(7,097,278.57)
As at December 31, 2015	(2,117,685.00)	(97,166,827.08)	(148,618,443.88)	(34,922.18)	0.00	0.00	(247,937,878.14)
(Increase) Decrease	0.00	(16,631,161.94)	4,830,542.60	(10,019.03)	0.00	0.00	(11,810,638.37)
As at December 31, 2016	(2,117,685.00)	(113,797,989.02)	(143,787,901.28)	(44,941.21)	0.00	0.00	(259,748,516.51)
<b>Net book value :</b>							
As at December 31, 2016	75,086,610.97	402,953,829.54	615,577,398.38	12,535,364.13	10,020,976.90	1,361,104.90	1,117,535,284.82
As at December 31, 2015	75,086,610.97	310,961,108.56	642,305,288.38	13,648,498.37	15,977,236.30	2,776,941.68	1,060,755,684.26

### Depreciation in statements of comprehensive income

For the year ended December 31, 2016	94,317,808.45
For the year ended December 31, 2015	91,776,772.11



## 17. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(Unit : Baht)

Separate financial statements							
	Land and land improvement	Building and construction	Machinery, tools and equipment	Furniture and office equipment	Vehicles	Work under construction	Total
<b>Cost :</b>							
As at the beginning of 2015	85,245,490.97	585,102,422.17	979,871,912.54	55,587,846.28	43,158,758.64	6,931,208.72	1,755,897,639.32
Acquisition	0.00	2,574,215.05	38,084,212.48	5,264,412.12	4,646,900.00	7,849,189.31	58,418,928.96
Transfer in	0.00	10,331,523.80	3,665,355.80	439,077.42	0.00	2,119,539.96	16,555,496.98
Sales/write off	0.00	0.00	(13,482,220.54)	(2,063,125.23)	(2,766,740.42)	0.00	(18,312,086.19)
Transfer out	0.00	0.00	0.00	0.00	0.00	(14,491,987.02)	(14,491,987.02)
As at December 31, 2015	85,245,490.97	598,008,161.02	1,008,139,260.28	59,228,210.59	45,038,918.22	2,407,950.97	1,798,067,992.05
Acquisition	0.00	275,776.00	8,176,064.00	3,204,237.93	3,100.00	60,229,586.97	71,888,764.90
Transfer in	0.00	130,852,828.12	20,946,452.27	367,878.33	0.00	91,058,761.84	243,225,920.56
Sales/write off	0.00	0.00	(333,000.00)	(21,218.69)	(1,094,261.68)	0.00	(1,448,480.37)
Transfer out	0.00	0.00	0.00	0.00	0.00	(152,167,158.72)	(152,167,158.72)
As at December 31, 2016	85,245,490.97	729,136,765.14	1,036,928,776.55	62,779,108.16	43,947,756.54	1,529,141.06	1,959,567,038.42
<b>Accumulated depreciation :</b>							
As at the beginning of 2015	0.00	(237,030,120.18)	(336,694,144.98)	(42,172,304.94)	(25,437,741.54)	0.00	(641,334,311.64)
Depreciation for the year	0.00	(23,870,028.04)	(56,284,462.56)	(4,310,146.44)	(6,288,221.24)	0.00	(90,752,858.28)
Sales/write off	0.00	0.00	13,039,982.83	2,049,103.91	2,766,733.42	0.00	17,855,820.16
As at December 31, 2015	0.00	(260,900,148.22)	(379,938,624.71)	(44,433,347.47)	(28,959,229.36)	0.00	(714,231,349.76)
Depreciation for the year	0.00	(23,719,937.59)	(58,499,518.08)	(5,034,393.43)	(6,026,556.48)	0.00	(93,280,405.58)
Sales/write off	0.00	0.00	332,999.00	19,853.75	1,094,258.68	0.00	1,447,111.43
As at December 31, 2016	0.00	(284,620,085.81)	(438,105,143.79)	(49,447,887.15)	(33,891,527.16)	0.00	(806,064,643.91)
<b>Provision for impairment of assets :</b>							
As at the beginning of 2015	(2,117,685.00)	(14,287,662.64)	(6,687,184.77)	(15,562.03)	0.00	0.00	(23,108,094.44)
(Increase) Decrease	0.00	(4,639,286.91)	(2,445,253.12)	(12,738.54)	0.00	0.00	(7,097,278.57)
As at December 31, 2015	(2,117,685.00)	(18,926,949.55)	(9,132,437.89)	(28,300.57)	0.00	0.00	(30,205,373.01)
(Increase) Decrease	0.00	(16,631,161.94)	4,830,542.60	(10,019.03)	0.00	0.00	(11,810,638.37)
As at December 31, 2016	(2,117,685.00)	(35,558,111.49)	(4,301,895.29)	(38,319.60)	0.00	0.00	(42,016,011.38)
<b>Net book value :</b>							
As at December 31, 2016	83,127,805.97	408,958,567.84	594,521,737.47	13,292,901.41	10,056,229.38	1,529,141.06	1,111,486,383.13
As at December 31, 2015	83,127,805.97	318,181,063.25	619,068,197.68	14,766,562.55	16,079,688.86	2,407,950.97	1,053,631,269.28
<b>Depreciation in statements of comprehensive income</b>							
For the year ended December 31, 2016							93,280,405.58
For the year ended December 31, 2015							90,752,858.28



As at December 31, 2016 and 2015, the Company recorded the provision for impairment of assets amount of Baht 30.21 million, there is indication that such assets may be impaired. The Company led to revalue the assets by the independent appraiser (The Valuation and Consultants Co., Ltd.) by using Cost Approach Method.

In 2016, the Company has increased a portion of asset amount of Baht 146.58 million to be asset under the project Solar Farm. The Company has right to operate in the project electricity current selling from a government agency for the period of 25 years. Such project is located at various land owner.

As at December 31, 2016 and 2015, part of land with its construction, building and machinery of the Company was pledged as collaterals against long-term loans and credit facilities received from a commercial bank as stated in note 20 and 23.

As at December 31, 2016 and 2015, in the separate financial statements, building and equipment had the cost of Baht 478.91 million and Baht 458.46 million respectively were fully depreciated but still in use.

As at December 31, 2016 and 2015, in the separate financial statements, the Company's machinery and vehicles had total cost of Baht 81.67 million and Baht 86.70 million respectively are financial lease assets signed with several local companies as stated in note 22 and 23.



## 18. INTANGIBLE ASSETS

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Electricity current selling royalty	Total	Computer software	Electricity current selling royalty	Total
<b>Cost :</b>						
As at the beginning of 2015	26,234,829.52	0.00	26,234,829.52	19,047,715.52	0.00	19,047,715.52
Acquisition	628,250.00	0.00	628,250.00	628,250.00	0.00	628,250.00
As at December 31, 2015	26,863,079.52	0.00	26,863,079.52	19,675,965.52	0.00	19,675,965.52
Acquisition	155,500.00	9,025,000.00	9,180,500.00	155,500.00	9,025,000.00	9,180,500.00
As at December 31, 2016	27,018,579.52	9,025,000.00	36,043,579.52	19,831,465.52	9,025,000.00	28,856,465.52
<b>Accumulated amortization :</b>						
As at the beginning of 2015	(21,931,973.56)	0.00	(21,931,973.56)	(17,171,953.97)	0.00	(17,171,953.97)
Amortization for the year	(824,309.19)	0.00	(824,309.19)	(824,309.19)	0.00	(824,309.19)
As at December 31, 2015	(22,756,282.75)	0.00	(22,756,282.75)	(17,996,263.16)	0.00	(17,996,263.16)
Amortization for the year	(809,809.60)	(2,959.02)	(812,768.62)	(809,809.60)	(2,959.02)	(812,768.62)
As at December 31, 2016	(23,566,092.35)	(2,959.02)	(23,569,051.37)	(18,806,072.76)	(2,959.02)	(18,809,031.78)
<b>Provision for impairment of assets :</b>						
As at the beginning of 2015	(2,427,094.41)	0.00	(2,427,094.41)	0.00	0.00	0.00
(Increase) Decrease	0.00	0.00	0.00	0.00	0.00	0.00
As at December 31, 2015	(2,427,094.41)	0.00	(2,427,094.41)	0.00	0.00	0.00
(Increase) Decrease	0.00	0.00	0.00	0.00	0.00	0.00
As at December 31, 2016	(2,427,094.41)	0.00	(2,427,094.41)	0.00	0.00	0.00
<b>Net book value :</b>						
As at December 31, 2016	1,025,392.76	9,022,040.98	10,047,433.74	1,025,392.76	9,022,040.98	10,047,433.74
As at December 31, 2015	1,679,702.36	0.00	1,679,702.36	1,679,702.36	0.00	1,679,702.36
<b>Amortization in statements of comprehensive income</b>						
For the year ended December 31, 2016			812,768.62			812,768.62
For the year ended December 31, 2015			824,309.19			824,309.19



## 19. PREPAID EXPENSES UNDER OPERATION LEASE

On August 22, 2016, the Company entered into agreement as supporter in the project Solar Farm operating with a government agency which is entitled for electricity selling and as project owner. The Company operated the project on land of the project owner for a period of 25 years, commenced on January 1, 2017 and ended December 31, 2041 and has to pay usage expenses total amount of Baht 28.46 million for five periods of five years each, at the various usage fee as indicated in the agreement. As at December 31, 2016, the Company has made partially payment for land usage in the amount of Baht 5.09 million.

(Unit : Baht)

Consolidated and Separate financial statements

	2016	2015
Exceed 1 year	883,610.00	0.00
Over 1 year less than 5 years	4,452,035.00	0.00
Over 5 years	18,453,855.00	0.00
<b>Total</b>	<b>23,789,500.00</b>	<b>0.00</b>

## 20. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

Consolidated and Separate financial statements

	2016	2015
Promissory notes	40,000,000.00	0.00
Trust receipts	136,976,358.65	141,466,425.50
Factoring	41,574,687.36	0.00
<b>Total</b>	<b>218,551,046.01</b>	<b>141,466,425.50</b>

As at December 31, 2016 and 2015, the Company has overdrafts line and short-term loans from a local bank for credit amount of Baht 610 million and Baht 630 million respectively. Such credit lines are guaranteed by mortgaging land with its construction and machinery as stated in notes 17, pledged bank deposits as stated in notes 14, and guaranteed by transferring the right to claim from trade account receivable and transferring the right in receivable under factoring agreement.



## 21. TRADE AND OTHER PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payables	273,291,200.15	181,702,777.81	273,291,200.15	181,702,777.81
Other payables	12,275,078.81	9,481,661.02	12,271,467.74	9,434,414.95
Assets payable	13,770,152.15	2,334,954.38	13,770,152.15	2,334,954.38
Revenue Department payable	5,413,556.81	6,766,468.02	5,357,555.48	6,740,347.78
Others	3,982,645.18	5,509,929.80	5,386,669.18	5,509,029.80
<b>Total</b>	<b>308,732,633.10</b>	<b>205,795,791.03</b>	<b>310,077,044.70</b>	<b>205,721,524.72</b>

## 22. FINANCIAL LEASE LIABILITIES

Details of leased assets under financial lease are as follows :

(Unit : Baht)

	Consolidated and Separate financial statements	
	2016	2015
Vehicles	23,994,696.26	28,143,696.26
Machinery	0.00	880,000.00
Accumulated depreciation	(14,922,421.28)	(14,125,432.75)
<b>Net book value</b>	<b>9,072,274.98</b>	<b>14,898,263.51</b>



The minimum amounts to be paid under financial lease are as follows :

		(Unit : Baht)	
		Consolidated and Separate financial statements	
		2016	2015
Within 1 year		4,173,060.90	5,184,771.81
Over 1 year less than 3 years		3,794,416.62	6,958,293.64
Over 3 years		0.00	1,224,306.98
		7,967,477.52	13,367,372.43
Less Future interest of financial lease		(606,256.02)	(1,342,670.87)
<b>Total</b>		<b>7,361,221.50</b>	<b>12,024,701.56</b>

Financial lease liabilities excluding future interest are as follows :

		(Unit : Baht)	
		Consolidated and Separate financial statements	
		2016	2015
Financial lease liabilities		7,361,221.50	12,024,701.56
Less Financial lease liabilities due within 1 year		(3,788,055.85)	(4,477,763.54)
<b>Financial lease liabilities - net</b>		<b>3,573,165.65</b>	<b>7,546,938.02</b>



## 23. LONG-TERM LOANS

(Unit : Baht)

Consolidated and Separate financial statements

	2016	2015
23.1 Long - term loans from banks	198,700,130.66	194,840,000.00
Deferred borrowing fee at the effective rate	(280,721.26)	(1,061,551.93)
23.2 Long - term loans under financial lease	14,600,547.03	27,645,113.48
Less Current portion of long - term loans	(111,089,475.15)	(112,343,906.27)
Long - term loans - net	101,930,481.28	109,079,655.28

As at December 31, 2016 and 2015, the Company has long-term loans from two source of loans as below :

### 23.1 Long-term loans from a local bank has 2 facilities as follows :

**Facility #1** On November 25, 2013, the Company entered into loans agreement in the amount of Baht 400 million for payments assets acquisition from a subsidiary which is charged borrowing fee at the rate of 1% of loans, the Company has calculated by effective interest method presented net of loans. Such loans are charged interest at the rate of MLR-1%, The principal is repayable on a monthly basis through 48 installments of Baht 8.34 million, commenced in January 2014.

**Facility # 2** On December 15, 2016, the Company entered into loans agreement in the amount of Baht 120 million usage on investment in the project Solar on land which received the right from a government agency. Such loans are charged interest at the rate of MLR-1.5% per annum. The principal is repayable on a monthly basis through 120 installment of Baht 1.00 million. The principal and interest must be paid within months 126 (May 2027), commenced in the first installment.

Such loans are guaranteed by land, building and equipment as stated in note 17 and pledged the Company's share capital held by directors and related companies.

### 23.2 Long-term loans under financial lease

As at December 31, 2016 and 2015, the Company entered into sell of machines agreement and re-entered into financial lease with a fianancial institute amount 3 agreement are as as follow :



The 1st agreement on June 13, 2014, the net amount of Baht 19.39 million with the payments period through 36 installments of Baht 0.61 million each. The first installment is made on June 2014 and bear the interest at the rate, equal to 7.05% per annum.

The 2nd agreement on August 21, 2015, the net amount of Baht 9.04 million with the payments period through 36 installments of Baht 0.29 million each. The first installment is made on August 2015 and bear the interest at the rate, equal to 6.88% per annum.

The 3rd agreement on November 20, 2015, the net amount of Baht 9.89 million with the payments period through 36 installments of Baht 0.31 million each. The first installment is made on November 2015 and bear the interest at the rate, equal to 7.00% per annum.

Machinery which entered into agreement are detailed as follows :

(Unit : Baht)

Consolidated and Separate financial statements	
	2016
	2015
Machinery	57,671,553.77
Accumulated depreciation	(7,128,573.11)
Net book value	50,542,980.66
	54,354,367.39

The minimum amounts to be paid under financial lease are as follows :

(Unit : Baht)

Consolidated and Separate financial statements	
	2016
	2015
Within 1 year	10,261,119.00
Over 1 year less than 3 years	5,133,697.00
	15,394,816.00
	29,956,504.00
Less Future interest of financial lease	(794,268.97)
Total	14,600,547.03
	27,645,113.48



## 24. EMPLOYEE BENEFIT OBLIGATIONS

The Company has obligations on payment the post-employment benefits, retirement benefits and pension in accordance with regulation of the Labor Protection Act B.E. 2541. The employee is entitled retirement benefits and other long-term benefits base on right and length of services.

Employee benefit obligations are detailed as follows :

		(Unit : Baht)	
		Consolidated and Separate financial statements	
		2016	2015
<b>Changes in provisions which presented in statements of financial position</b>			
Employee benefit beginning of the year	62,248,531.00	54,694,622.20	
Current costs of service	3,540,785.00	3,730,282.00	
Interest costs	3,191,515.00	3,133,857.00	
Previous employee benefit obligations realized in the year	0.00	7,988,419.80	
Add Decrease from resigned employees in the year	7,961,062.00	0.00	
Less Decrease from resigned employees in the year	(7,738,050.00)	(7,298,650.00)	
Employee benefit obligations recorded in statements of financial position	69,203,843.00	62,248,531.00	

In 2016, the Company and susidiary led the actuary to recalculate employee benefit obligations by using the actuarial method in accordance with the report dated February 15, 2017. As a result, its incurred actuarial loss for the year ended December 31, 2016 total amount of Baht 7.96 million. The Company recognized such transactions in other comprehensive income. The significant assumption of actuarial provisions in accordance with the report can be summarized as follows :

Discount rate	2.67% per annum
Employee turnover	Age-related scale and kind of employee (full time and part time)
Salary increase rate	7.39% per annum
Employee	823 persons



## 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 : Baht)

	Consolidated and Separate financial statements			
	2016		2015	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(3,512,725.00)	3,793,327.00	(3,048,709.00)	3,290,408.00
Future salary increases rate (0.50% movement)	3,520,955.00	(3,301,056.00)	3,866,776.00	(3,599,688.00)
Employee turnover rate (1.00% movement)	(7,347,949.00)	8,500,470.00	(7,539,398.00)	8,819,869.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 25. INCOME TAX

Corporate income tax was calculated from profit before income tax for the year, using the tax rate applicable in that period. Income tax expenses for the year ended December 31, 2016 and 2015 are made up as follows

(Unit : Baht)

	Separate statement of comprehensive income	
	2016	2015
Net profit		
Current tax :		
Deferred tax :	0.00	31,428,316.21
Deferred tax resulted from temporary difference and reversal of temporary difference	(12,080,727.44)	(3,564,571.22)
Income tax expenses (income) presented in statements of comprehensive income	(12,080,727.44)	27,863,744.99



Reconciliation between income tax expenses and multiplication of taxable profit and tax rate used for the year ended December 31, 2016 and 2015 can be presented as follows :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Taxable profit before income tax	(74,263,572.38)	122,473,281.15	(77,792,617.54)	120,892,774.23
Income tax rate	20%	20%	20%	20%
Taxable profit (loss) before income tax multiply with tax rate	(14,852,714.48)	24,494,656.23	(15,558,523.51)	24,178,554.85
Taxable effects for :				
Taxable (profit) loss of subsidiaries	(6,250,060.06)	(468,746.19)	0.00	0.00
Income granted from BOI	(2,054,629.04)	(2,059,146.51)	(2,054,629.04)	(2,059,146.51)
Prohibited expenses	3,924,931.23	3,765,198.45	3,924,931.23	3,765,198.45
Income and other expenses for which accounting base differ from tax base	7,151,744.91	2,131,783.01	1,607,493.88	1,979,138.20
Income tax expenses (income) presented in statements of comprehensive income	(12,080,727.44)	27,863,744.99	(12,080,727.44)	27,863,744.99
Effective income tax rate	0.00	22.75	0.00	23.05

Details of deferred tax assets and liabilities comprise the following transaction :

(Unit : Baht)

	Consolidated and Separate financial statements	
	2016	2015
Deferred tax assets		
Allowance for devaluation of inventories	3,011,738.19	3,588,208.22
Provision for impairment of assets	7,708,961.52	5,737,375.42
Employee benefit provisions	13,840,768.60	12,449,706.20
Taxable loss	10,476,507.63	0.00
Total	35,037,975.94	21,775,289.84
Deferred tax liabilities		
Depreciation from changes in estimated useful lives	2,505,086.96	2,639,399.73
Financial lease assets and liabilities	179,458.46	455,399.43
Total	2,684,545.42	3,094,799.16
Deferred tax assets - net	32,353,430.52	18,680,490.68



## 26. DIVIDENDS PAID

According to the minutes of shareholders' general meeting for the year 2016 held on April 28, 2016 the Company passed the resolution to pay dividend to the shareholders for 1,343.29 million shares at Baht 0.05 each, amounting to Baht 67.15 million which was paid on May 27, 2016. The Company has made payment for such dividend in full.

According to the minutes of shareholders' general meeting for the year 2015 held on April 30, 2015 the Company passed the resolution to pay dividend to the shareholders for 1,343.29 million shares at Baht 0.07 each, amounting to Baht 94.03 million which will be paid on May 22, 2015. The Company has made payment for such dividend in full.

## 27. LEGAL RESERVE

In accordance with the Public Company Act B.E. 2535, the Company has to appropriate part of profit as legal reserve at least 5% of the annual net profit deduction with deficit (if any) until this legal reserve reach an amount 10% of the registered share capital. This legal reserve is not available for dividend distribution.



## 28. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues, and expenses of the Company was derived from its related parties. These companies are related to the Company through the co-shareholders and/or co-directors. The financial statements are reflected the effects of these transactions on the basis determined by the normal course of business with related parties at the same rate applicable to other parties.

	Type of business	Relationship
Ekarat Solar Co., Ltd.	Distributor of solar cell	Subsidiary/directorship
Ekarat Energy Co., Ltd.	Operate on solar power	Subsidiary/directorship
Ekarat Chemical Co., Ltd.	None operation	Common shareholder
KV Asset Company Limited	Investment in other company	Common shareholder and director
Ms. Theeraya Kanokpruk		Shareholders
Chula Engineering Company Limited	Distributor of plumbing equipment	Common shareholder

The Company has pricing policy as follows :

Type of transaction	Pricing policy
Trading price and buying price of assets	Base on market price
Rental and service income	At agreed rate indicated in agreement
Interest income	At agreed interest rate of commercial bank
Co-ownership on land	At agreed rate and proportion of purchasing price
Guarantee loans from bank by share certificate	2% per annum



Significant transactions with related parties as at December 31, 2016 and 2015, are as follows :

		(Unit : Baht)	
		Separate financial statements	
		2016	2015
Other receivables			
Ekarat Solar Co., Ltd.	28,119,157.96	27,162.00	
Ekarat Energy Co., Ltd.	38,000.00	14,000.00	
Total	28,157,157.96	41,162.00	
Prepaid guarantee fee			
KV Asset Company Limited	570,180.85	2,144,813.51	
Ms. Theeraya Kanokpruk	570,180.85	2,144,813.51	
Total	1,140,361.70	4,289,627.02	
Trade accounts payable			
Ekarat Solar Co., Ltd.	2,776,181.68	3,320,848.50	

(Unit : Baht)

	Separate financial statements			
	2015	Increase	Decrease	2016
Ekarat Solar Co., Ltd.				
Loans	189,378,250.00	0.00	0.00	189,378,250.00
Accrued interest income	29,564,872.67	10,067,834.17	(1,425,532.93)	38,207,173.91
Allowance for doubtful accounts for loans to a subsidiary and accrued interest income	(218,943,122.67)	(10,067,834.17)	1,425,532.93	(227,585,423.91)
Loans - net	0.00	0.00	0.00	0.00



Significant revenues and expenses in statements of comprehensive income for the year ended December 31, 2016 and 2015, are as follows :

	(Unit : Baht)	
	Separate financial statements	
	2016	2015
<b>Ekarat Solar Co., Ltd.</b>		
Acquire of goods	603,968.33	1,988,898.95
Acquire of other assets	0.00	1,695.00
Other income	140,749.71	27,162.00
System installation income	26,104,150.51	0.00
Interest income	10,067,834.17	10,545,411.14
Doubtful accounts of loans and accrued interest income	10,067,834.17	10,545,411.14
<b>Ekarat Energy Co., Ltd.</b>		
Rental	24,000.00	14,000.00
<b>KV Asset Co., Ltd.</b>		
Other guarantee fee	3,523,032.67	2,501,500.44
<b>Ms. Theeraya Kanokpruk</b>		
Other guarantee fee	3,523,032.67	2,501,500.44
<b>Chula Engineering Company Limited</b>		
Revenue from services	5,250,000.00	0.00
Cost of services	4,495,856.03	0.00



## 29. PRESENTATION OF FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports of the Company and subsidiary 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 of the Company and subsidiary have been identified as the Company's Board of Directors.

The segment financial information for the year ended December 31, 2016 and 2015, are as follows :

	Consolidated financial statements						(Unit : Million Baht)	
	Electricity current		Services		Goods production and distribution		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales and services	21.71	21.06	258.62	263.73	1,342.85	1,810.17	1,623.18	2,094.96
Gross profit	10.24	10.24	76.84	70.62	201.92	483.07	289.00	563.93
Selling and administrative expenses							(353.80)	(416.57)
Profit (loss) from operation							(64.80)	147.36
Other income							33.30	16.79
Loss on impairment of fixed assets							(11.57)	(7.15)
Finance costs							(31.19)	(34.53)
Income tax (expenses) income							12.08	(27.86)
Profit (Loss) for the year							(62.18)	94.61



(Unit : Million Baht)

	Separate financial statements							
	Electricity current		Services		Goods production and distribution		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales and services	21.71	21.06	256.99	263.75	1,341.29	1,807.32	1,619.99	2,092.13
Gross profit	10.39	10.49	73.84	70.63	192.55	480.06	276.78	561.18
Selling and administrative expenses							(342.01)	(414.74)
Profit (loss) from operation							(65.23)	146.44
Other income							28.76	16.08
Reversed doubtful accounts for trade accounts receivable and loans to a subsidiary company							1.43	0.00
Loss on impairment of fixed assets							(11.57)	(7.15)
Finance costs							(31.18)	(34.48)
Income tax (expenses) income							12.08	(27.86)
Profit (Loss) for the year							(65.71)	93.03

As at December 31, 2016 and 2015, the Company has presented assets by business segment as follow :

(Unit : Million Baht)

	Separate financial statements							
	Electricity current		Sell transformers and services		Manufacture solar cell		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Fixed assets	240.89	122.59	263.29	284.73	607.30	646.31	1,111.48	1,053.63
Other assets							981.59	1,044.25
Total assets							2,093.07	2,097.88



### 30. COMMITMENT AND CONTINGENT LIABILITIES

#### The Company

30.1 As at December 31, 2016 and 2015, the Company has contingent liabilities from a local bank issuance of letter of guarantee against electricity usage, tender bids and goods selling and services guarantee to various public agency and private company total amount of Baht 288.46 million and Baht 212.05 million respectively. In addition, the Company has guarantee obligation amount of Baht 0.01 million with another bank which is awaiting for cancel when termination. The Company led the new bank to issue letter of guarantee for such amount.

The guarantee line are guaranteed by land, building and equipment as stated in note 17.

30.2 As at December 31, 2016 and 2015, the Company has contingent liabilities on letters of credit amount of Baht 34.84 million and Baht 20.85 million respectively. The contingent liabilities are guaranteed by land, building and equipment as stated in note 17 and guaranteed by the Company's fixed deposits as stated in note 14.

30.3 On August 22, 2016, the Company entered into agreement as a supporter in the project Solar Farm for the Government and Agricultural Corporative B.E. 2558 for the project period of 25 years and has obligations on payment expenses for such project until the completion to the project owner which comprise land usage expenses, electricity selling royalty, minimum income guarantee to be paid to the project owner and other related expense. The Company has made partially payment for land usage as stated in note 8.2, electricity selling expenses as stated in note 19, the total remaining to be paid amount of Baht 52.12 million. The electricity will be distributed to the commercial system within December 29, 2016.

30.4 As at December 31, 2016 and 2015, the Company has commitment on hire of contractor, assets rental and other service agreements with the amount of Baht 40.20 million and Baht 38.15 million respectively.

#### The subsidiary

30.5 On August 25, 2015, a subsidiary has filed the appeal for value added tax assessment of Revenue Department since that assessment is incorrected. As a result, Revenue Department has to refunded value added tax and surcharge including interest to a subsidiary total amount of Baht 6.02 million. At present, the case is awaiting for the Supreme Court's trail.



## 31. FINANCIAL INSTRUMENTS

### Policy to manage financial risk

The Company and subsidiary exposure to the risk from change in market interest rate and foreign currency exchange rate and from failure to discharge obligations by counterparties. The Company and subsidiary will consider using derivative instruments, when it considers appropriate to manage such risks. However, the Company and subsidiary have no policy to hold or issue any financial instruments for speculation.

### Risk on interest rate

The Company has loans from financial institution at the floating - rate which may have risk from fluctuation of interest rate. Information about interest rate has been disclosed in note 20 and 23.

### Risk on exchange rate

Assets and liabilities denominated in foreign currencies as at December 31, 2015 were entered into the forward contract to hedge against exchange rate risk for debt settlement to the oversea payable. The forward contract has a period of not exceed six months for the amount of USD 1,827,451.13. Assets and liabilities denominated in foreign currencies were not entered into risk hedge as at December 31, 2016 and 2015 are summarized as follows :

	Consolidated financial statements			
	Trade accounts receivable		Trust receipts/Trade accounts payable	
	2016	2015	2016	2015
US Dollar	685,459.68	592,120.50	3,705,238.68	3,662,073.83
SG Dollar	0.00	931,700.00	0.00	0.00
Euro	141,974.50	141,974.50	433,725.62	108,024.48
Krona	0.00	0.00	598,800.00	0.00



### Separate financial statements

	Trade accounts receivable		Trust receipts/Trade accounts payable	
	2016	2015	2016	2015
US Dollar	683,459.68	590,120.50	3,705,238.68	3,662,073.83
SG Dollar	0.00	931,700.00	0.00	0.00
Euro	0.00	0.00	433,725.62	108,024.48
Krona	0.00	0.00	598,800.00	0.00

### Risk on interest rate

On October 13, 2015, the Company entered into forward contract with a local bank for hedging exchange rate risk for payment overseas payable. The Company has not recorded such financial liabilities in the financial statements. Such forward contract has matured not exceed six months from the agreement date. The balance as at December 31, 2015, as follows :

	Separate financial statements		
	Foreign currency	Thai Baht	Fair value
US Dollar	1,827,451.13	65,658,126.16	66,252,047.78

### Credit risk

The Company is exposed to credit risk in respect of trade accounts receivable and loans to a subsidiary. However, the Company has a policy to provide credit carefull. In addition, the Company's receivable consist of several receivable, therefore, the Company expected that there is no material loss from collection.

### Fair value

Carrying value of financial assets and liabilities presented in statements of financial position are closed to their fair value since financial assets and liabilities are in the form of short-term which had interest rate closed to market value.



### 32. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature for the year ended December 31, 2016 and 2015, are as follow :

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in inventories of finished goods and work in progress, (increase) decrease	80,020,143.42	(27,347,735.18)	61,427,570.76	(29,071,213.59)
Raw materials and consumables used	954,670,659.73	961,086,937.06	954,670,659.73	959,532,592.12
Loss on devaluation of goods (reversal)	(34,159,823.34)	651,333.48	(2,882,350.13)	4,772,830.19
Loss on impairment of fixed assets	11,572,115.65	7,150,808.09	11,572,115.65	7,150,808.09
Employees benefit expenses	268,242,032.89	276,612,615.33	268,242,032.89	276,612,615.33
Management benefit expenses	20,970,684.00	21,978,098.00	20,970,684.00	21,978,098.00
Depreciation and amortization	97,088,274.41	95,358,422.27	96,050,871.54	94,334,508.44
Administrative advisory fee	16,425,794.39	15,504,794.39	16,425,794.39	15,504,794.39
Sales commission and advisory fee	65,310,248.69	122,965,566.48	65,310,248.69	122,965,566.48

### 33. REGISTERED PROVIDENT FUND

The Company has a contributory provident fund covering all employee which established provident fund under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contribution to the fund at 3% of their basic salaries and the Company is required to make monthly contribution to the fund at the same rate. The fund is managed by American International Assurance Company Limited.

For the year ended December 31, 2016 and 2015, in the separate financial statements, the Company paid contributions to the fund total amount of Baht 5.93 million and Baht 5.87 million respectively.



#### 34. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer, all persons in positions comparable to these fourth executive levels and includes the accounting and financial executive officer, the manager level above or persons in position comparable.

#### 35. DIRECTORS' REMUNERATION

The directors' remuneration is benefits paid to directors of the Company as per section 90 of the Public Companies Limited Act excluding salaries and related fringe benefits paid to executive directors.

#### 36. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiary is to preserve the ability to continue its operation as a going concern and capital structure to be properly appropriated.

#### 37. INVESTMENT PROMOTION PRIVILEGES

As at December 31, 2016 and 2015, the Company is granted certain right and privilege under the Investment Promotion Act B. E. 2520 by the Board of Investments as below :

37.1 The Company is granted the certain right and privilege as a promoted industry from the Board of Investment for electricity generating from solar cell type 7.1 the services business of utilities and basic services No.1105(1)/2010 dated February 5, 2010, which effective on December 14, 2009 and No. 1297(1)/2013 dated March 7, 2013, which effective on October 3, 2012.

37.2 The Company is granted the certain right and privilege as a promoted industry from the Board of Investment for electricity generating from solar cell type 7.1.1.2 the services business of utilities and basic services No. 60-0018-1-00-1-0 dated January 11, 2017, which effective on November 7, 2016.



The Company is granted right and privilege of taxable are as follows :

- Exemption of import duty on machinery as approved by the Board of Investment.
- Exemption of payment of corporate income tax on net profit derived from promoted activity for the period of 8 years from the date of income earnings. In the case where a loss has been incurred during the period of receiving exemption of corporate income tax. The promoted Company is granted permission to deduct such annual loss from net profits accrued after the expiration of the period of exemption of corporate income tax for a period of not more than 5 years from the expiry of such period.
- Exemption on dividends derived from the promoted activity granted an exemption of corporate income tax shall be exempted for computation of taxable income throughout the period of the promoted receives the exemption of corporate income tax.
- Fifty percent reduction of the normal corporate income tax rate on the profits from the promoted activity for a period of 5 years after the expiry of the corporate income tax exemption period.
- Double deduction from taxable income of transportation, electricity and water costs for the period of 10 years after the expiry of the exemption period.
- Deduction from investment at 25 percent of the project's infrastructure installation or construction cost. This deduction is additional to normal depreciation.

The Company must comply with the condition as stipulated in promotion certificate.



The Company and subsidiary have income and expenses for the year ended December 31, 2016 and 2015, from the promoted activity granted as follows :

(Unit : Baht)

2016			
Consolidated financial statements			
	Promoted	Non-promoted	Total
Revenue from sales and services	20,835,565.22	1,602,344,396.52	1,623,179,961.74
Other income	0.00	33,295,972.85	33,295,972.85
Total revenues	20,835,565.22	1,635,640,369.37	1,656,475,934.59
Cost of sales	11,506,342.55	1,364,684,611.94	1,376,190,954.49
(Reversal) Loss on devaluation of goods	0.00	(42,015,330.32)	(42,015,330.32)
Selling and administrative expenses	0.00	365,375,642.92	365,375,642.92
Finance costs	0.00	31,188,239.88	31,188,239.88
Total expenses	11,506,342.55	1,719,233,164.42	1,730,739,506.97
Profit (loss) before income tax	9,329,222.67	(83,592,795.05)	(74,263,572.38)

(Unit : Baht)

2015			
Consolidated financial statements			
	Promoted	Non-promoted	Total
Revenue from sales and services	20,139,208.79	2,074,826,769.84	2,094,965,978.63
Other income	0.00	16,791,997.06	16,791,997.06
Total revenues	20,139,208.79	2,091,618,766.90	2,111,757,975.69
Cost of sales	9,998,859.52	1,520,381,450.17	1,530,380,309.69
(Reversal) Loss on devaluation of goods	0.00	651,333.48	651,333.48
Selling and administrative expenses	6,490.00	423,716,192.76	423,722,682.76
Finance costs	0.00	34,530,368.61	34,530,368.61
Total expenses	10,005,349.52	1,979,279,345.02	1,989,284,694.54
Profit (loss) before income tax	10,133,859.27	112,339,421.88	122,473,281.15



(Unit : Baht)

2016

Separate financial statements

	Promoted	Non-promoted	Total
Revenue from sales and services	20,835,565.22	1,599,160,688.63	1,619,996,253.85
Other income	0.00	28,762,569.35	28,762,569.35
Total revenues	20,835,565.22	1,627,923,257.98	1,648,758,823.20
Cost of sales	10,562,420.04	1,335,527,811.03	1,346,090,231.07
Loss on devaluation of goods	0.00	(2,882,350.13)	(2,882,350.13)
Selling and administrative expenses	0.00	352,157,669.92	352,157,669.92
Finance costs	0.00	31,185,889.88	31,185,889.88
Total expenses	10,562,420.04	1,715,989,020.70	1,726,551,440.74
Profit (loss) before income tax	10,273,145.18	(88,065,762.72)	(77,792,617.54)

(Unit : Baht)

2015

Separate financial statements

	Promoted	Non-promoted	Total
Revenue from sales and services	20,139,208.79	2,071,986,126.84	2,092,125,335.63
Other income	0.00	16,084,155.48	16,084,155.48
Total revenues	20,139,208.79	2,088,070,282.32	2,108,209,491.11
Cost of sales	9,836,986.24	1,516,328,192.68	1,526,165,178.92
Loss on devaluation of goods	0.00	4,772,830.19	4,772,830.19
Selling and administrative expenses	6,490.00	421,888,269.16	421,894,759.16
Finance costs	0.00	34,483,948.61	34,483,948.61
Total expenses	9,843,476.24	1,977,473,240.64	1,987,316,716.88
Profit before income tax	10,295,732.55	110,597,041.68	120,892,774.23



### 38. GOING CONCERN OF SUBSIDIARY

A subsidiary has operating loss for consecutive year as shown in financial information of a subsidiary. As at December 31, 2016 and 2015, a subsidiary has capital deficiency in the amount of Baht 223.12 million and Baht 219.18 million respectively. The ability of the subsidiary's operation depends upon the future of its operation and seeking source of fund. These financial statements have been prepared by assumption that the subsidiary will continue its operation as a going concern, therefore, do not make adjustment the valuation of assets at the salable price, liabilities at the repayable amount and reclassification that might be necessary should the subsidiary be unable to continue its operation as a going concern.

### 39. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of the Board of directors' meeting No.2/2017 held on February 23, 2017, passed the resolution to pay dividend to the shareholders at Baht 0.025 per share, amounting to Baht 33.58 million.

### 40. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 23, 2017.





## **Ekarat Engineering Public Company Limited**

9/291 U.M.Tower 28th Floor, Ramkamhaeng Rd.,  
Suanluang District Bangkok 10250 Thailand.  
Tel. 02-719-8777 Fax. 02-719-8760

[www.ekarat-transformer.com](http://www.ekarat-transformer.com)

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