



# *Annual Report 2019*

EMC PUBLIC COMPANY LIMITED





## VISION

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

## MISSION

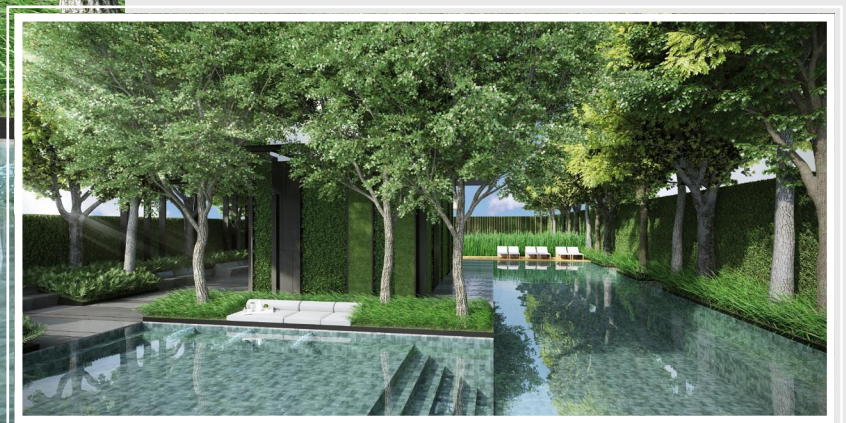
Continue creativity while modernize Products and Services, development with highly innovative function consistently. Accompany with organizational development and human resources will be driven companies to achieve business goals to deliver performance and service quality as well as to meet international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



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# Summary of Financial Information

Consolidated financial statements						
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	3,111.08	(13.05)	3,578.01	22.72	2,915.62	(6.52)
Total liabilities	1,235.56	(27.62)	1,706.99	20.81	1,412.97	46.57
Shareholders' equity	1,875.52	0.24	1,871.02	24.51	1,502.66	(30.27)
Operating income	1,304.00	(46.16)	2,421.83	258.73	675.12	11.41
Gross profit	219.69	(64.09)	611.83	378.29	127.92	180.04
Net profit (loss)	2.45	(99.33)	368.36	154.57	(675.05)	127.18

Financial Ratio		2019	2018	2017
Gross Profit Margin	(%)	16.85	16.57	16.99
Net Profit Margin	(%)	0.19	15.21	(99.99)
Return on Equity	(%)	0.13	19.69	(44.92)
Return on Assets	(%)	0.08	10.29	(23.15)
Total Assets Turnover	(Times)	0.42	0.68	0.23
Debt to Equity Ratio	(Times)	0.66	0.91	0.94



# Message from the Chairman

In 2018, the country's economic growth rate was well expanded, which was supported mainly by private expenditure both consumption and investment. The growth rate of the construction and real estate industries moved on the same direction of the country's economic growth as well. In addition, the real estate development sector has also been affected by the stringent lending to real estate developers and retail lending to residential buyers in the banking sector.

For the trend in 2019, the overall economy of the country is likely to slow down due to the impact of international trade conflicts between the United States and China. The company expects that the government continues to drive the economy through investment and government budget disbursements together with supporting exports and private investments to private sector, especially in accelerating the disbursement and expansion of the country's infrastructure, such as government investment in transportation and public health system. The real estate development business continues to be another challenging year for real estate developers who must tackle barriers to consumer purchasing power, the supply of products still exceeding the market demand, as well as the enforcement of the LTV measures from 1 April 2019 onwards, including the strictness of the lending of the banking sector.

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

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



A handwritten signature in black ink, appearing to be 'Chanachai Leenabanchong'.

Mr. Chanachai Leenabanchong  
Chairman of the Board

## Board of Directors

Mr. Chanachai  
Leenabanchong

Chairman



01

Mr. Ratchai  
Pichayapoom

Vice Chairman



02

Mr. Voravit  
Leenabanchong

Vice Chairman



03

Mr. Krisana  
Sangarsang

Director



04



Mr. Paiboon  
Thong ra-ar



05

Director

Mr. Matee Ittirivichai



06

Director

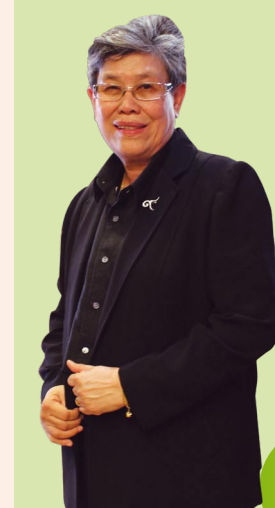
Miss Thaweesri  
Wikayathipat



07

Member of the Audit Committee  
and Independent Director

Dr. Yaowarin  
Srichainan



08

Member of the Audit Committee  
and Independent Director



Mr. Pannatee  
Sriwongthai



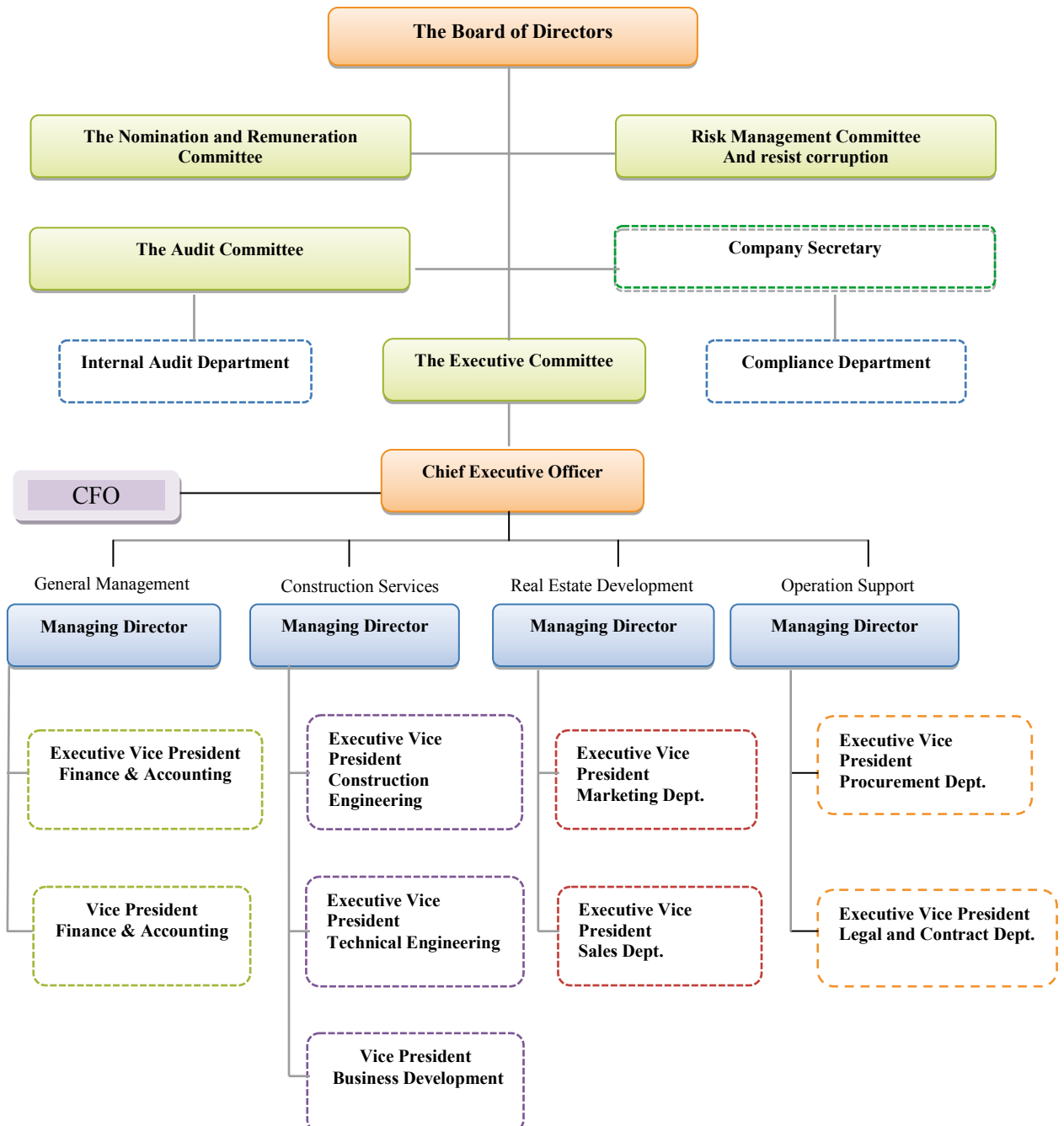
09

Member of the Audit Committee  
and Independent Director



# Organization Chart

Organization Chart of EMC Plc. As at December 31, 2019



# General Information

## 1. Company Information

Company Name	:	EMC Public Company Limited
Head Office	:	28-30 Floor, ITF Tower, 140/66-67 Silom Road, Suriyawong, Bangrak, Bangkok 10500
Type of Business	:	Provide integrated civil and mechanical and electrical construction service, and real estate development.
Registration No.	:	0107538000321
Telephone	:	02-615-6100
Facsimile	:	02-615-6128 – 30
Website	:	www.emc.co.th
Registered Capital	:	12,650,632,144 Baht
Paid-up Capital	:	8,433,754,763 Baht
Par value	:	1 Baht per share

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

No.	Company Name	Shareholding portion	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
Subsidiary companies in real estate rental business and residential complex						
1	Sajja Bangsean Condominium Company Limited	100%	4,000,000	4,000,000	400,000	10
2	Rich Man Property Company Limited	100%	5,000,000	5,000,000	500,000	10
3	North Property Company Limited	100%	5,000,000	5,000,000	500,000	10
4	Siam Bangkok Development Company Limited	100%	20,000,000	20,000,000	2,000,000	10
5	Imperial Land Company Limited	100%	110,000,000	110,000,000	1,100,000	100
Subsidiary companies in government and state enterprises concession business for contract construction and civil work						
1	BR Construction Company Limited	51%	60,000,000	60,000,000	60,000	1,000
Associated company doing business of construction system engineering						
1	Sunken-EMC Company Limited	48%	40,000,000	40,000,000	400,000	100
2	Company joint venture Chiang Mai Daily and EMC Company Limited	51%	5,000,000	10,000,000	50,998	100





### 3. Other References

- **Company Registrar**

- Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Klongtoey,  
Bangkok 10110  
Telephone 02-229-2800 Facsimile 02-654-5427  
Call Center 02-229-2888 Website : [www.tsd.co.th](http://www.tsd.co.th)

- **Auditor**

1. Mrs. Suwimol Krittayakian 2982
  2. Miss Somchintana Pholhiranrat 5599
  3. Mr Jumphaphat Phrai Rattanakorn 7645
  4. Mr Napruk Pisanuwong 7764
  5. Miss Supaporn Mangchit 8125
  6. Mr. Viroj Satchamathamnukul 5128
- DIA International Auditing Company Limited  
316/32 Soi Sukhumvit 22, Sukhumvit Road, Khlong Toei Subdistrict, Khlong Toei District,  
Bangkok 10110  
Phone 02-259-6300  
Fax. 02-260-1553 [WWW.diaaudit.com](http://WWW.diaaudit.com)

- **Legal Counsels**

- Srisamlan Law Office  
40/131 Krittiya Village 3 Bangpood , Pakkret District, Nonthaburi 11120  
Telephone 081-939-5330 Facsimile 02-938-7515-7
- Sathit Business Law Office Limited  
59 Soi Rattanathibet 28 Yaek 2, Bang Kraso Sub-district, Mueang Nonthaburi District,  
Nonthaburi Province 11120
- Asia Atney Law Office Company Limited  
339/1 The Spirit Condo Building, Srinakarin Road, Nong Bon Subdistrict, Prawet District,  
Bangkok 10250

# Policy and Overall Business Operations

## Vision and Mission of the company

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

### Vision

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

### Mission

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

## The company has a business goal

In the past, the company has set a goal to be a leader in the construction and real estate development business in Thailand that delivers international standard and have steady income growth along with studying and developing products and services as well as innovation to meet and cover for real estate buyers in all genders, ages and levels under the concept of sustainability and improving the quality of life for Thai people. In addition, the company still focuses on accepting construction work in both the public and private sectors to create more stable income and sustainable growth every year as well as looking for partners who are ready to expand their investment base to neighboring countries as well.

## Significant changes and development

The company has changed the management of shareholding structure with significant capital structure for the past 3 years as follows:



## Year 2017      Significant changes and development

### February

- The Board of Directors Meeting No. 1/2017 considered appointing the Vice Chairman of the Board of Directors to propose to appoint

1. Mr. Ratchai Phichayapoom, Vice Chairman No. 1

2. Mr. Voravit Leenabanchong, Vice Chairman No. 2

Which is effective from February 27, 2017 onwards.

### March

- The Board of Directors Meeting No. 2/2017 on 14 March 2017 resolved to approve the appointment of directors to replace the resigned directors with a resolution to appoint **Acting Sub Lt. Matee Ittirivichai** to be a director of the company in place of Mr. Jittichai Sangthong.

### April

- According to the Securities and Exchange Commission No. 23/2560 informed Miss Neeranuch Na Ranong former Vice Chairman and Executive Chairman, Triton Holding Public Company Limited (TRITN), formerly known as Live Incorporation Public Company Limited (LIVE).

Therefore resulting in Miss Neeranuch Na Ranong being removed from the director immediately to confirm and reserve the position of the director of Miss Neeranuch. Then the company has to arrange a meeting of the Board of Directors and has a resolution to propose to the Annual General Meeting of Shareholders for the year 2017 to consider and confirm that the Board of Directors of the Company consists of 12 directors by preserving the position of the director of Miss Neeranuch Na Ranong, who has been removed from being a director in the previous agenda.

- Annual General Meeting of Shareholders to consider and approve the increase of the registered capital of the company by allocating the newly issued ordinary shares of the Company as a General Mandate by issuing new ordinary shares in the amount not exceeding 2,530,000,000 shares with a par value of 1 baht and not more than 500,000,000 shares to support the adjustment of the rights of warrants to purchase the Company's ordinary shares No. 5 ("Warrants No. 5" or "EMC-W5") in case of increasing RO capital below 90% of the market price.

### August

- The Board of Directors Meeting of EMC Public Company Limited No. 5/2017 on 15



August 2017 resolved to provide financial assistance to Sunken-EMC Co., Ltd. with an associated company amount of 2,500,000 baht and resolved to appoint Mrs. Unchalee Leenabanchong to be the Executive director.

#### November

- Change of paid-up capital from 8,433,734,716 baht to 8,433,754,763 baht due to the last exercise warrants EMC-W5 amount 20,047 units, par value of 1 baht per share.
- Mr. Sethawat Tangwatcharapong resigned from the position of director effective from 30 November 2017.

#### Year 2018      *Significant changes and development*

##### March

- The Board of Directors Meeting No. 2/2018 held on 28 February 2018, approved the appointment of directors to replace the resigned directors with a resolution to appoint Mr. Paiboon Thongra-ar to be a director of the company to replace Miss Neeranuch Na Ranong.

##### April

- The Annual General Meeting of Shareholders for the year 2018 approved the increase of the registered capital of the Company by allocating the newly issued ordinary shares of the Company as a General Mandate by issuing new ordinary shares in the amount not exceeding 2,530,000,000 shares with a par value of 1 baht and issuing 4,216,877,381 new ordinary shares to support the issuance of warrants to purchase ordinary shares of the Company No. 6 ("No. 6 Warrants" or "EMC-W6") 4,216,877,381 units .

##### May

- Mr. Bunthan Sumetvanich resigned from the position of director of the company effective from 30 April 2018.

##### October

- The Board of Directors' Meeting No. 6/2018 held on 16 October 2018 approved the establishment of a joint venture. The details are as follows :

- **Joint Venture Chiang Mai Rai Wan Limited and EMC Public Company Limited**

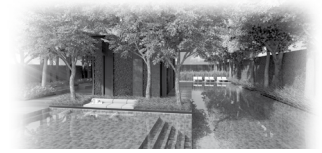
Date of establishment: 16 October 2018

Joint venture and investment proportion: - EMC Public Company Limited,

51% investment proportion.

- Chiang Mai Rai Wan Company Limited,

49% investment proportion.



Objective: To prepare and submit initial qualification documents for eligible candidates bid for the construction and management of residential projects in accordance with the government's policy. "Ban Kon Thai Pracharat" project, In the parcel of land registration number Chor Mor.1745, important book for land Nor Sor Lor No. 40/2473 Ra-wang 4846/9480, land No. 1 Survey page - Chang Phueak Subdistrict, Mueang District, Chiang Mai. The land area is approximately 15 rai 0 ngan 96 wa (here in after referred to as "the project") to submit the bidding documents for the project of the project owner perform any negotiation and make necessary contracts related to the conditions of the bidding for such projects and perform the work and take part in the responsibility of the parties each party according to the contract signed by the joint venture with the project owner and the sale of such project. The project value is approximately 822 million baht.

The relationship between the Company and the Joint Venture partner does not qualify as a connected person that must perform their duties in accordance with the Notification of the Capital Market Supervisory Board TorJor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Practice of Listed Companies Concerning Connected Transactions,2003 .

After completion of the construction and sale of the project done, the Company will proceed the cancellation a register of the joint venture and inform the SET.

#### **November**

- The Company has informed the results of the issuance of warrants to purchase ordinary shares of the Company No. 6 ("Warrants No. 6" or "EMC-W6") amount 4,216,877,381 units allocated amount 4,216,746,892 units.

#### **December**

- Warrants to purchase ordinary shares of the Company No. 6 ("Warrants No. 6" or "EMC-W6") start trading on the Stock Exchange of Thailand.
- EMC Public Company Limited ("Company") would like to inform that the Company has joined the investment with Moon Shot Venture Capital Company Limited which is not a connected person of the company. By establishing a joint venture company (collectively called "Joint Venture Company") which is in accordance with the resolution of the meeting The Board of Directors of the Company No. 7/2018 held on 14 November 2018 with the following details:

## 1. Moon Shot Venture Capital Company Limited

### Business type

Funds that invest in the industry and specialized technology.

### Registered capital

5,000,000 baht consisting of 50,000 ordinary shares with a par value of 100 baht per share.

### Shareholding proportion

The company will hold 10.00% of the total shares of the company by Moon Shoot Venture Capital Company Limited will increase the registered capital to 1,000,000,000 baht

### Committee

#### (1) Mr. Thammarat Saengchan

The joint venture with the aforementioned investor is considered an acquisition of assets of the company according to the announcement of the Board of Directors Capital Market Tor.Jor. 20/2551 Re: Criteria for making significant transactions that are considered acquisition or disposal of assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Practices of the Company Registered in the acquisition or disposal of assets, 2004 (collectively referred to as "the announcement of the acquisition or disposition of items") which has the highest transaction size equal to 3.16 percent according to the calculation method to the total value of consideration criteria, calculated from the consolidated financial statements of the company, the review version for the 6 months ended on June 30, 2018 and when calculating the total the size of the company's asset acquisition transaction that occurred during the past 6 months. The company has transaction size according to criteria total value of return 3.16% according to the announcement of the acquisition or disposition. Therefore, the entering the transaction it is not considered as an asset acquisition transaction which causes the company to have a duty to report and disclose the information Transaction to the Stock Exchange of Thailand ("The Stock Exchange") or must be approved to enter the transaction from any shareholder meeting of the company.

- EMC Public Company Limited would like to inform that on December 27, 2018, the Agreement was signed with the Treasury Department in the construction and management of residential projects in accordance with the government's policy " Ban KonThai Pracharat" Project, Chiangmai Province.





## Year 2019 Important changes and developments

### January

- EMC Public Company Limited would like to announce that on December 27, 2018, a contract was signed with the Treasury Department for the construction and management of residential projects in accordance with the government's policy "Baan Khon Thai Pracha Rat".

With details as follows

- Joint venture with Chiang Mai Daily Company Limited and EM Public Company Limited

Established date: 16 October 2018

Joint venture partners Investment proportion: - EMC Public Company Limited, investment proportion 51%

- Chiang Mai Daily Company Limited, a 49% shareholding

Joined the auction Construction and management of housing projects in accordance with the government's policy "Baan Thai People Pracharat" on state land, plot number registration no. 1745, important documents for the land, Nor.Sor.No. 40/2473, Amount 4846/9480. Land number 1, survey page - Chang Phueak Subdistrict, Mueang District, Chiang Mai Province The land area is approximately 15 rai 0 ngan 96 square wah (hereinafter referred to as "the project") in order to submit the project bidding documents of the project owner. Undertake any negotiation and make necessary agreements relating to the conditions of the bidding for the said project and perform the work and carry out the responsibilities of the contract parties Each party contract signed by a joint venture With the project owner and proceed to sell the said project, the project value is approximately 822 million baht

The company would like to inform you that The joint venture, Chiang Mai Daily Company Limited and EMC Public Company Limited, won the bid in the said project.

### March

- The Board of Directors Meeting No. 2/2019, held on March 20, 2019, passed a resolution entitled

**Important as follows**

1. Approval to propose to the shareholders' meeting for acknowledgment of non-legal reserve allocation and

No dividend payment for the company's operating results For the fiscal year ending 31 December 2018, because the company still has accumulated losses

2. Approval to propose to the shareholders' meeting to consider and appoint 3 directors as follows :

1. Mr. Worawit Leenabanchong, Director
2. Mr. Panthee Sriwongthai Independent Director / Department of Audit
3. Acting Lieutenant Colonel Methi Itthiwichai, Director

Which is a director that has to resign according to this agenda Return to the position of director of Company for another term

3. Approval to propose to the shareholders' meeting to consider and approve the reduction of the company's registered capital And amend the company's memorandum of association, item 4. Subject: To comply with the capital reduction With details as follows

3.1 Resolve to propose that the shareholders' meeting consider and approve the reduction of the company's registered capital from 15,180,632,144 baht to 12,650,632,144 baht by canceling the registered ordinary shares that have not been issued and offer for sale 2,530,000,000 shares with a par value of 1 baht per share, which are ordinary shares reserved for the capital increase of the General Mandate which will be due on April 27, 2018, in order to comply with the provisions of the Public Company Limited Act Which requires the company to reduce the registered capital by canceling registered shares that have not been issued Before the company can increase the company's capital By presenting it to the shareholders' meeting for further approval.

- As EMC Public Company Limited issued and offered the 4,216,877,381 units of EMC-W6 warrants, with the exercise rights scheduled for every 15 days. Of the month of April and October of each year throughout the term of the warrants not exceeding 5 years (the last due date is 15 October 2023)

The company would like to inform the details regarding the exercise of the right to purchase ordinary shares as according to the warrants. For the first exercise period on 12 April 2019  
April

- The Board of Directors Meeting No. 3/2019 of EMC Public Company Limited (the "Company") which



Meeting on 4 April 2019, resolved to enter into the asset disposition transaction. It is a redemption of the "Sea Side by North Beach Resort" project and the "Palmio" project, as well as all buildings and land. To persons not associated with the company.

Entering into the said transaction is a transaction of acquisition or disposition of assets under the Notification of the Capital Market Supervisory Board No. ThorJor. And the announcement of the Stock Exchange of Thailand Subject: Disclosure of information and operations of listed companies regarding acquisition or disposition of assets 2004 ("Announcement of Acquisition or Disposal of Assets "). This transaction is worth 590 million baht. With the transaction size equal to 16.49 percent of the total value of consideration Based on the consolidated financial statements of the company as of 31 December 2018.

The company has made an asset acquisition or disposal transaction during the past 6 months and the maximum transaction size is 3.16 percent of total assets. Based on the net tangible asset value criteria. When combined with this transaction, there is a cumulative transaction size of 19.65 of total assets.

Therefore, the total transaction size in the past 6 months of the company is higher than 15% but lower than 50%. The said transaction is considered a Class 2 transaction under the Notification of Acquisition or Disposal of Assets.

- The 2019 Annual General Meeting of Shareholders has considered the appointment of directors who are retired Re-election for another term.

1. Mr. Worawit Leenabanchong
2. Mr. Panthee Sriwongthai
3. Mr. Matee Itthiriwichai

### September

- As EMC Public Company Limited issued and offered the warrants to purchase shares EMC-W6 EMC-W6 is 4,216,877,381 units, with the exercise date on the 15th of April and October of each year throughout the term of the warrants no more than 5 years (the last due date is October 15, 2023).

The company would like to inform the details regarding the exercise of the right to purchase ordinary shares as according to the warrants. (Schedule for the 2nd exercise on 15 October 2019)

## October

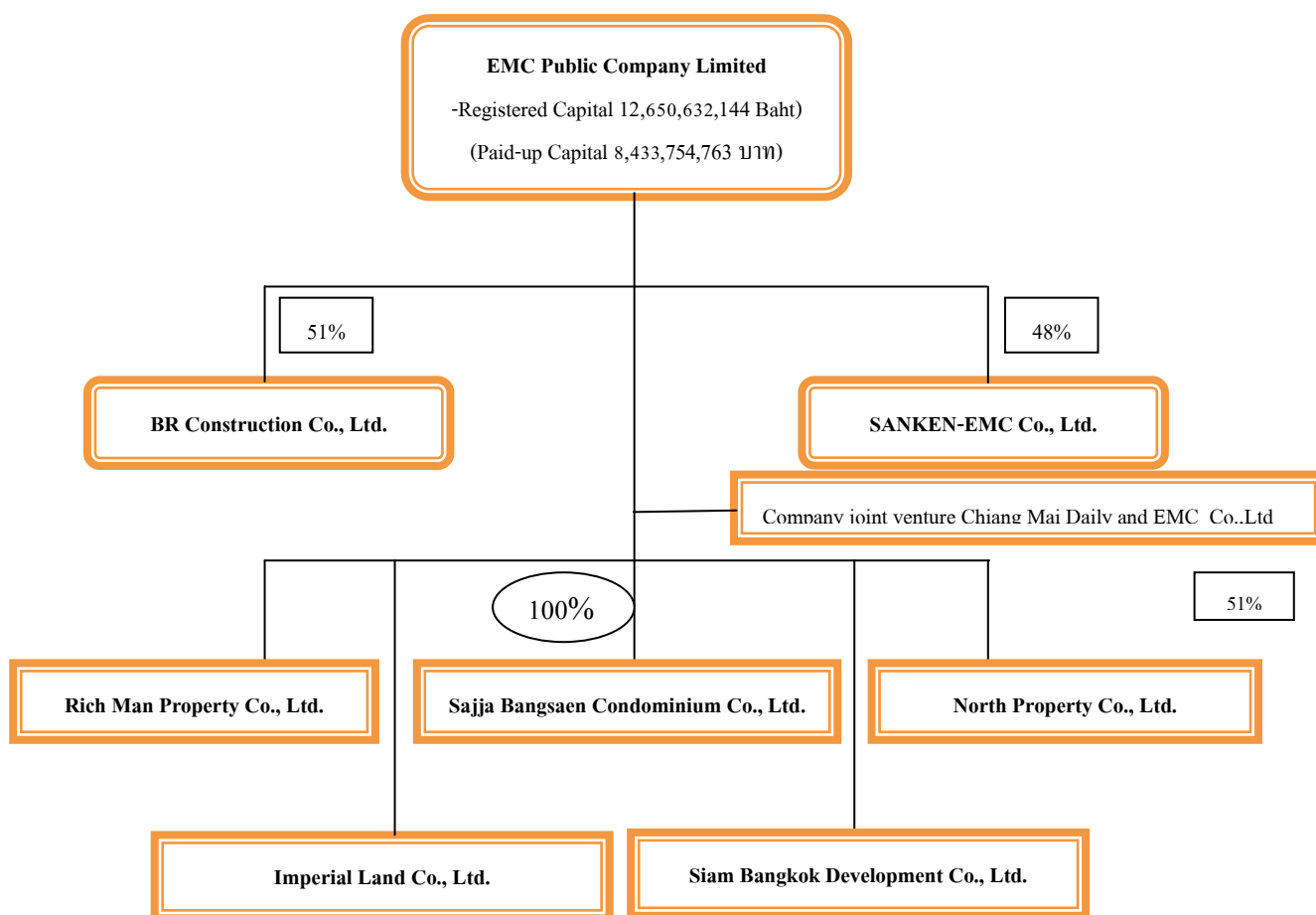
- Mr. Paiboon Thongrai, director of the company Died on October 6, 2019, however Board of directors Will proceed to consider appointing suitable persons To hold the position instead of being vacant

## Business Operations of Subsidiary Companies

At present, as at December 31, 2019 the Group consists of subsidiaries and associated companies. As the following diagram

Shareholding structure of the company

### Shareholding Structure



BR construction Company Limited has registered as the company limited in Thailand on the date of 22nd December 1978 conducting its business in the field of public concession and states enterprises for the subcontractor work and all types of construction work. Presently, the company does not operate.



SANKEN- EMC Company Limited is the joint venture by the company, Sanken Setzubi Kyoko Company Limited and Mr. Sumeth Jaito, settled up at 10th September 2013 with the proportion of shareholding at 48%, 49% and 3% respectively, in order to undertake subcontractor works for engineering system for general buildings and industrial plants.

Richman Property Company Limited has registered as a company limited in Thailand at 22<sup>nd</sup> February 2010 to operate the real estate development in Chonburi Province.

North Property Company Limited has registered as a company limited in Thailand at 22<sup>nd</sup> February 2010 to operate the real estate development in Chonburi Province.

Sajja Bangsean Condominium Company Limited has registered as a company limited in Thailand at 22<sup>nd</sup> June 2007 to operate the real estate development in Chonburi Province.

Siam Bangkok Development Company Limited has registered as a company limited in Thailand at 26<sup>th</sup> December 2007 to operate the real estate development in Chonburi Province.

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

#### Business operations of subsidiaries and associates

No.	Company Name	Office Location	Shareholding portion of the Company	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
Subsidiary companies in real estate rental business and residential complex							
1	Sajja Bangsean Condominium Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	4,000,000	4,000,000	400,000	10
2	Rich Man Property Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	5,000,000	5,000,000	500,000	10
3	North Property Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse,	100%	4,000,000	4,000,000	400,000	10



No.	Company Name	Office Location	Shareholding portion of the Company	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
		Bangrak, Bangkok					
4	Siam Bangkok development Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	20,000,000	20,000,000	2,000,000	10
5	Imperial Land Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	110,000,000	110,000,000	1,100,000	100
Subsidiary companies in government and state enterprises concession business for contract construction and civil work							
1	BR Construction Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	51%	60,000,000	60,000,000	60,000	1,000
Associate company in contract construction of system engineering construction business							
1	Sanken - EMC Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	48%	40,000,000	40,000,000	400,000	100
2	Company joint venture Chiang Mai Daily and EMC Co.,Ltd	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	51%	5,000,000	10,000,000	50,998	100

#### Relationships with the business group of the major shareholders.

The main business of the Company is not related to other major business operations of the major shareholders.



# Nature of Business

## History

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

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

In August 2014 the Company has expanded its business by investing into the real estate development for residences and commerce. The Company has a strong intention to develop the residential projects under the notion of sustainability and quality of life improvement for Thai people. Building the qualified residences for qualified society and ultimately satisfying customers. The Company has followed the meeting’s resolution which is to approve to expand investment in real estate development business in the horizontal line such as single house, town house, commercial buildings, department stores and so on. And the vertical line, such as condominium and so on. Since the Company forecasts the business will make a huge profits which is in accordance with the current business operation, i.e. the Company conducts its business in area of subcontracting of skyscraper, condominium, department store, stadium and others including the installation of all internal system in the buildings with experiences and expertise in construction area over than 40 years enabling the potentiality of the Company to expand its business and becoming the real estate developer. The Company has prepared managers and experienced individuals in the real estate business to take part in the team strengthening the Company and constituting the potentiality for real estate business. All of these results in the business extension and exploiting the resources and manpower of the Company to earn higher incomes. And ultimately, the remuneration shall return to our shareholders.

Currently, the Company has registered capital of 15,180,632,144 THB and paid-up capital of 8,433,754,763 THB.

## Revenue Structure

The revenue structure of EMC Public Company Limited for 3 years is as follows:-

Description	Consolidated					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from construction	943.18	72.33	1,645.35	67.90	559.03	83.27

Revenue from sales of residential condominium unit	236.53	18.14	507.59	21.00	92.07	13.72
Rental and Leasehold Revenue	18.57	1.42	16.50	0.68	7.02	1.05
Other revenue						
Project consultant fees	2.23	0.17	-	-	1.10	0.16
Interest income	2.24	0.17	2.88	0.12	2.07	0.31
Others	101.25	7.76	249.15	10.30	10.08	1.5
<b>Total Revenues</b>	<b>1,304.00</b>	<b>100</b>	<b>2,421.83</b>	<b>100</b>	<b>671.37</b>	<b>100</b>
Revenue increase (decrease) ratio		-46.16		258.73		3.78

Description	Separate Financial Statements					
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from construction	940.45	71.78	1,645.35	68.93	559.03	85.26
Revenue from sales of residential condominium unit	208.65	15.92	421.47	17.66	10.39	1.58
Rental and Leasehold Revenue	13.01	0.99	13.01	0.54	1.85	0.28
Other revenue						
Project consultant fees	16.49	1.26	11.28	0.47	12.87	1.96
Interest income	32.99	2.52	65.06	2.73	61.91	9.44
Others	98.64	7.53	230.72	9.67	9.60	1.46
<b>Total Revenues</b>	<b>1,310.23</b>	<b>100</b>	<b>2,386.89</b>	<b>100</b>	<b>655.65</b>	<b>100</b>
Revenue increase (decrease) ratio		-45.11		261.98		0.48

#### Business Overview

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

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

#### *1. Construction Business*

##### Type of business

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



### 1.1 General Construction

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

#### A) Building Construction

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

#### B) Industrial Construction

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

#### C) Civil Construction

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

### 1.2 Electrical and Mechanical Engineering

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

#### A) Electrical system

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

- Electrical system installation
- Fire alarm system and fire prevention system installation
- Sound system installation
- Communication and Telecommunication system installation
- MATV installation
- CCTV installation
- Lighting protection system installation
- Installation of intelligent building systems or automatic control system

#### B) Plumbing and Sanitary System

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

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

#### C. Air Conditioning and Ventilation System

Services of Air Conditioning and Ventilation System are composed of

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

#### Project Awarded and Construction in 2016-2019

No.	Project name	Project location	Contract value	percentage	Value of work remaining
1	Bangkhuntien Elderly Hospital	Bangkhuntien District, Bangkok	2,795,721,633	99.78	6,118,828
2	Construction project Sathit Thammasat School 3	Thammasat University, Rangsit	326,542,056	12.08	287,089,657
3	liFactory In The Forest (IFIF) Project	Plaeng Yao , Chachoengsao	532,710,281	14.99	452,856,929
4	Multipurpose Building Construction Project Taksin Hospital	Somdet Chaopraya Rd, Khlong San, Bangkok	1,950,503,382	1.42	1,922,849,958
Total			5,605,477,352		2,668,915,373

**Note :**

- ☐ Civil - Construction
- ☐ M&E - Building assembly system

#### Marketing Strategy and Competition

##### 1. Competitive strategy

##### The strategy for marketing and competition

In order to achieve business objectives, the Company has set the marketing strategy and competition by business line as follows :

##### 1. Comprehensive construction company

The company has received a variety of construction works consisting of high-rise buildings office building various factory buildings result in the company being a source of executives and expert engineers. Which has the potential to push the work of the company and the development of work efficiency starting to be able to save costs and reduce costs according to the policies laid down from the complete construction experience, the Company is ready to enter the bidding for large-scale projects or turnkey contracting work.





There is also a policy to expand construction work in various forms such as small shopping malls in the form of a community mall, hospital buildings. Including industrial buildings from the original high-rise buildings in the form of condominiums and hotels In order to reduce operational risks.

## 2. Thailand's leading system contractor company

EMC is a leading contractor for electrical, mechanical and sanitation system engineering. Its credentials and achievements in system works have earned acceptability across the nation. The Company focuses on efficient and quality works with punctual delivery under the management certification of ISO 9001:2008, where the existing work systems have been developed and upgraded.

The Company has also developed its cost control and accounting system to allow for consistent monitoring of the cost status. Its personnel development has been an on-going process, with performance-based compensation and under good corporate governance principles. Its strategies have been set out mainly with a view to cost reduction and efficiency improvement.

## 3. Extend target group to government

To support stimulate economic policy of government, the company has established team for extended target group from private sector to governmental sector. Extension target group will reduce the operation risk of private sector and project for government will have better support credit facilities from financial institution.

## 4. Policy on quality, efficiency and punctuality, as well as security at workplace

The Company has instituted the key policy of producing quality works by staff with efficient and secure performance and completed as scheduled, being up to the standard of the ISO 9001:2008 certification. It also has good internal audit system in place, with development of computer system and software programs to ensure consistent monitoring of construction work status. This has allowed for top executives' access to clear and accurate information for timely decision making.

## 5. Business alliance

Business alliance is a key factor in competing with construction companies, both local and overseas. Besides collaborating with its alliances for local projects, EMC has expanded its work scope to overseas markets with its system engineering works.

## 6. Clients' confidence and trust

Having projects completed with high quality all along, the Company has gained full confidence and trust with consistent bidding invitations by the existing clients, the new clients as recommended by the existing ones and the new clients, who have seen its past achievements.

#### 7. Highly experienced management team

Besides the managerial expertise, the Company's management team has accumulated knowledge and long-time experience in engineering contractor works with on-going management system development to enhance work efficiency, cut down cost and ensure generation of quality works in a rapid pace.

#### 8. Pricing policy

The Company has instituted a marked to market pricing policy by calculating the cost of raw materials, labor wages, expense for production and gross profit based on reason and justice for consumers.

#### **Target customer profile**

EMC's target customers can be classified into 2 groups, one being government agencies and state enterprises, and the other being private sector customers. The revenue proportion between these 2 groups is indefinite, as the Company's business operations are of the project by project nature. Project bidding may take place at any time, and the type of customers will depend on the nature of the project and the time of the bidding on a case by case basis.

#### **Distribution and distribution channels**

In the construction contractor business, direct contacts with the customers are the main channel for the contractors. The Company set up Business Development Department to follow up latest news on the bidding invitations by both the public and private sectors. The Company may acquire private projects in an unlimited contract value but for public projects there are stricter requirements more than private sectors. In particular, the determination of the completed construction work that the company has undertaken. Therefore the Company has a policy to accumulate works for use in bidding for government sector jobs. At this time, the company has already completed the construction work which can participate in bidding for large-scale government projects and focus on bidding for various special projects to generate more profit from construction. Meanwhile, in order to maintain distribution channels for private sector jobs the Company has a policy to maintain good relations between Project owner with periodic assessments to keep the old customer base firmly and adding new customers by maintaining quality of work and create good results.

## **2. Industry Conditions and Competitions**

### **The industry condition and trend**

Condition of the general construction contract business is moving in the same direction with the expansion of the domestic construction sector. While the construction industry is changing in the same direction with the growth rate of GDP (Gross Domestic Products: GDP). If we consider according to the type of investment, we will find out that the construction industry of government and private sectors generally have changed in the opposite direction. That is, when the economy is in the expansion, investment in the



construction of private sector is high while the government sector will reduce its investment in the construction to slow up the economy and the price level (inflation) to be not in a too high level that will harm the stability of the economy of the country as a whole. In contrast, when the economy is in a downturn or recession, investment in the construction of the private sector will be low while the government sector has to stimulate the economy through investments in the construction industry.

For value of the construction industry, 60-70 percent of total construction value comes from the investment of government sector while the remaining 30-40 percent of its investment comes from the private sector. This is because of the government policy to stimulate the government's construction business including an expectation that public sector investment would still be the main factor that will drive the growth of the construction industry in the future. This is a result of the investment projects that the government will start in the future including in-process ongoing projects, especially investment in the transportation sector and the development of public health and education system. All of these would be a major driving force in the government's construction business.

#### The characteristics of entrepreneurs in same competitive market

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

Such entrepreneurs shall have wide experiences in business operation in electrical and mechanical engineering line as well as having renowned accomplishment of work. The entrepreneurs are mainly from bidders as main contractors such as EMC Public Co., Ltd., Powerline Engineering Public Co., Ltd., ,Jardine Engineering Company Limited, MECT Company Limited,Tai Khisha (Thailand) Company Limited, SEGGO Company Limited, etc.

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

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

##### 3. The entrepreneurs in construction industry in large size

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

##### 4. The entrepreneurs in construction industry in small size

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

##### 5. The entrepreneurs in construction industry in full packaging

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

### **3. Sourcing of the products**

#### **3.1 Method to source the products**

##### Capacity to produce

Capacity of business in construction engineering and mechanical and electrical engineering unable to calculate in a figure clearly because of production capacity of this type of business have many variable factors such as

- *Number of engineer* which are project director, project manager, project engineer and engineer.
- *Number of sub-contractor* who have talent, experience and expertise in the construction and installation engineering for each type.

The company will manage the number of engineers and the number of sub-contractor each projects for deliver within the determinate time and serve demand of customers.

#### Raw material

##### a. The main raw material used in construction

The main raw material used in general construction engineering, operations engineering construction infrastructure and environmental engineering, and engineering work in the petrochemical and energy industry will be general raw materials used in construction such as steel bars, structural steel, concrete, cement, surface materials, wall materials and floor surfaces Lotus material, wall, material, wood, door, window, material color, roof but there will be some materials that will vary according to the nature of the line and customer needs.

The main raw material used in the operation of electrical and mechanical systems engineering can be divided by line The details are as follows :

*Electrical system* : electrical cable, electrical pipe, transformer BUS DUCT, electricity generator, plug, lamp, communications equipment, fire alarm equipment, audio equipment, TV antenna equipment, CCTV equipment, security devices.

*Sanitation and Fire* : PVC pipe, galvanized steel pipe, black iron pipe, turn off water valves, water pump, septic toilet tank, fire cabinet, fire line, Fire water dispenser, fire pumps.

*Air conditioning* : Water pipes, air cleaners, air ducts, cool air ducts, ventilation ducts Air cooler Ventilation fan, cold air tower, cold water machine, cold water pump.

##### b. Sourcing of raw materials

The company purchased all raw materials from domestic supplier; these included the domestic manufacturers and distributors within the country. Most of the material that the company purchases from manufacturers are common material used in electrical and mechanical engineering and general construction engineering such as steel, cement, electricity wire, PVC pipe etc. The raw material that company purchase from local distributors are the material's that characteristic needs of customers such as expensive luxury such as lamp, transformer, switches, high power pump, refrigerator, fire cabinet, fire alarms.

### 3.2 Responsibility towards Environment



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

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

#### 4. Projects that have not yet been completed in 2019

The company has a project under operation, with a total project value of 5,605.48 million baht, with the remaining work value of 2,668.92 million baht.

No.	Project name	Contract value	Value of work remaining
1	Bangkhuntien Elderly Hospital	2,795,721,633	6,118,828
2	Construction project Sathit Thammasat School 3	326,542,056	287,089,657
3	IiFactory In The Forest (IFIF) Project	532,710,281	452,856,929
4	Multipurpose Building Construction Project Taksin Hospital	1,950,503,382	1,922,849,958
Total		5,605,477,352	2,668,915,373

#### 2. Real Estate Development

The nature of business divided into products as follows:

##### 2.1 Residential business

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

Projects the Company has purchased as follows;





North Beach Resort project : At present, the condominium is registered under the name of North Beach and uses the name for the sale that Seaside Bangsaen is a 6-storey with 2 buildings, completed in 2017 with 200 units for sale, under Richman Property Company Limited and start transferring ownership of condominium units to customers since mid-January 2018. Which has already transferred ownership of all 15 units, valued at 43,441,359 baht



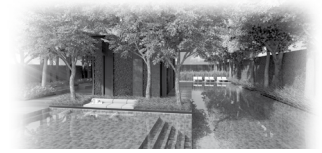
North land Condominium project: Recently, the project's name is changed to Palmio which consists of residential buildings 8 floors, 3 buildings, construction in process by commencing in 2015 under Sajja Bangsard Condominium Company Limited. The remaining land is waiting for development or for further sale.

In addition, the company has developed real estate projects under the name of EMC Public Company Limited which consists of



URBITIA project is a condominium project (Low Rise), 8 floors, 130 units in Soi Sukhumvit 36, which is only 230 meters away from the BTS Thonglor station. The size starts from 28 - 97 square meters - open for reservation rights in the beginning of the year 2016. At present, the project is completed and ready to move in. Which the project delivered and transferred ownership since June 2018 onwards. For this project The ownership has been transferred to a total of 91 units, representing an area of 3,642.71 square meters or 68.65% of the total sales area. In addition, with the potential of the project location near BTS Thong Lo and at an attractive price Causing customers to give good feedback to this project And expected to be able to close the whole project sale by 2020.

In addition to the above mentioned projects, The company plans to develop more residential projects in the year 2020 on land located near the current public transportation system and that will be in the future including in the provinces that are business centers and tourist attractions, which is a new location that has potential and needs a high residential house in order to expand the business into the real estate business fully with over 38 years of experience and expertise in construction, the Company is very ready to run the business and transform itself into a property developer.



## 2.2. Housing and land estate

In March 2015, in order to recognize revenue faster and reduce business risks at the beginning stage. Therefore, the Company has acquired the business from the same entrepreneurs who have expertise in that area and the company can gradually recognize some revenue since the second quarter of 2015. The company has invested in real estate business type of housing project in a horizontal manner in the form of a townhome along with the development of various utilities in the project, which is a project located on the land in Chonburi province. The projects that the company has purchased are;



Siam Ayara Resort Project is a townhome, 3 floors and 2 floors totaling 251 units under Siam Bangkok Development Co., Ltd. For this project, until the end of the year 2019, a total of 157 units have been transferred, or 62.5% of the total units. It is another project that has been well received by the residents.

## 2.3 Real estate Development (Mixed uses)

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

Landmark Mahachai Project: Community Mall and Commercial buildings projects near the Nikom Mahachai railway residences around Wongwien Yai - Mahachai of Thai railway station by acquiring the land lease right in land developing projects for the period of 34 years. The duration of construction agreement is of 4 years and land use agreement for the period of 30 years which has been already affixed the signatures and shall be effective on 2nd January 2015. The Company has a plan to develop project to be of community mall under Landmark Mahachai project consisting of plaza building 5,925 sqm. and commercial building for 101

units with 25,477.25 sqm., which shall be sold in 2nd quarter of year 2015 and begin the delivery and registration of leasehold rights to customers in the year 2019.

In October 2016, the Company acquired Imperial Land Co., Ltd., the location of the project is located on Charoenkrung Road next to the Dragon Temple or Wat Leng Ne Yi, away from the Dragon Temple Station subway just 110 meters. The project is located near the economic district of Yaowarat and is a complete construction project making it possible to recognize income immediately.

The projects that the company has purchased include:



Station One: Commercial area 1-3, sales area 1,168.07 sqm. and living space for 4-7 floors of 56 units sales area of 1,910.22 sqm., currently under sale of space. For the area of commercial Has sold the area for sale / rent in total of 626.36 square meters or 53.42% of the total area of the shop There are stores such as Starbucks, 7-Eleven, Super Rich, Bodytune and Office. Office for living space. In addition, after the Dragon Temple Station opened for service in July 2019, the project has received a lot of attention from both the residents and investors. Year 2020 will be able to close sales from prospective customers who are negotiating with the company in accordance with the predicted sales target.

## The Market and Competition Condition

### 1. Competition strategy

#### Market and competition strategy

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



#### **Product and service Strategy**

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

#### **Pricing strategy**

- Develop pricing strategies by integrating financial principles with marketing In product pricing to be able to compete with nearby competitors. In order to gain product advantage, price and customer satisfaction and to achieve trade-off between the number of units sold and gross profit that makes the most benefit to the company.

#### **Promotion strategy**

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

#### **Uniqueness of products and services strategy**

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

#### **Confidences in customers Strategy**

- To improve the projects and constructions in process to be completely finished within due date and deliver to customers on time.

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

#### **Targeted customer group**

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

##### **(1) Residential housing and buildings**

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

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

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

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

#### **Distribution and Channel**

The Company Group has main channel to distribute as follows;

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

## **2. Industrial and competition condition**

If it is mentioned the real estate economy in that country, Thailand has a GDP17 trillion baht. The real estate sector is worth 1.1 trillion baht or 6.47% of GDP. If including the construction sector Will be worth up to 1.7 trillion baht, or about 10% of the total GDP. If including the construction sector will be worth up to 1.4 trillion baht or 8.8% of the total GDP, which is considered larger than the financial sector transport and transportation





sector and communication sector reflecting the real estate investment situation still in a good direction but there may be some slowdowns in some periods due to trade barriers between the United States and China which also affect Thailand. Especially the Chinese demand that wants to buy condominiums for investment in Thailand. Concerns from the determination of the LTV ceiling rate according to the Bank of Thailand policy used in the year 2019. Resulting in a higher down payment for investors with more than 2 property on hand. During the third quarter of 2018, the past of real estate entrepreneurs different promotions to accelerate sales in the remaining parts in order to drain all existing products, condominium products are still products that can grow well. Both the economy of other sectors in the downtrend average result has risen by 6% - 21% as a result of the development of mass transit extensions in many areas of Bangkok and its vicinity. Resulting in business opportunities. In the year 2019, the real estate entrepreneurs various projects are opened along the new BTS line the overall real estate price index has a tendency to rise the landmark in the year 2019 is the central Bangkok area - outside, such as Suan Luang, Bang Khae, Sawan-Mai and Lam Luk Ka. The extension of the skytrain, especially the Yellow Line, Ladprao-Srinakarin, Blue Line, Hua Lamphong - Lak Song, causing the expansion of the market from the inner area to the perimeter.

From the government's investment plan that encourages investment in mass transit systems to connect major cities in the country such as high-speed trains, double-track trains, special expressways connecting Bangkok and various districts and to look at this year is to push the U-Tapao Airport project to become the 3rd international airport and a commercial airport and aviation industry supports all forms of transportation, the Mart Ta Phut Port Extension project and Laem Chabang Port. to respond to the development of the special economic zone of the Eastern Region (EEC), which is Chachoengsao, Chonburi and Rayong and has invested in a railway project connecting 3 airports, Don Mueang, Suvarnaphum and U-Tapao together forming HUB. Investment in tourism and industry large sectors in the eastern districts, which stimulates employment and private investment causing money into the economy makes the property market have spread to this region and result in demand-supply growth residents in Chachoengsao, Chonburi and Rayong provinces. In addition, after the land and buildings Tax Act, which has passed the cabinet resolution, may affect the property market structure, causing the land to be traded and changed hands. To develop more real estate projects in the future and allowing entrepreneurs who have accumulated land in their hands to develop new housing projects

Which the EMC Public Company Limited strategic plan focuses on the government's investment plan and development of mass transit systems. In addition to distributing the prosperity of the city is an investment promotion that makes important cities the country has driven the economy. Therefore is an investment opportunity by choosing to invest in Chonburi Province, which is a province with economic growth both in tourism and services and the industrial sector, with the Seaside Bangsaen condominium project located on

Bangsaen beach, the Palmio condominium project located near Amata Nakorn Industrial Estate and the Siam Ayara Resort Housing Project located on Ban Bueng in order to comply with the government's investment expansion plan.

This year, the company continues to focus on the original strategic plan and ready to develop existing land and invest in new projects. Along the land adjacent to the BTS extension especially the land along the yellow line, green line, pink line and blue line that connects urban communities to suburban areas. Which are mostly residential areas such as Lad Phrao, Lat Krabang, Lam Luk Ka, Ramindra and Bang Khae, respectively to develop projects to meet the needs of that community, whether it be condominiums, townhouses or semi-detached houses etc.

In early 2019, the Company has driven the business by cooperating with Chiang Mai Rai Wan Company Limited under the name of the joint venture company Chiang Mai Rai Wan and EMC Co., Ltd. to cooperate and develop the project "Ban KonThai Pracharat Chiang Mai" housing according to government policy for people who are entitled to state welfare cards, people with income not exceeding 35,000 baht per month, and the general public have their own residence on the state property with the department of treasury Chiang Mai. The project is located in Chang Phueak Subdistrict, Chiang Mai Province, on an area of 15 rai with a total of 7 buildings, 1,170 units and 10 commercial buildings. The project was opened on March 9, 2019 and received overwhelming response. Which is expected to be completed and delivered by the year 2020.

#### **Product Supplier**

##### **○ Land supply and forms of project development.**

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

##### **○ Material purchasing**

The Company purchases all material from suppliers in the country who are manufacturer and distributors in Thailand. The material purchased mostly are general material for electrical engineering and



machines and construction engineers such as steel, plaster, wire, PVC, water pipe, etc. The material purchased from distributors in Thailand shall be customized as customers' order such as luxurious material with high price such as lamp, electric transformer, high voltage switch, cooler, fire extinguisher, fire alarm.

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

○ Subcontractors supply

Supply of Subcontractors who can deliver the good quality of work within timeframe is a crucial factor in business operation. Therefore the selection of subcontractors, the Company shall consider the capability of subcontractors in construction by taking quality of work, timeframe and delivery on time into account. The Company shall consider the budget and standard for single house and townhouse development project. Most of projects are in Chonburi province. Hence the Company employs local subcontractors which the cost is low compared to the cost of subcontractors in Bangkok since there is no transportation and material delivery. The Company provides small subcontractors for construction leading to the flexibility in altering construction plan to respond the changing situation. For condominium, the Company shall firstly consider the power of manufacturing of construction of the Company whether it can proceed the construction or not. If construction works are overloaded, the Company shall hire subcontractors outside the Company. Such hire shall be exclusive subcontractor to complete the whole process of construction so as to control the construction cost. Besides, the Company still has a system to control construction to be in accordance with specific plan and has quality control system in a stringent manner according to ISO 9001: 2008

#### Environmental responsibility

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

### **3. Projects that have not yet been delivered, completed in 2019**

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

Project	Location	Type	Project Start	Sale(sq.m.)	Project Progress	Sale area and Value		Transferred		Remain			
						Unit	Total Value (Baht)	Unit	Value (Baht)	Unit	Sales Value(Baht)	Unit	Wait for sale Value(Baht)
Residential Project													
Siam Aiyara	Nong bon Daeng,Ban Bung,Chonburi	Townhome	Mar-58	5,801.20 ตร.ว.	76%	251	357,451,700.00	146	238,911,700.00	3	6,920,000.00	102	111,620,000.00
Condominium Project													
North Beach	Bangsaeen Beach Rd,Wonnapa Beach,Sansuk,Chonburi	Condominium	Aug-57	8,030.94	100%	200	508,917,500.00	15	42,998,611.00	16	52,513,007.00	169	413,405,882.00
Palmio	Wat U-Tapao Chonburi(Amata Nakorn)	Condominium	Aug-57	7,476.00	39%	231	253,000,000.00	0	0.00	14	12,743,300.00	217	240,256,700.00
Urbitia	Sukhumvit 36,Sukhumvit Rd(230 m. from BTS Thonglor)	Condominium	Feb-59	5,305.95	75%	130	930,000,000.00	75	488,293,914.00	34	260,278,570.00	21	181,427,516.00
Mixed-type Project													
**Landmark Mahachai	Mahachai,Samutsakorn	Commercial Building	Nov-57	25,477.25	90%	101	750,155,280.00	3	31,113,098.00	16	136,087,302.00	82	582,954,880.00
		Community Mall		6,338.00		6,338	406,667,777.00		2,437				
***Station One	Charoenkrung Rd,Pomprab,BKK	Plaza	Oct-59	1,074.40	100%	1,074	431,616,908.00			408			
		Residence		1,910.22		56	168,274,250.00	0	0.00		0.00	1,910	168,274,250.00

Remark: \*\* The total value of Landmark Mahachai calculate from the lease term throughout the lease term of 30 years and then return to the present value separately, community mall total 406,667,777 baht and commercial buildings 750,155,280 baht. The community mall sale make contract with period from 1 to 3 years and extend every 3 years, depending on the agreement in each by the benefit of the company. Therefore, the area delivered to the shop is 2,437 square meters.

\*\*\* The total value of the Station One project is calculated from the rent throughout the lease term of 30 years, and is returned to the current value, separated into 431,616,908 baht for the plaza and the residential area of 168,274,250 baht. Selling space in the community mall section, the Company will contract with customers a lease term of 1 - 3 years, renewed for 3 years depending on each agreement taking into account the maximum benefit of the company. Therefore, the area delivered to the shop For the area of commercial Has sold the area for sale / rent in total of 626.36 sq.m. with stores including Starbucks, 7-Eleven, Super Rich, Bodytune and Office Online Product Office and then rented out is 408.21 sq.m. with the area being rented for 1-3 years leased to Starbucks Coffee, Seven Eleven, auspicious stone shop Which the 1st floor area has already been rented out in full.



# Risk Factors

## ***1. Risk from delay of the project***

Project risk of delay can be caused by many factors which effect toward project completion time. This may occur from the employer changing of the objectives or the project details, contractor hiring and financial which is supported project error. In additional, the delay risk may occur from the construction materials shortage or materials changing in the period of construction including the lack of experiences from construction manager. Those delay reasons may be effect toward the expenditure and the construction timeline. However, our company recognizes about the risk management and clearly set the direction of implementation to protect the mistake which can be occurring. Company has clearly planned and always monitors to make sure which is on track. Moreover, if there is a delay issue, the company will communicate about the cause of problem and propose the solving solution to the project owner in order to complete on the committed schedule. By prepare enough of the expertise human resources include of the efficiently and modern construction materials. However, the most important is our company always recognizes the optimal and efficiently resource management.

## ***2. Risk from cost of construction materials, labor cost, and fuel cost fluctuation***

Important factors of construction management in each profitable project are the accurate cost estimation and cost controlling. For construction and real estate development, the main cost estimation is depends on the construction materials cost. If the fluctuate economy or significantly changing of increasing construction material, it will be negative effect to construction cost including labor cost will be changing as the demand and supply level in each situations. Indirect risk which is occurring from fuel cost fluctuation will be affected toward estimate controlling which is the cause of inaccurate project estimation. However, company recognized those risks, company plans and manages to reduce the risk from construction cost by providing the main source of construction materials to meet the demand in many sources and increase bargaining power of purchasing a large quantity of construction materials per purchase. In additional, to reduce the construction materials cost but also protects the shortage of construction materials indirectly and the rising price of materials beyond reasonable price. Moreover, Company manages those risks by advance committed materials price to avoid the price fluctuation which

leads to cost controlling ability along the whole project. However, company regularly reviews the construction work plan to complete the construction schedule time period.

### ***3. Risk of Financial Liquidity from unpaid or delay payment***

For Construction Business and Real Estate Development, the financial liquidity is influence to the completion schedule of project construction which is the important factor according to require sufficient working capital in order to provide the materials and labors. However, company attempts to reduce the risk by monitoring the financial status including the credibility of project owner, which will be ensured by company such as verify the financial status through the bank where the customer requests a loan and also consider the other factors. Including, company prepare the financial projection of each project and negotiate appropriate terms of payment before committing to the contract which is reduce risk in term of financial liquidity from unpaid or delayed payments.

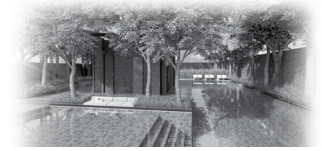
### ***4. Risk from competition increase***

In the higher competitive situation, company has a policy to auction the work which company expertise to be able to control costs and keep gross margin as the reasonable rate. In the same time, increase the competitiveness of the auction. In additional, the company potential which is able to provide the variety of construction services such as architectural work, architecture Electrical Engineering and Sanitation including Security systems and we are trusted by engineers consultants and project owners to continuously submit the bids to participate in the auction. However, company plans to reduce the risk from the higher competition by focusing on developing and maintaining long-term relationships with both private and public sector clients in order to increase the service opportunities and also maintain customer base continuously.

### ***5. The risk from insufficiency of qualified subcontractors and qualified labors***

A qualified subcontractor is one important factor that results in the project completion within project timeline period. If lack of qualified subcontractor, it will affect the cost and deliver period because the qualified subcontractor is able to plan, control, and monitor the operation plan, including the equipment allocation, labor allocation include of the efficiently communication. In the same way, risk from insufficiency qualified labor, which causes delayed construction and cannot





deliver on the schedule. However, company recognizes those risk factors, and company set the policy to select efficient subcontractor base on the credibility and the work experiences. In additional, company has project engineers to control and solve the problem. Including, company also clearly systematic supervises the subcontractors and convenes the subcontractor regularly to ensure that each contractor will be able to operate efficiently under the same quality standard. Moreover, company reduced the risk of insufficiency labor by available provide some of foreign workers which in line with the government's free trade policy and indirect advantages from labor cost reducing as well.

#### **6. *Risk from country economy***

The growth of Construction business is growing in line with the economic condition includes of national development projects such as infrastructure projects, residential building and office buildings. The risk of the construction business is at the political and economic stability. This is a factor that affects the purchasing power and the confidence of our target customers. However, company recognizes to reduce this risk by set the policy to be in line with the economic situation in each period. In additional, company plans to select the products that response the targeted customer needs as much as possible. This will result in the company can generate revenues and sustainable growth.

Details of Warrants to Purchase Ordinary Shares No.6 (EMC-W6) of the Company

Type of Warrants	: Specify Warrant Holders and Transferable
Offer to	: The existing shareholders of the Company who subscribe for the newly issued ordinary shares and their names are listed on the register book on the date on which the Company determines the names of shareholders who are entitled for subscriptions of shares on October 17, 2018 and for compiling the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 by the method of closing the Share Register Book on October 17, 2018, at the ratio of 2 new ordinary shares per 1 unit of Warrant. Any fraction of share will be disregarded.
Offering price per unit	: 0 Baht (Zero Baht)
Number of warrants	: 4,216,877,381 units
Number of underlying shares	: 4,216,877,381 shares
Issuing date of warrants	: November 5, 2018
Maturity date	: October 15, 2023
Warrant term	: 5 years from the issuing date of warrants
Exercise ratio	: 1 unit of Warrant to 1 ordinary share unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise price	: 0.15 Baht, unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise period	: The first exercise date is on April 15, 2018, thereafter the exercise date shall be on every 15 <sup>th</sup> of April and 15 <sup>th</sup> October of each calendar year throughout the term of warrants.
Number of unused units	: 4,216,877,381 units



# Securities and Shareholders Highlights

## Ordinary Shares

As at December 30, 2019, the Company has registered capital at the amount of 12,650,632,144 Baht, the paid-up capital is 8,433,754,763 Baht consisting of the ordinary share 8,433,754,763 shares at the par value of 1 Baht each.

### ● Shareholders

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

Range of Shareholding	As at December 30, 2019		
	Amount of Share	Amount of Shareholder	Percentage of Shareholder
1 - 999,999	445,085,753	4,926	92.838
1,000,000 – 10,000,000	884,365,155	336	6.332
10,000,000 and above	7,104,303,855	44	0.830
<b>Total</b>	<b>8,433,754,763</b>	<b>5,306</b>	<b>100.00</b>

(1) As of the latest registration book closing on December 28, 2018 provided by Thailand Securities Depository Co., Ltd., the list of 10 Major Shareholders is as follows:

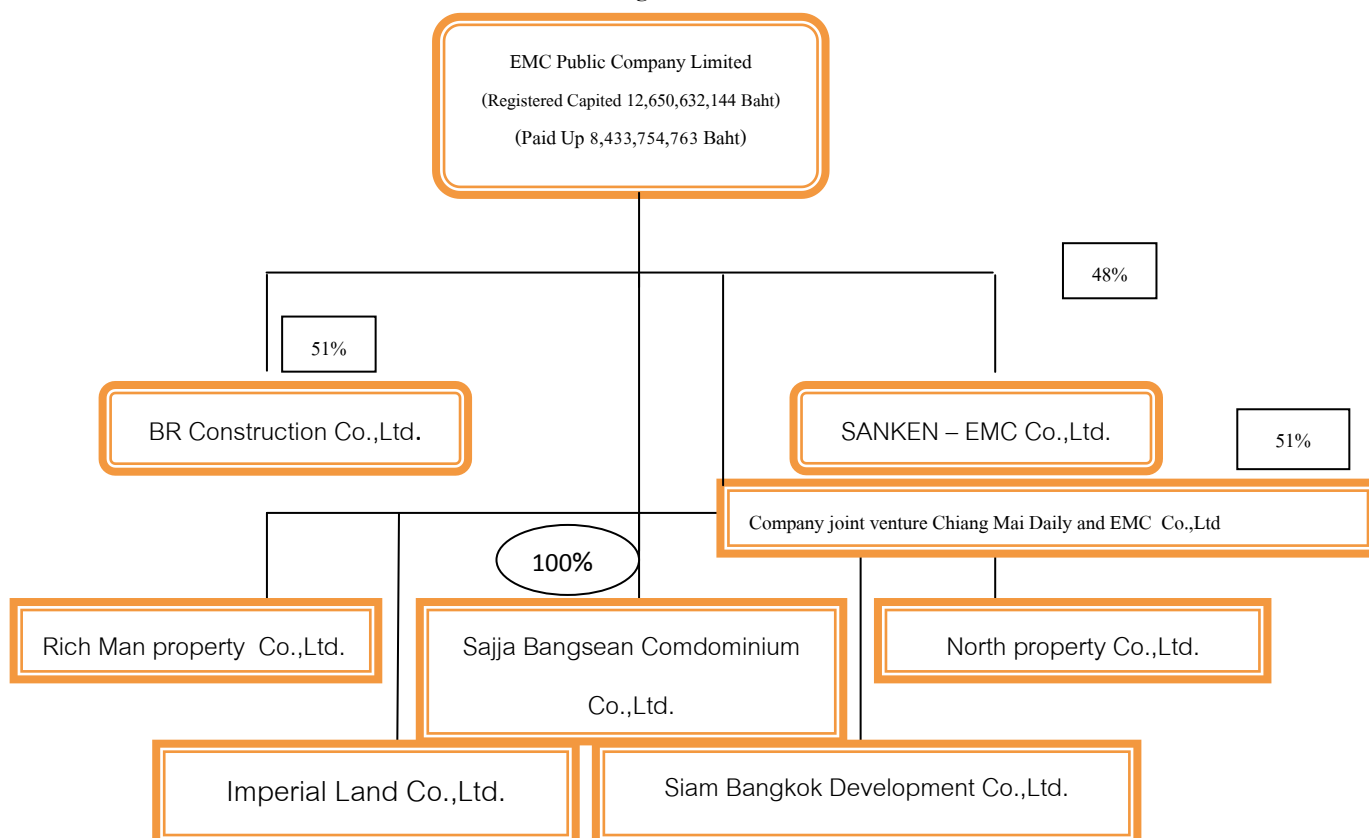
Shareholders' Name	Amount of Shareholding	Percentage (%)
1. Mr. Chinchai Leenabanchong	1,757,238,415	20.836
2. Capital Engineering Network Plc.	1,111,753,384	13.182
3. Rayong Wire Industries Plc.	953,832,400	11.310
4. Mr. Voravit Leenabanchong	658,810,100	7.812
5. Miss Chinsiree Leenabanchong	604,652,091	7.169
6. Miss Chinree Leenabanchong	420,552,300	4.987
7. BNP PARIBAS SINGAPORE BRANCH	365,947,600	4.339
8. Mr. Chanachai Leenabanchong	202,230,447	2.398
9. Miss Numthip Cholsaiphun	108,000,000	1.281
10. MITSUBISHI UF J MORGAN STANLEY SECURITIES CO.,LTD	92,190,000	1.093

(2) List of Warrant Holders to Purchase Ordinary Shares of EMC Public Company Limited No. 6. The first 10 majors of the company as of 9 January 2020, which is the latest book closing, prepared by Securities Depository (Thailand) Co., Ltd.

Shareholders' Name	Amount of Shareholding	Percentage (%)
1. Mr. Chinchai Leenabanchong	1,053,856,407	24.992
2. Capital Engineering Network Plc.	782,838,392	18.565
3. Mr. Voravit Leenabanchong	329,405,050	7.812
4. Rayong Wire Industries Plc.	316,447,650	7.505
5. Miss Chinsiree Leenabanchong	298,326,045	7.075
6. BNP PARIBAS SINGAPORE BRANCH	193,136,550	4.580
7. Miss Chinree Leenabanchong	155,193,900	3.680
8. Mr. Chanachai Leenabanchong	92,654,423	2.197
9. Miss Kanyawan Tang Suthipong	62,662,200	1.486
10. LGT BANK (SINGAPORE) LTD	60,426,150	1.433

(3) As of December 31, 2019, the Company holds shares in subsidiaries and in associates as follows :

#### Shareholding Structure





**Shareholding Structure of BR Construction Co., Ltd.**

1.Miss Tipkanang Lertkomolsuk	48.9984%
2.Mr. Peerapol Pipawakorn	0.0016%
3.EMC Plc.	51.0000%
<b><u>Total</u></b>	<b>100%</b>

**Shareholding Structure of SANKEN-EMC Co., Ltd.**

1.Mr. Paiboon Thongra-ar	0.00025%
2.Mr. Krisana Sngar-saeng	0.00025%
3.Bangkok MUFG Limited	3.00000%
4.EMC Plc.	47.99950%
5.SANKEN Setsubi Kogyo Co., Ltd.	49.00000%
<b><u>Total</u></b>	<b>100%</b>

Shareholding structure of a joint venture company Chiang Mai Daily and EMC Company Limited

- 1.Kritsana Saensangsaeng 0.0010%
2. Mr. Rathachai Phichayaphum 0.0010%
3. Mr. Sarawut Saetiao 0.0010%
4. Mrs. Supinda Saetiao 0.0010%
5. EMC Public Company Limited 50.9980%
6. Chiang Mai Daily Company Limited 48.9980%

The shareholders in such subsidiaries are not connected persons.

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

- None -

***Convertible Securities***

Annual General Meeting of Shareholders, 2018, held on 27 April 2018, has approved the following :

Allowing the company to issue and offer warrants No. 6 (EMC-W6) of 4,216,877,381 ordinary shares to the existing shareholders who subscribe and pay the shares at the rate of 2 existing shares per 1 warrant in the event of a scrap with a warrant of 5 years and no offering price determine the exercise price of 0.15 baht per share, the exercise ratio of 1 unit of warrants can exercise the right to purchase 1 ordinary share (with the exercise ratio and the exercise price may be changed In the case of rights adjustment)

Details of Warrants to Purchase Ordinary Shares No.6 (EMC-W6) of the Company

Type of Warrants	: Specify Warrant Holders and Transferable
Offer to	: The existing shareholders of the Company who subscribe for the newly issued ordinary shares and their names are listed on the register book on the date on which the Company determines the names of shareholders who are entitled for subscriptions of shares on October 17, 2018 and for compiling the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 by the method of closing the Share Register Book on October 17, 2018, at the ratio of 2 new ordinary shares per 1 unit of Warrant. Any fraction of share will be disregarded.
Offering price per unit	: 0 Baht (Zero Baht)
Number of warrants	: 4,216,877,381 units
Number of underlying shares	: 4,216,877,381 shares
Issuing date of warrants	: November 5, 2018
Maturity date	: October 15, 2023
Warrant term	: 5 years from the issuing date of warrants
Exercise ratio	: 1 unit of Warrant to 1 ordinary share unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise price	: 0.15 Baht, unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise period	: The first exercise date is on April 15, 2018, thereafter the exercise date shall be on every 15 <sup>th</sup> of April and 15 <sup>th</sup> October of each calendar year throughout the term of warrants.
Number of unused units	: 4,216,877,381 units



# Management Structure

The structure of the Board of Directors consists of the Board of Directors And 4 sub-committees, namely the Audit Committee Nomination and Remuneration Committee Risk Management and Anti-Corruption Committee And the Executive Committee By defining the powers and duties of various committees and the managing director In writing

## 1. Board of Directors

The Board of Directors consists of 10 members consisting of

- 1 non-executive director
- 4 independent directors
- 5 executive directors

Name	BOD	AC	NRC
1. Mr. Chanachai Leenabanchong			
2. Mr. Worawit Leenabanchong			
3. Mr. Ratchai Phichayapoom			
4. Mr. Krisana Sa-ngaengsaeng			
5. Mr. Matee Ittiriwichai			
6. Ms. Peramat Huntra			
7. Ms. Taweesri Vigayathipat			
8. Dr. Yaowarin Srichainan			
9. Mr. Panthee Sriwongthai			

Note : BOD means the Board of Directors

AC means the audit committee

NRC means the Nomination and Remuneration Committee

Authorized directors who sign to bind the company

Name and number of directors authorized to sign on behalf of the company

"Mr. Chanachai Leenabanchong or Mr. Rathachai Phichayaphum or Mr. Worawit Leenabanchong sign together with Mr. Krishna Samsangsaeng together as two persons with the company's seal."

Must perform duties in accordance with the law Objectives, regulations of the company As well as resolutions of the shareholders' meeting Except for matters that require approval from the shareholders' meeting before proceeding, such as matters required by law to require a resolution of the shareholders' meeting Related party transactions And buying or selling important assets in accordance with the regulations of the Stock Exchange of Thailand. Or as determined by other government agencies etc.

Scope of duties and responsibilities of the Board of Directors.



Board of Directors Have duty to comply with the law, objectives and company regulations As well as resolutions of the shareholders' meeting with honesty And be careful By considering the benefits of all stakeholders.

1. Must perform duties in accordance with the laws, objectives and company regulations. As well as resolutions of the shareholders' meeting with honesty And be careful By considering the benefits of all stakeholders.

2. Establishing business policies Annual work plans and budgets of the company Control and supervise the administration and management of the management to be in accordance with the specified policy with efficiency To maximize the value for the company and shareholders.

3. Supervise the company to comply with the announcements, requirements and relevant guidelines of the Stock Exchange of Thailand. Securities and Exchange Commission And any activities that are required by law.

4. Consider approval and / or approval of connected transactions Buying or selling important assets Investing in a new business or investing in other companies That must comply with the rules of the Stock Exchange of Thailand Or laws related to the company's business.

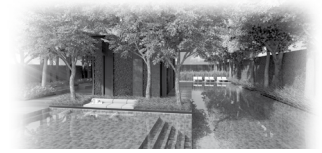
Except in the following matters The Board of Directors must obtain approval from the shareholders 'meeting before proceeding, such as matters required by law to be approved by the shareholders' meeting such as capital increase, capital reduction, debenture issuance Selling or transferring the whole or significant part of the company's business to other parties Or the purchase or acceptance of transfer of business of other companies to belong to the company Amendment of the memorandum of association or regulations etc.

5. Consider and approve the financial statements of each quarter. And the annual financial statements which have been reviewed and audited by the auditor And has been approved by the audit committee Before disclosing information to the Stock Exchange of Thailand And general public.

6. Consider the management structure Appointment of the Executive Committee Chief Executive Officer President And other committees as appropriate.

7. Follow up the operational results to be in accordance with the plan and budget continuously.

8. Directors must not operate in a business of the same nature and in competition with the business of the company. Or become a partner in an ordinary partnership Or a partner with no limited liability in a limited partnership Or being a director of a private company Or other companies that operate in the same business And is a competition with the business of the company, whether for their own benefit or for the benefit of others Unless notified to the shareholders' meeting before a resolution to appoint.



9. Directors must notify the company without delay. If there is a conflict of interest, whether directly or indirectly, in a contract made by the company Or increase or decrease shares or other securities in the company or its affiliates.

10. The Board of Directors may authorize a director Or many people or other persons to perform any tasks on behalf of the Board of Directors Which is under the control of the Board of Directors or may authorize the said person to have power as the Board of Directors deems appropriate and within the time that the Board of Directors deems appropriate The Board of Directors may cancel, withdraw, change or amend such authorized persons or powers as appropriate.

In this regard, the Board of Directors may authorize the Executive Committee to have powers and duties in performing various duties, with details of authorization under the scope of Authority of the Executive Committee The authorization must not have characteristics. Is the power that makes the Executive Committee Able to consider and approve items that the Executive Committee Or persons with potential conflicts of interest or conflicts of interest with other companies or subsidiaries Except for approval of transactions that are in accordance with policies and criteria considered and approved by the Board of Directors

In the year 2019, the Board of Directors held 6 meetings in total.

### **Board meeting**

The company has set the meeting date in advance throughout the year. Which will determine the main agenda And agenda for follow-up Regular operating results In addition, the meeting invitation letter was sent, along with the meeting agenda and meeting documents, 7 days in advance of the meeting date. So the board has sufficient time to study the information before attending the meeting There may be additional meetings to consider important events as needed and urgently. The secretary of the board of directors is responsible for confirming the appointment of each meeting. Or make new appointments in case of the original postponement Or calling an urgent meeting And prepare meeting documents to be sent to the directors

Each meeting will take about 2 hours, which all directors are free to give opinions. And recommend practical advice Which the secretary of the board of directors Has a duty to take notes and prepare minutes of the meeting within 14 days to submit the minutes which have been approved by the Board of Directors As well as keeping the minutes of the meeting and the meeting documents

Name	Surname	AGM 2019	Bod 7	AC 12	NDR 1
Mr.Chanachai	Leenabanchong	Don't get in	6	-	-
Mr.Paiboom	Thong ra-ar	Get in	5	-	-
Mr.Ratchai	Pichayapoom	Get in	6	-	-
Mr.Worawit	Leenabanchong	Get in	4	-	-
Mr. Krisana	Sa-ngaengsaeng	Get in	6	-	-
Mr.Matee	Ittiriwichai	Get in	6	-	1
Ms. Peramat	Huntra	Get in	6	13	1
Ms. Taweesri	Vigayathipat	Get in	6	13	1
Dr. Yaowarin	Srichainan	Get in	6	13	1
Mr. Panthee	Sriwongthai	Don't get in	6	13	-

#### Board of directors

As of 31 December 2019, the Executive Committee Consists of the following committee

1. Mr. Chanchai Leenabanchong, Executive Chairman
- 2 Mr. Worawit Leenabanchong Executive Committee
- 3 Mr. Krishna Sa-ngaengsaeng Executive Committee
- 4 Mr Ratchai Phichayaphum Executive Committee
- 5 Mrs. Anchalee Leenabanchong Executive Committee

Secretary to the Executive Committee: Acting Lieutenant Colonel Matee Ittiriwichai

#### Scope of duties and responsibilities of the Executive Committee

1. Operate and manage the business of the company in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the board of directors 'meeting and / or the shareholders' meeting of the company.

2. Considering determining the policy, direction and strategy, the business operation plan and annual budget of the company Human resource management Information technology investment, public relations expansion And control and supervise the operations of the appointed working group to achieve its goals in order to be presented to the meeting of the Board of Directors for approval.

3. Consider the annual budget allocation as proposed by the management. Before proposing to the Board of Directors for consideration and approval This includes the consideration and approval of changes and additions to the annual budget during the absence of the Board of Directors' meetings but within the scope of the authority approved by the Board of Directors. And present to the board of directors To be informed in the next meeting



4. Consider and approve And / or approve the transaction relating to investment Financial management General administration Procurement and procurement And any other items relating to the company's business Within the scope of authority approved by the board of directors

5. Consider and approve important investment expenditures as specified in the annual budget as assigned by the Board of Directors. Or as the Board of Directors has approved in principle

6. To make recommendations for business expansion and joint ventures with other parties within the scope of authority approved by the Board of Directors and presented to the Board of Directors. For approval / acknowledgment in the next meeting

7. is a group of management consultants regarding financial policies, marketing, personnel management And other operations

8. Consider the company's profits and losses. Proposal of interim dividends or annual dividends To propose to the board of directors for approval

9. The Executive Board may delegate the power to one or many directors or other persons. Operating one Under the control of the executive board Or may authorize the said person Having the authority as the Executive Committee deems appropriate And within the period that the Executive Committee deems appropriate The Executive Committee may cancel, withdraw, change or amend the authorized persons. Or the authorization as it thinks fit

The authority of the Executive Committee And / or delegation Must not be the approval of connected transactions Or any items that may have a conflict of interest Or any items that the Executive Committee Or persons who may have conflicts of interest with the Executive Committee Or any other benefits which conflict with the company Or subsidiary In accordance with the regulations of the Stock Exchange of Thailand And / or announcements of the Office of the Securities and Exchange Commission The approval of such transactions must be proposed to the Board of Directors 'meeting and / or the shareholders' meeting. To consider and approve the said transaction in accordance with the regulations of the company or relevant laws.

In the year 2019, the Executive Committee held 34 meetings.

### **Risk Management Committee**

As of 31 December 2019, the Risk Management Committee Consists of the following committee

- |                                 |   |
|---------------------------------|---|
| 1. Mr. Worawit Leenabanchong,   | Member of the Risk Management Committee |
| 2 Mr. Pinit Kantikul            | Risk Management Committee               |
| 3. Mr. Kornkrit Prakongwitthaya | Risk Management Committee               |
| 4. Mrs. Wanida Puangboonmak     | Risk Management Committee               |

Secretary of the Risk Committee: Acting Police Major Matee Itthiriwichai

### **Scope of duties and responsibilities of the Risk Management Committee**

1. Establish guidelines for management and risk management framework
2. Assess various risks, both internal and external factors
3. Suggest methods for prevention and ways to reduce the risk to an acceptable level.
4. Monitoring, evaluation and improvement of the operation plan In order to reduce risks continuously and suitable for the business operation conditions
5. Review the adequacy of the policy and risk management system. By including the effectiveness of the system and the implementation of specified policies

In the year 2019, the Risk Management Committee held a meeting with the management and set the working guidelines. However, the company has a working group regarding debt collection and problem projects. Which is considered an important risk management Have regular meetings 1 day per week

### **2. Management Team**

As of 31 December 2019, the management team consists of the following high-level executives:

1. Mr. Chanachai Leenabanchong, Chairman of the Board of Directors
2. Mr. Chanachai Leenabanchong, Chief Executive Officer
3. Mr Rattachai Phichayaphum Chief Financial Officer
4. Mr. Worawit Leenabanchong, Managing Director Project Support Division
5. Mr. Krishna Sa-ngaengsaeng Managing Director Systems Engineering
6. Mrs. Anchalee Leenabanchong, Managing Director of Administration
7. Mr. Vacharaphakdi Monthon, Deputy Managing Director
8. Ms. Wanida Puangboonmak Deputy Managing Director
9. Mr. Pinit Kantikul, Deputy Managing Director
10. Mr. Kornkrit Prakongwittaya, Deputy Managing Director

The Board has assigned the Executive Committee to have duties and responsibilities in performing various duties. With details of authorization according to the scope of duties And responsibility of the executive committee The said authorization must not have the nature of an authorization. Or delegate power to the Executive Committee Or the delegate from the Executive Committee can approve transactions that themselves or individuals who may have conflicts of interest Have interest Or have a



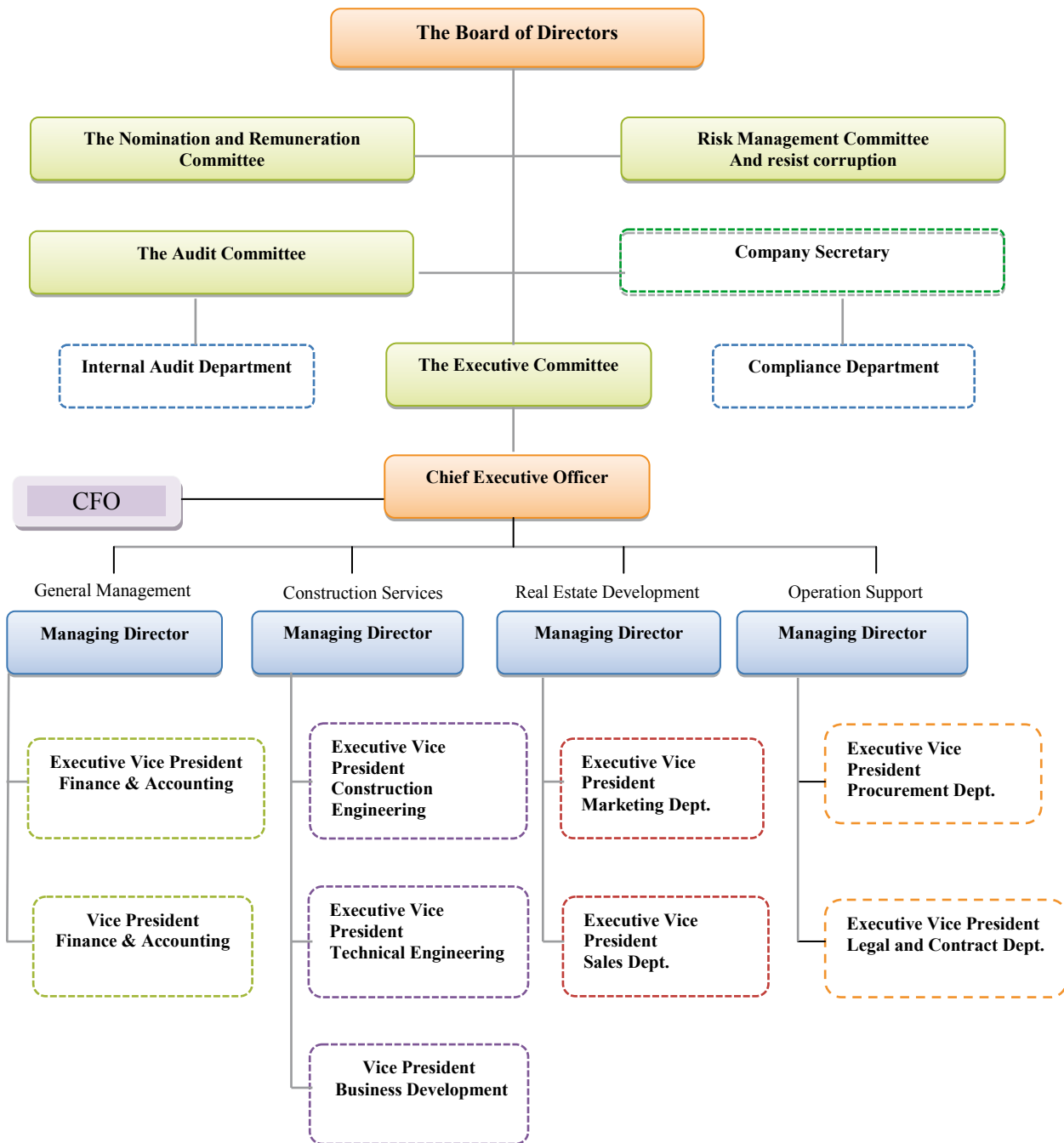
conflict of interest with the company (As specified by the SEC) except for approval of items in accordance with policies, guidelines, or criteria approved by the Board of Directors.

**Determination of credit approval authority**

The Board of Directors has set the approval authority for spending for normal business transactions and financial transactions such as loans. Or requesting any credit From financial institutions Including being a guarantor With details as follows

<b>Approval limit</b>		
	<b>Investment transaction</b>	<b>Financial transaction</b>
Managing Director	-	Not over 100 million baht
Executive Committee	5% Total assets not over 50 million baht,	Not over 500 million baht
Board of Directors	50 million baht	More Unlimited amount

### 3. Organization Chart of EMC Plc. As at December 31, 2019







#### 4. Company Secretary

The Board of Directors has appointed and appointed a new Company Secretary to fill the vacancy. At present, assigned to Lieutenant Colonel Methi Itthiwichai to act as company secretary By reporting directly to the Board of Directors

Duties and responsibilities on behalf of the company or board of directors

1. Prepare and maintain the register of directors
2. Prepare and maintain the notice of the board meeting. Board meeting reports and annual reports
3. Prepare and maintain the notice of the shareholders 'meeting and minutes of the shareholders' meeting.
4. Follow up on the implementation of the resolutions of the Board of Directors' meeting. Shareholders meeting's resolution

5. Maintain and send copies of reports of conflicts of interest of directors and executives or related parties. Having interests in relation to the management of the company, the chairman of the board and the chairman of the audit committee

6. Proceed with other actions as specified by the Securities and Exchange Act (No.4) 2008. Other laws and regulations Related Including announcements and regulations of the Capital Market Supervisory Board

#### 5. Directors and management remuneration

At the 2019 Annual General Meeting of Shareholders on April 29, 2019, the shareholders approved the determination of the directors' remuneration for the year 2019 within the amount of 4,000,000 baht, as follows:

##### Meeting allowance

- The Chairman of the Board of Directors, the Chairman of the Nomination and Remuneration Committee, and the Chairman of the Audit Committee will receive a meeting allowance of 30,000 baht per meeting.

- Director, Member of the Nomination and Remuneration Committee, Member of the Audit Committee Will receive a meeting fee of 20,000 baht per meeting attended

##### Other remuneration for the board

- Not more than 1% of net profit

- For directors whose terms are not completed in the year To be paid according to the term of office that year

The company paid the directors' meeting allowances in 2019 in the amount of 2.37 million baht, a decrease of 0.23 million baht compared to the year 2018 of 2.60 million baht or 9.70 percent. The details of payment for each person are as follows:

### Total meeting fee

Name - Surname		Position	Meeting Allowance (Baht) Year 2019
Mr.Chanachai	Leenabanchong	Chairman of the Board of Directors, Chairman of the Executive Committee	180,000
Mr.Paiboom	Thong ra-ar	Board of Directors	100,000 (died 6 Oct 19)
Mr.Ratchai	Pichayapoom	Vice Chairman of the Board of Directors, Executive Committee	120,000
Mr.Worawit	Leenabanchong	Vice Chairman of the Board of Directors, Executive Committee	80,000
Mr. Krisana	Sa-ngaengsaeng	Board of Directors, Executive Committee	120,000
Mr.Matee	Ittiriwichai	Board of Directors	120,000
Mr. Panthee	Sriwongthai	Audit Committee and Independent Director	380,000
Ms. Taweesri	Vigayathipat	Chairman of the Audit Committee and Independent Director, Director of the Board, Member of the Nomination and Remuneration Committee	510,000
Dr. Yaowarin	Srichainan	Chairman of the Nomination and Remuneration Committee, Director, Audit Committee and Independent Director	380,000
Mr. Panthee	Sriwongthai	Director of the Board, Member of the Nomination and Remuneration Committee Audit Committee and Independent Director	380,000
Total meeting fees			2,370,000

Other compensation

-None-

Total remuneration of executives

- Total compensation in the form of salaries 22,282,687 Provident Fund 376,044 Social Security 72,750 Meeting remuneration 2,370,000 Employee benefits 4,415,651 Total 25,101,481 consisting of 6 senior executives

### 6. Personnel

The company's personnel as of December 31, 2019 are 277 people which can be divided as follows :

Position	Number
Executives and Supporting Employees	9
Construction Engineering	81
M&E Engineering	63
Accounting, Finance and Administration	62
Budget Control and Purchasing	31



Real Estate	31
Total	277

As of 31 December 2019, the total remuneration of the Company's personnel is Baht 242.32 million (the said remuneration consists of salary, bonus and provident fund contribution And other benefits), excluding the total remuneration of executives as reported in Article 8.4

Human resource development policy

Human resource management of the company

Because human resources are an important factor affecting the success of the construction business. The company has set guidelines for human resource management. Under the framework of the 3 important actions together with

E Expertise = human resource development for expertise in responsible work

M Motivation = Creating motivation at work.

C Career Path = Determining Career Advancement

Human resource management Therefore focus on providing employees with skills in both work skills along with technical and managerial skills in response to business expansion as follows

1. Recruitment and Selection of Quality Human Resources The company has increased the channels for recruiting people to be efficient, including determining the Competency of every position. To be used as a guideline for recruiting Selecting people to work with the company to meet the qualifications specified by the company.

2. Compensation management (Compensation Management) in addition to adjusting the salary structure to be a standard in order to be able to compete When compared to the current labor market The company also focuses on compensation management that clearly reflects the ability of employees.

3. Performance Appraisal There is a measurement and evaluation. By having clear performance indicators (Key Performance Indicators).

4. Human Resources Development (HRD) The company has a continuous human resource development plan. Which will help enhance knowledge and ability in operational skills Management skills Including technical skills by line or job position To be consistent and support

the ability of the staff. By developing staff according to career path, which the company has divided into 3 types as follows

4.1 In-house training for staff development in all areas such as job courses And strengthen the concepts for executives and employees of the organization in each position to have potential Operational skills courses, etc.

4.2 The sending of employees for training with external institutions (Public Training) has the objective to develop personnel to have knowledge, ability and to keep up with the change. Have modern concepts and are ready to adjust to accommodate changes

4.3 Employee funding In addition to short-term training / seminars, the company encourages its employees to have the opportunity to receive long-term training organized by recognized educational institutions.

5. Developing the Human Resource Information System (HRIS) to be a database for development. Able to manage human resources both at present and in the future

6. Knowledge Management The Company aims to develop all employees to have the opportunity to receive development and receive various news equally to develop into a organization of Learn (Organization Development) in addition to the dissemination of various policies through the Intranet system.

#### **Employee benefits**

The company attaches importance to providing appropriate compensation and welfare for employees. By establishing a welfare committee in the workplace To regularly review the employee welfare policy By considering remuneration and welfare that is appropriate and fair for the employees



# Dividend Payment Policy

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

## Corporate Governance

The Board of Directors has recognized the importance of the corporate governance and the good corporate governance by implementing the principles and practices consistent with the good corporate governance to manage its delegated duties and responsibilities for maximum benefit of the Company and overall shareholders. The policies of the good corporate governance are set out as follows:

1. The Board of Directors will conduct the Company's business with prudence and caution under the purview of laws and business ethics, and with adequate efficiency and accountability for the optimum benefits to the shareholders and ensure that there is no conflict of interest.

2. The Board of Directors will conduct the Company's business with transparency, accountability, and adequate disclosure of information to build up trust and confidence among shareholders, investors, and relevant parties equally.

3. The Board of Directors ensures that treatment to shareholders and stakeholders is on equitable and fairness basis, in compliance with the relevant laws and rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other relevant laws.

4. The Board of Directors has set up specific committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Enterprise Risk Committee, and sub-committees with the delegation of duties and responsibilities clearly assigned to each committee.

5. The Board of Directors will held meetings regularly under the meeting schedule and agenda clearly set out in advance.

6. The Management team will held meetings regularly every week to monitor and supervise the implementation of all projects in detail under the meeting schedule and agenda clearly set out in advance. Special meeting shall be determined upon necessity.

7. The Board of Directors recognizes the importance of the internal control system in covering of the finance, the operations, and the corporate governance, thereby an Internal Audit has been set up as a department of the Company and report directly to the Audit Committee.



In this regard, the Board of Directors is aware of the importance of participating in the development of good corporate governance in accordance with the Principles of Good Corporate Governance 2017 (CG Code) which consists of 8 principles, namely

Principle 1: Recognize the role and responsibility of the Board of Directors as an organization leader that creates sustainable value for the business

(Establish Clear Leadership Role and Responsibilities of Board)

Principle 2: Establish objectives and key objectives for sustainability

(Define Objectives that Promote Sustainable Value Creation)

Principle 3: Strengthen the board of directors

(Strengthen Board Effectiveness)

Principle 4: Recruitment and development of senior management And personnel management

(Ensure Effective CEO and People Management)

Principle 5: Promote innovation and responsible business practices

(Nurture innovation and Responsibility Business)

Principle 6: Ensure a risk management system And suitable internal control

(Strengthen Effective Risk Management and Internal Control)

Principle 7: Maintain financial reliability. And information disclosure

(Ensure Disclosure and Financial Integrity)

Principle 8: Supporting participation And communication with shareholders

(Ensure Engagement and Communication with Shareholders)

1 Corporate Governance Policy

The Board of Directors is confident that having a good management system, transparency and accountability. As well as a balance of power and internal control systems that are sufficient and appropriate. Along with respecting the rights and equality of shareholders and responsible to the stakeholders. Will be an important factor that helps to strengthen the organization's immunity and create balanced and sustainable growth in the long term

In 2019, the company received a 3-star rating from the Thai Institute of Directors (IOD), which is considered good. In addition, the company reviews and adheres to policies and regulatory principles. The business covers all 5 categories, namely the rights of shareholders.



Division of Equitable Treatment of Shareholders Role of Stakeholders Information disclosure and transparency And the responsibility of the board according to the guidelines of the Stock Exchange of Thailand By establishing guidelines for the board of directors In accordance with good corporate governance principles for listed companies.

Year 2017 with 8 main items as follows:

#### **Compliance with the principles of good corporate governance**

Board of Directors Have reviewed and improved the company's supervision policy to be suitable And in line with the guidelines of government agencies that have supervision of listed companies. Coupled with the principles of good corporate governance for listed companies in 2017 with the goal of achieving international standards of corporate governance. And in order for the company to grow strong Sustainable in the long run For the implementation of the principles of corporate governance in the year 2019 can be summarized as follows:

##### **1. Rights of shareholders**

1.1. The Board of Directors recognizes and respects the ownership rights of shareholders. No action Which is a violation or depriving the rights of shareholders By acting to look after the interests of shareholders fairly As well as support and encourage all groups of shareholders, whether domestic or foreign shareholders Despite being a major shareholder Minority shareholders Or institutional shareholders have exercised their rights, including fundamental rights of shareholders, the right to access information sufficiently and in time. And the right to attend shareholders' meetings in order to determine the direction of operations and decide which matters have a significant impact on the company.

1.2 The company has delivered a meeting invitation letter along with information related to the meeting according to various agendas. Each agenda contains opinions from the Board of Directors and the meeting minutes are recorded correctly and completely. To let shareholders know in advance 7 days before the meeting or 14 days (depending on the case) for the shareholders to have time to study the said information thoroughly. Including the disclosure of information on the company's website. In addition, the proxy form was attached together with the meeting invitation letter for shareholders wishing to grant proxy to others instead. As well as nominating independent directors as an alternative for proxies With information about the independent director who is a proxy, such as name, biography, address, and shareholding information And the number of times that attend the meeting stated To make a decision.



1.3 The company holds a shareholders' meeting on a convenient and appropriate date and time. There is a process definition. Shareholders' meeting legally Since the meeting call Meeting agenda notification Document delivery Steps for conducting the meeting.

1.4 Communication between the shareholders of the company The company does not have a policy to block communication between shareholders. Shareholders are able to communicate and access information freely. Shareholders can copy a copy of the list of shareholders of the company at the Department of Business Development. Ministry of Commerce.

1.5 The Board of Directors grant the rights to shareholders to approve the remuneration of the Board of Directors annually.

1.6 The Board of Directors promotes the use of technology in shareholder meetings. To achieve accuracy and speed There is a resolution for each agenda. Giving shareholders the right to elect individual directors. And with the use of ballots

- Right to information Shareholders have the right to receive information equally. The company disseminates information in both Thai and English through the channels of the Stock Exchange of Thailand. And through the website [www.emc.com](http://www.emc.com) For the shareholders There are more ways to receive news and information about the company.

- Right to attend the shareholders' meeting The company arranges for the annual general meeting of shareholders within 4 months from the end of the year. Attendance of shareholders' meeting In order for the shareholders to participate in monitoring the company's operations in 2019, the company held the 2019 Annual General Meeting of Shareholders on April 29, 2019 at the Tawana Hotel. Suriyawongvithana Room, 10th floor, which is the place where the company holds annual shareholders' meetings ,to not confuse shareholders And attaching a map of the meeting place with the notice of the meeting.

#### **Before the date of the shareholders' meeting**

- The company announced the resolution of the Board of Directors Meeting No. 2 on 20 March 2019, which is scheduled for the 2019 Annual General Meeting of Shareholders on 29 April 2019, along with the agenda in both Thai and English. Through the information disclosure system of the Stock Exchange of Thailand.

- The company provides information on date, time, location, and agenda. In the notice of the meeting With facts and reasons including the opinion of the Board of Directors in every

agenda The company The notice of the meeting was distributed, together with meeting documents, from 22 April 2019 on the company's website in both Thai and English.

- The company sent a notice of meeting With meeting documents Such as annual reports Proxy Form B. The profile of the person nominated for election as a company director Information of the audit committee The company nominated OE to be a proxy Map of the meeting place Document description And evidence that the shareholders have to present at the meeting The Articles of Association relating to the shareholders' meeting and the procedure for attending the meeting By giving to the company The Thailand Securities Depository Co., Ltd., which is the share registrar of the company, delivered to shareholders 7 days in advance of the meeting, as well as publishing advertisements for newspapers for 3 consecutive days and before the meeting date. 3 days.

In addition, shareholders can download proxy forms That has been prepared and in accordance with the notifications of the Ministry of Commerce Can be obtained from the company's website, [www.emc.com](http://www.emc.com), which is available Choose from 3 types: Type A, Type B and Type C.

- In the case of foreign shareholders, the company has sent a notice of the meeting along with meeting documents.

Which has been translated into English To encourage all types of shareholders, including institutional investors, to attend the meeting.

#### **Date of the shareholders' meeting**

- The Board of Directors attaches importance to the shareholders' meeting Which is considered as a duty to attend the meeting except sick or important mission In the 2019 Annual General Meeting of Shareholders held on 29 April 2019, there were 8 directors representing 80 percent. In addition, the executive directors, the auditors from the company's auditing companies, were the witnesses. To count the votes Attended the meeting Shareholders too So that shareholders can ask questions related to it Name list of the Board of Directors And the executives attending the shareholders' meeting View from the minutes of the Annual General Meeting.

- The company has brought technology to use in the shareholders' meeting. In order to ensure accuracy and speed, and to facilitate shareholders to exercise their rights to attend the



shareholders' meeting And to vote fully. The date, time and venue of the meeting are not an obstacle to meeting.

- Registration for the meeting can be registered no later than 2 hours prior to the meeting and will still grant shareholders the right to attend the meeting. After the meeting has started Have the right to vote on the agenda that has not yet been considered and will be counted as a quorum starting from the voting right.

- The company has provided sufficient personnel and technology to register for the meeting and vote counting in each agenda by using the barcode system for convenience, speed and transparency.

- In the event that the shareholders are unable to attend the meeting by themselves Proxy Any person Or the audit committee which is an independent director of any company to attend the meeting instead To be a representative to protect their rights OE.

- The company treats all shareholders equally. Which before starting the meeting The company secretary informed the number / proportion of shareholders attending the meeting. Including explaining how to vote and how to count votes of shareholders who must vote on each agenda according to the laws and regulations of the company. The voting rights in the meeting shall be in accordance with the number of shares held by the shareholders. With one share equal to one vote And without any shares having special privileges to limit the rights of other shareholders. Arranging a shareholders' meeting in order for the shareholders to exercise their rights as shareholders Know the operating results Gives shareholders the right to approve the annual remuneration for directors. And electing individual directors Including consideration and voting on various matters As required by laws and regulations.

In the case that any shareholders have entered in after the meeting has started, the company still gives the right to vote. The remaining votes in the agenda that have not been considered and voted upon. Which constitutes a quorum.

At the meeting, the chairman of the board of directors acted as the meeting conductor in accordance with the meeting agenda. There is no additional agenda or important information changing without by notifying shareholders in advance. There is sufficient time allocated for presenting various issues on each agenda by allowing shareholders to ask questions and express their opinions fully on each agenda. If shareholders ask questions or express additional

opinions, the Board of Directors will answer the questions clearly, to the point. The voting results are summarized from the vote counting.

In each agenda using the barcode system and an auditor is the witness to count the votes

**The important shareholders' meeting agenda are**

1. Election of the Board of Directors: The company allows the shareholders to nominate persons In order to be considered as a director of the company At the 2019 Annual General Meeting of Shareholders it appeared that no shareholders proposed The nominated directors have been reviewed by the Board of Directors. And if being an independent director Must have qualifications as specified by the company and according to the announcement of the Capital Market Supervisory Board The notice of the meeting contains the basic information of the person proposed to be elected by specifying the name, education background Holding positions in other businesses clearly If it is a company operating in a business of the same nature and in competition with its business And the type of director proposed In the case of proposing the same name of a director to be a new director Have information about the meeting attendance in the previous year และ and the number of terms / years in the position of the company's directors And in the election of directors, the company gives shareholders the opportunity to exercise the right to elect individual directors.

2. Directors' remuneration: The Board of Directors has granted shareholders the rights to approve the remuneration for the Board of Directors annually. There is a set of criteria for the remuneration of directors in each faculty. As well as proposing compensation limits for directors Annual General Meeting of Shareholders for approval Which has been considered by the Nomination and Remuneration Committee Which is based on the performance, performance, compensation limit approved by the shareholders' meeting The amount of compensation paid in the previous year Including authority And responsibility With a summary of the approved amounts The actual amount paid And forms of payment Including summarizing the amount of money paid to the Board of Directors Audit Committee Nomination and Remuneration Committee And the Risk Management and Anti-Corruption Committee individually in the annual registration statement (Form 56-1) and in the annual report (Form 56-2).

3. Appointment of the auditor and determine the audit amount: The company provided the auditor's information as follows: Auditor name Audit office Independence Number of years



served for the company There is a comparison of audit fees between the current year and the previous year. And other fees that have been received from the audit firm that the auditor is affiliated with The appointment of auditors and determination of audit fees has been considered by the audit committee for approval by the shareholders' meeting.

#### **After the date of the shareholders' meeting**

- Upon completion of the shareholders 'meeting, the Company disclosed to the public the resolution of the shareholders' meeting together with the voting results of each agenda. Through the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th) and published on the company website, [www.emc.com](http://www.emc.com), on the next working day after the shareholders' meeting.

After the date of the shareholders' meeting.

- Upon completion of the shareholders 'meeting, the Company disclosed to the public the resolution of the shareholders' meeting together with the voting results of each agenda. Through the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th).

- Prepare minutes of the general meeting of shareholders clearly, completely, according to the facts. The names of the directors who attended the meeting were recorded. And the auditor And a representative from the auditing office that attended the meeting Material statement Questions and answers or comments In summary, details of each agenda are in accordance with the facts of the meeting. The voting results of each agenda were summarized, with approval, disapproval and abstention. The said minutes were reviewed by the Legal Department. And the chairman of the board Before signing as chairman of the meeting And submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission And deliver to the Department of Business Development, Ministry of Commerce within the time specified by law.

- Organize a video recording of the annual general meeting of shareholders throughout the meeting.

## **2. Equitable treatment of shareholders**

The company has a policy to support all shareholders. Major shareholder Minority shareholders Institutional shareholders Including foreign shareholders Right and fair and equal treatment Which is one of the corporate governance policies of the company In this regard, the principles used by the company in treating shareholder equality are detailed on the website [www.emc.co.th](http://www.emc.co.th) under the heading "Investor Relations".

2.1 The Board of Directors treats all shareholders fairly and equally. With the same shares having equal voting rights Equal to one share per one vote.

2.2 The Board of Directors encourages shareholders who are unable to attend the meeting by themselves. Able to authorize someone else to attend the meeting and vote on their behalf By using a proxy form in which shareholders are able to specify voting directions And nominate at least 1 independent director as an alternative to shareholders' proxies.

2.3 The Board of Directors encourages all shareholders to exercise their rights as shareholders. By sending an invitation letter to the shareholders' meeting and meeting documents for consideration in advance Which has prepared the English version for foreign shareholders.

2.4 The Board of Directors has set a policy to prevent the use of inside information and has measures to prevent the use of inside information for improper benefits for themselves and others. Directors, executives, and employees are prohibited from knowing inside information. Trading the company's securities during 1 month before public disclosure of financial statements.

2.5 Right to participate in the shareholders' meeting and provide comments and recommendations And jointly consider and make decisions on important changes, such as the amendment of the memorandum of association and the company's regulations. Appointment of the company's director Appointment of auditors.

2.6 The chairman of the meeting explained to the shareholders the rules and procedures for voting. And allowing shareholders to make inquiries on various issues. During the meeting, including directors / executives Have explained the doubts appropriately and sufficiently, including exchanging opinions among each other.

However, the company has not yet provided opportunities for minority shareholders to propose additional meeting agendas. For the shareholders to consider before the annual meeting of shareholders Including not specifying methods for minority shareholders to nominate company directors representing shareholders. Which does not comply with the principles set by the Stock Exchange of Thailand Will consider the said process later.





### 3. Consideration of the roles of the interested parties

The company has taken care and considered the importance of the stakeholders and the company exchanged information. And listen to the recommendations of all groups of internal and external stakeholders as follows

#### 3.1 Employees

The company has set up a compensation system based on the performance of each individual. In addition to the usual salary With clear and fair measurements Which leads to the integration of employees' capabilities at different levels Leading to the company's overall success.

In addition, the company has provided various benefits To employees such as accident insurance, medical benefits Provident fund As well as giving importance to safety, occupational health and working environment, in which the company has established a unit to take care especially Declared as policy And strictly implemented Have recruitment Professional safety officer Supervisor level And the management level which has been appointed to be the Occupational Safety and Health Committee for every project. Has a direct duty to drive the central policy to achieve the goal Follow up on the performance. And report to the Department of Welfare And labor protection every quarter Which includes training the staff and workers in the project to be aware of safety Analyzing and evaluating dangerous work spots to avoid accidents Examination of equipment and tools Before being put into production.

The company gives importance to human resources. By promoting continuous human resources development at all levels, such as the delivery of personnel at all levels Attend training / seminars on various relevant courses. And can be used to develop the operation in the future, arranging training for skill development continuously with the Department of Skill Development, etc., and the company foresees the importance of health and hygiene of employees. Therefore, the employees are required to have an annual health check every year, once a year.

#### 3.2 Shareholders

The company has managed all projects with full efficiency. To make every project profitable And allocating that profit to dividends to shareholders

The company perform duties with responsibility, caution, honesty, honesty. In order to create good and sustainable return for shareholders. By not violating relevant laws, rules and

regulations with honesty and transparency, protecting the interests and taking care of company assets As a reasonable person should always maintain his own assets and report on the correct, complete, and consistent performance of the truth Eliminating conflicts of interest carefully with reasoning And disclose complete information Also striving to develop the business of the company to progress with stability And able to create appropriate return for shareholders And treat all shareholders equally.

### **3.3 Customers**

The company manages quality projects. And efficiency By focusing on time management And budgets are important. In addition, the company Also communicate with customers By clearly specifying procedures and indicators In order to continuously improve the system and quality

### **3.4 Business partners and creditors**

The company has made an agreement or contract. To specify conditions Completely before the actual operation And the company has complied with that agreement or contract Strictly

### **3.5 Business competitors**

The company has competed honestly and transparently. By using advantages in the management system And effective management Bid for various projects

### **3.6 Employees**

The company considers employees to be valuable resources and is the key to the organization's success. The company treats employees in accordance with good corporate governance principles. By respecting human dignity Human rights ethics And allowing employees to show their potential To advance and create stability in the career of the company Therefore aiming to promote training and knowledge development Thoroughly capable staff Including the employees to participate in determining the direction of operation and development of the company Giving fair compensation Suitable for knowledge, capability, responsibility And the performance of each employee As well as looking after the work environment With regard to safety for life, health and property of employees In addition, the company has organized a new staff event To promote quality of life And better living conditions For example <Provide funds Provident fund Retirement pension for employees Annual health check, etc.



### 3.7 Society and Environment

The company has a clear environmental policy. And considered as a strict practice By complying with various environmental laws and standards Organize an internal system to eliminate environmental problems in a systematic and efficient manner. Ready to improve and develop further.

The Executive Chairman has considered the reduction of resources usage. Reducing the use of paper in photocopying is reducing the environmental impact All of which are beneficial to the business in providing more efficient services And also reducing costs Which will lead to higher profits And increased competitiveness.

### 3.8 Anti-Corruption

The company has an ideology of conducting business with integrity. By adhering to social responsibility and all groups of stakeholders in accordance with good corporate governance And the company's code of ethics As well as policies and guidelines for various groups of stakeholders of the company to ensure that the company Have a policy to define responsibility Appropriate practices and requirements To prevent corruption in all business activities of the company And to make business decisions and operations that may be at risk of corruption are considered And perform it thoroughly The company has therefore prepared "Guidelines Against Corruption" is written in In order to be a clear guideline for doing business And develop the organization to a sustainable organization.

The company has established an anti-corruption policy. To confirm the intention of conducting business in accordance with anti-corruption law Not accept any form of direct or indirect corruption Whether as a receiver or giver And clearly complying with the anti-corruption policy In order to be in compliance with the policy And regularly review the implementation of this anti-corruption policy. In which all directors, executives and employees Is responsible for complying with the anti-corruption policy in general.

In the year 2019, the company did not receive any complaints or clues. About corruption And operations that do not comply with relevant laws or regulations As well as violating business ethics in any way.

### 3.9 Non-violation of human rights

The company supports and respects the human rights of all stakeholders. By not doing anything that causes human rights violation Do not discriminate between gender, age, ethnicity, nationality or religion, and give employees the opportunity to gain training And receive benefits equally and fairly.

### 3.10 Non-infringement of intellectual property or copyright

The company has complied with the law regarding intellectual property. Without violating intellectual property or copyright Whether the design Using computer programs And other related matters The software that will be used within the company must be licensed and properly licensed as well as not allowing employees to install. Software piracy system.

### 3.11 Safety and sanitation in the workplace

In the year 2019, the company does not have any statistics of workplace accidents at all.

### 3.12 Stakeholder contact channels

For reporting clues or complaints regarding wrongdoing And recommendations. All stakeholder groups can use the mechanism to contact Information Company notification Including reporting clues or complaints about the offense. And suggestions Through various channels as follows

➤ **Send electronic mail or contact the operation supervisor**

Email: - [matee@emc.co.th](mailto:matee@emc.co.th)

Phone: 0 2615 6181

In the year 2019, the company does not have any disputes regarding the stakeholder.

## 4. Disclosure and Transparency

4.1 The Board of Directors is responsible for the company's financial statements. And financial information appearing in the annual report The said financial statements have been prepared in accordance with generally accepted accounting standards in Thailand. And use discretion Carefully and the best estimates for preparation Including sufficient information disclosure in the notes. Financial statements in order to create the confidence of stakeholders in the report of the financial statements of the company In the past, the Board of Directors Has appointed the audit committee Consisting of Independent directors who are qualified and fully meet the requirements of the SET. To be responsible for reviewing the financial reports and



internal control systems of the company To ensure that the financial status Income and expenses And cash flow is realistic and reasonable Reviewing the compliance with the SET requirements Commitments with third parties and relevant laws By providing the accounting records that are accurate, complete, sufficient to maintain assets As well as preventing fraud and unusual actions by having a meeting with the accounting department The opinion of the audit committee has appeared in the report of the audit committee. And shown in the annual report.

4.2 The Board of Directors attaches importance to the complete disclosure of information. Factual, reliable, consistent, transparent, and timely, both for financial and non-financial information that affects the decision-making process of Shareholders, investors, and related parties are informed equally, which the Board of Directors recognizes. And always adhere to this. The company has disseminated information and news Annual information disclosure form Annual report For the shareholders Investors and related parties have been informed Through the dissemination of information of the Stock Exchange of Thailand and the company's Web site. In the past year, the company has never been approved by the SEC. Or the stock market Proceeded because the disclosure did not comply with the requirements.

4.3 The company's auditor, with the audit committee considering the qualifications of the auditor, taking into account the independence, appropriateness Responsibility Including the absence of relationships or interests or transactions that may cause conflicts of interest with the company, executives, major shareholders Or those involved with the said person And is an auditor that has been approved by the Office of the Securities and Exchange Commission In addition, the Audit Committee has determined the amount of audit fees in each year to be appropriate for the scope of the audit. The Audit Committee will present the qualified auditors together with the audit fees to the Board of Directors for consideration before submitting to the shareholders' meeting. To consider the appointment Auditor and determine audit fees at the annual general meeting of shareholders.

## **5. Board Responsibilities**

The company has a policy requiring the board of directors to have a more strict role. To comply with good corporate governance standards In which the directors of the company have the following roles

### **5.1 Structure of the Board of Directors**

#### (1) Components of the Board of Directors

The Board of Directors consists of 9 members (as of 31 December 2019) consisting of

- 1 non-executive director
- 4 independent directors
- 4 executive directors

Board of directors Consists of people with knowledge, ability, and expertise

Leadership, vision, morality, ethics and qualifications as required by law. With at least 1 non-executive director having experience in the business in which the company operates And has independent directors according to the announcement of the Office of the Securities and Exchange Commission Every director of the company has intention to perform duties as a director of the company which is trusted by the board of directors and shareholders. There is freedom to express opinions. Consider and approve various matters. With due regard to the best interests of the company.

The company has 4 independent directors in accordance with the requirements of the Securities and Exchange Commission of Thailand. Which stipulates that a listed company must have independent directors at least 1 in 3 of the entire board of the company The board of directors must comprise not less than 4 members. Qualifications of directors must be natural persons and.

1. legal age
2. Not being a bankrupt incompetent person Or incompetent person
3. Never been imprisoned By the final judgment to imprisonment for an offense relating to property committed in dishonesty.
4. Never be punished, dismissed or discharged from government service or government organization or organization for corruption

Per duty

#### (2) Nomination and appointment of directors and top management

Method of selection and selection of persons to be appointed as company directors and independent directors

Process for the selection of directors

The Nomination and Compensation Committee is responsible for the recruitment of knowledgeable and talented people. Have qualifications and experience as required by the



company Having enough time to perform duties for the company. And present to the Board of Directors / the shareholders' meeting for approval as follows:

1. One shareholder has votes equal to the number of shares he holds.
2. Each shareholder may use all their votes according to 1. To elect one or more persons to be a director. But cannot divide the votes to any person at any amount
3. The persons receiving the most votes, in descending order, shall be elected as directors equal to the number of directors required or to be elected at that time. In the event that persons receiving votes in respective orders receive equal votes which exceed the number of directors required or to be elected at that time The chairman of the meeting shall have the casting vote.
4. In every annual general meeting of shareholders To dismiss the directors one-third of the number of directors at that time If the number of directors cannot be divided directly into three parts Shall be issued by the number nearest to one-third The outgoing directors may be re-elected. Directors who must retire in the first or second year after the registration of the company In the next year, the directors who are in the longest positions shall retire.
5. The meeting of shareholders may pass a resolution to dismiss any committee members before the expiration of the term With a vote of not less than three-fourths of the number of shareholders present and having the right to vote And having shares counted together Not less than half of the number of shares held by shareholders attending the meeting and having voting rights

#### **Qualifications of Independent Directors**

The Nomination and Remuneration Committee is responsible for the selection of qualified and independent individuals as specified by the Board of Directors and in accordance with the rules of the Capital Market Supervisory Board as follows:

1. Holding no more than 1 percent of the total shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company, including the shareholding of related persons of that independent director.
2. Not being or used to be a director with participation in management, staff, staff, or advisor who receives a regular salary Or the controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary company Major

shareholder Or those with control of the company Except for the case that such a director has passed from no less than 2 years prior to the day on which he or she is appointed as an independent director. Or an advisor to a government organization that is a major shareholder Or the controlling person of the company.

3. Not being a person who has a blood relationship Or by legal registration In the form of parents, spouses, siblings, and children, including spouses of children of executives of major shareholders Regulator Or the person who will be nominated as the executive or controlling person of the company Or subsidiary.

4. Does not have or has ever had a business relationship with a value of 3% of the company's net tangible assets or 20 million baht or more Whichever is lower, with the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company In a way that may obstruct his independent judgment, including not being or having been a significant shareholder Or the controlling person of the person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company Except that having passed the aforementioned position for not less than 2 years before the date of appointment as an independent director.

(Business relations Means a transaction that is normally done for a business Rental or rental of real estate Transactions relating to assets or services Or giving or receiving financial assistance By accepting or lending loans and guarantees of assets as collateral for liabilities Including other similar circumstances Resulting in a company or contract party having an obligation However, the calculation of the said debt burden shall be in accordance with the calculation method for the value of the connected transaction under the Notification of the Capital Market Supervisory Board regarding the rules for connected transactions).

5. Not being or having been an auditor of the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company And not being a significant shareholder Regulator Or a partner of the audit firm Which have auditors of the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company under Except that having passed the aforementioned position for not less than 2 years before the date of appointment as an independent director.





6. Not being or having been a professional service provider of any kind Which includes providing services as legal advisors or financial advisors Which receives service fees in excess of 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company And not being a significant shareholder Regulator Or a partner of that professional service provider Except that having passed the aforementioned position for not less than 2 years before the date of appointment as an independent director.

7. Not being a director appointed to be a representative of the company's director Major shareholder Or shareholders who are related to a major shareholder.

8. Do not operate in a business of the same nature and in significant competition with the business of the company Or subsidiary Or not a significant partner in a partnership Or being a director that participates in the management of employees, staff, consultants who receive a regular salary Or holding shares exceeding 1 percent of the total voting shares of other companies Which operates in the same business and in significant competition with the business of the company or subsidiary.

9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After being appointed as an independent director with the characteristics as in 1 to 9, the independent director.

May be assigned by the board of directors To decide on the business operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company Major shareholder or controlling person of the company By having a collective decision.

#### (3) Number of companies in which a director holds a position

The company has disclosed the positions of each director in other companies under the heading of "Personal data of company directors and executives" at present The Board of Directors has no more than 5 board members of listed companies.

#### (4) Integration or separation of positions

Chairman of the Board And the Executive Chairman are the same person, but the company has set the roles Authority and responsibility According to the various committee charter There are clearly specified the authority, duties and responsibilities of the directors. There are 1 in 3

independent directors of the Board of Directors which are independent experts to help check the balance. And in the board meetings, the directors are able to perform duties independently. In the event that the matter is considered to have a stakeholder as the CEO, the Chairman will not attend the meeting on that matter. And other committee members to act as the chairman of the meeting temporarily.

#### (5) Company secretary

The Board of Directors has appointed that Lieutenant Methi Itthiriwichai, who has the appropriate qualifications and experience, to be the company secretary. By having the roles and responsibilities as specified by the company (Details are in the topic of "Management structure on company secretaries")

#### 5.2 Sub-committee

The Board of Directors has appointed 4 sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee Board of directors And the Risk Management Committee.

In order to give shareholders confidence in the company's operations. That there is transparent operations. There are moderators Review and advise carefully. The Board of Directors has appointed a sub-committee. To perform the said duties and report the results to the Board of Directors. The sub-committee currently consists of Board of directors Audit Committee Nomination and Remuneration Committee And the Risk Management and Anti-Corruption Committee. The scope of power, duties and responsibilities of each committee are independent. To help in overseeing the company's business. Every chairman of the board of directors is responsible for overseeing operations in accordance with the policies of the Board of Directors. And report the performance to the board of directors' meeting.

#### Scope of duties of each sub-committee

Scope of duties and responsibilities of the Executive Committee

1. Operate and manage the business of the company in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the board of directors' meeting and / or the shareholders' meeting of the company.

2. Considering determining the policy, direction and strategy, the business operation plan and annual budget of the company Human resource management Information technology investment, public relations expansion And control and supervise the operation of the appointed



working group to achieve its goals in order to propose to the meeting of the Board of Directors for approval.

3. Consider the annual budget allocation as proposed by the management. Before proposing to the Board of Directors for consideration and approval This includes the consideration and approval of changes and additions to the annual budget during the absence of the Board of Directors' meetings but within the scope of the authority approved by the Board of Directors. And present to the board of directors To be informed in the next meeting.

4. Consider and approve And / or approve the transaction relating to investment Financial management General administration Procurement and procurement And any other items relating to the company's business Within the scope of authority approved by the board of directors.

5. Consider and approve important investment expenditures as specified in the annual budget as assigned by the Board of Directors. Or as the Board of Directors has approved in principle.

6. To make recommendations for business expansion and joint ventures with other parties within the scope of authority approved by the Board of Directors and presented to the Board of Directors. For approval / acknowledgment in the next meeting.

7. is a group of management consultants regarding financial policies, marketing, personnel management And other operations.

8. Consider the company's profits and losses. Proposal of interim dividends or annual dividends To propose to the board of directors for approval.

9. The Executive Board may delegate the power to one or many directors or other persons. Operating one Under the control of the executive board Or may authorize the said person Having the authority as the Executive Committee deems appropriate And within the period that the Executive Committee deems appropriate The Executive Committee may cancel, withdraw, change or amend the authorized persons. Or the authorization as it thinks fit.

The authority of the Executive Committee And / or delegation Must not be the approval of connected transactions Or any items that may have a conflict of interest Or any items that the Executive Committee Or persons who may have conflicts of interest with the Executive Committee Or any other benefits which conflict with the company Or subsidiary In accordance with the regulations of the Stock Exchange of Thailand And / or announcements of the Office of

the Securities and Exchange Commission The approval of such transactions must be proposed to the Board of Directors 'meeting and / or the shareholders' meeting. To consider and approve the said transaction in accordance with the regulations of the company or relevant laws.

#### **Duties and responsibilities of the Executive Committee**

1. Propose goals, policies, work plans and annual budgets to the Board of Directors
2. Responsible for managing the business of the company in accordance with the directions, goals, business policies of the company.
3. Responsible for increasing the company's competitiveness And encourage continuous innovation.
4. Responsible for the company's operations in accordance with the law, objectives, regulations of the company. Shareholders meeting's resolution Board of Directors resolution As well as relevant regulations.
5. The executive committee may share the responsibilities Which must report the progress of the business that he supervises to the executive board meeting to know.
6. Ensure the preparation of financial reports. For the auditor to audit And / or reviewed Before proposing to the audit committee And the Board of Directors respectively.
7. Consider the issues proposed to the Board of Directors for approval or approval.
8. Improve and amend the Executive Committee Charter. And present to the Board of Directors for approval.
9. Perform other duties as assigned by the Board of Directors.

#### **Scope of duties and responsibilities of the audit committee**

1. Considering the disclosure of connected transactions and possible conflicts of interest. To ensure that the company has complied with the rules And the regulations of the stock exchange Strictly And the said transaction is reasonable and is of the maximum benefit to the company.

2. Considering the financial statements of each quarter And the annual financial statements which have been reviewed and audited by the auditor together with the auditor and the management before disclosing information to the Stock Exchange of Thailand. And general public Reviewing the financial statements to ensure the accuracy of financial information to be complete. Reliable and transparent In accordance with accounting standards Including related laws and regulations.



3. Review the company to have an internal control system. And internal audit systems And consider the independence of the internal audit department As well as granting approval for consideration, appointment, transfer Termination of the chief of the internal audit department or any other department responsible for the internal audit Including reviewing the company's risk management system.

4. Review the internal audit report regarding the operations of the company. As planned For various departments Have better internal control systems Which will result in efficient and effective work.

5. Review to ensure that the company complies with the securities and exchange laws. SET requirements And laws related to the company.

6. Consider, select, nominate, nominate and compensate. And evaluate the work of the company's auditors Including attending meetings with the auditor without the attendance of the management At least 1 time per year.

7. Prepare the corporate governance report of the audit committee. By disclosing in the company's annual report The report must be signed by the chairman of the audit committee. And must contain at least the information specified by the Stock Exchange of Thailand as follows.

- Comments on the accuracy, completeness, and credibility of the company's financial reports
- Comments on the sufficiency of the internal control system of the company
- Comments on compliance with the Securities and Exchange Act SET requirements Or laws related to the company's business
- Comments regarding the suitability of the auditor
- Comments on transactions that may have conflicts of interest
- Number of the audit committee meetings And attendance of each member of the audit committee
- Overall comments or observations Which the Audit Committee has received from performing duties under the charter
- Other transactions that shareholders and general investors should know Within the scope of duties and responsibilities assigned by the Board of Directors

8. Perform other duties as assigned by the Board of Directors with the approval of the audit committee.

#### **Duties and responsibilities of the audit committee**

1. Review to ensure that the company has accurate and sufficient financial reporting. By reviewing important accounting policies of the company Including disclosure of information in accordance with financial reporting standards.

2. Review that the company has internal control, risk management And an appropriate and effective internal audit system

3. Review the compliance with the anti-corruption policy of the company.

4. Consider the independence of the internal audit department. As well as giving approval to the evaluation, appointment, transfer, and termination of the head of the internal audit department Or any other department responsible for internal auditing Including supervising the position of head of internal audit Have educational experience Development of training that is appropriate to the duties

5. Consider and approve the charter of the internal audit department.

6. Consider and approve the audit plan. And monitor the implementation of the plans of the internal audit department.

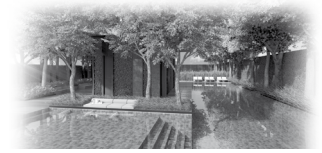
7. Review the company to comply with the law on securities and stock exchange. Regulations of the Stock Exchange of Thailand And laws related to the company's business.

8. Consider, select, nominate and terminate the independence of To act as the company's auditor and propose the remuneration of the said person To obtain approval from the shareholders' meeting including.

Attend a meeting with the auditor Without the management team attending the meeting at least once a year.

9. Consider the connected transaction or the transaction that may have conflict of interest. To be in accordance with the laws and regulations of the Stock Exchange of Thailand. And the announcement of the Capital Market Supervisory Board This is to ensure that the said transaction is reasonable. And is in the best interest of the company.

10. Prepare a report of the audit committee By disclosing in the company's annual report The report must be signed by the chairman of the audit committee. And must contain at least the following information.



(A) An opinion on the accuracy, completeness, and credibility of the company's financial reports.

(B) Comments on the sufficiency of the internal control system Risk Management and Corruption of the Company.

(C) Comments on compliance with the securities and exchange laws Regulations of the Stock Exchange of Thailand Or laws related to the company's business.

(D) Comments regarding the suitability of the auditor. And the head of the internal audit department.

(E) Comments on transactions that may have conflicts of interest.

(F) The number of the audit committee meetings And attendance of each member of the audit committee.

(G) Overall opinion or observation that the audit committee has received from performing duties under the charter.

(H) other transactions that shareholders and general investors should know Within the scope of duties and responsibilities assigned by the Board of Directors.

11. In performing the duties of the audit committee If found or suspect that any of the following items or actions may have a significant impact on the company's financial position and results of operations.

The Audit Committee shall report to the Board of Directors. In order to make improvements within the time that the Audit Committee deems appropriate

(A) Transactions which cause conflicts of interest

(B) Corruption Or there is something wrong Or there are significant defects in the internal control system.

(C) Violations of laws governing securities and exchange Regulations of the Stock Exchange of Thailand.

Thailand or laws related to the company's business If the board of directors Or executive If any action is not taken within the stipulated time frame, any member of the audit committee may report such transactions or actions to the Office of the Securities and Exchange Commission. Or the Stock Exchange of Thailand.

12. Support and monitor the company to have an effective risk management system

13. Ensure that the company There are channels to receive clues and complaints. Regarding inappropriate financial statements Corruption Or other issues With a preventive process And confidentiality of the whistleblower Including an independent investigation process And have proper tracking actions.

14. Ensure that the company has a management system with good corporate governance principles.

15. Review, update and amend the audit committee charter annually And present to the Board of Directors for approval.

16. Arrange self-assessment at least 1 time per year.

17. Perform other duties as assigned by the Board of Directors. With the approval of the audit committee by virtue of the regulations of the company and the law.

#### **Scope of duties and responsibilities of the Nomination and Remuneration Committee**

1. Considering, selecting, evaluating and selecting suitable persons to be appointed as the company's directors.

2. Consider the persons to be appointed as directors As proposed by the shareholders of the company.

3. Consider proposing the person to be a director of the company. In order for the Board of Directors to consider and propose for approval to the shareholders' meeting or the Board of Directors to approve the appointment of the new director in place of the vacant position.

4. Reviewing the qualifications of independent directors and proposing any changes in approval To the board of directors.

5. Consider and review the structure of the company's payroll system. As well as suggesting methods and methods Compensation for the Board of Directors And various committees Appointed by the Board of Directors.

6. Propose compensation policy for management. In accordance with the company's performance and the management's performance.

7. Consider the salary increase budget. Changing wages and compensation Annual award of executive officers Before proposing to the board of directors.

#### **Duties and responsibilities. Recruitment. Compensation.**

1. Considering the selection of qualified persons to be appointed as the Company's directors.





2. Check the history and various information Of the selected persons With consideration to knowledge Experience ability Expertise from a variety of professions Have suitable qualifications In accordance with the regulations of the company And related laws.

3. Prepare comments or suggestions For consideration.

4. Nominate the selected persons to the Board of Directors for consideration.

5. Update and amend the charter of the Nomination and Remuneration Committee And present to the Board of Directors for approval.

6. Other operations As assigned by the Board of Directors.

7. Evaluation of the performance of the Board of Directors in each year ,

8. Consider fixing the compensation limit for directors. By considering the company's performance, compensation limit approved by the shareholders' meeting And the amount of compensation paid in the previous year for submission to the Board of Directors for consideration And present to the shareholders' meeting for approval.

9. Consider allocating compensation to the company's directors. Based on the performance Authority and amount of responsibility Within the amount approved by the shareholders and presented to the board of directors for approval.

10. Consider allocating remuneration to various sub-committees. (Which is not a director of the company) by considering the performance, authority and amount of responsibility and present to Board of Directors for approval.

11. Improve and amend the Nomination and Compensation Committee Charter And present to the board of directors For approval.

12. Other operations As assigned by the Board of Directors.

### **5.3 Roles and responsibilities of the Board of Directors**

#### **(1) Leadership and vision**

The Board of Directors consists of persons with knowledge, ability and experience that are beneficial to the company, leadership and independence in decision making. Including supervising the business of the company to be in accordance with the objectives and objectives set To maximize benefits for the company and shareholders. The board of directors It defines the vision, mission and is responsible for determining the direction, goal. Company business policy Including approving company strategy, plans, and annual budget Offered by management Which has followed up the operations of the management And overseeing the

implementation of the company's strategy The management has reported to the Executive Committee meeting And the Board of Directors acknowledges on a monthly basis Each meeting of the faculty will specify the agenda to acknowledge the company's performance.

#### (2) Conflict of interest of the Board of Directors

Paying attention to the care of conflicts of interest or connected transactions with prudence, fairness, and transparent procedures for approving transactions. The policy regarding conflicts of interest has been established as part of the good corporate governance policy. As for the ethics of the business of the company, when the company has a connected transaction Has stipulated that directors with vested interests do not have voting rights and must disclose complete information in accordance with the regulations of the Securities and Exchange Commission. The transaction has been disclosed in both Thai and English through the news channels of the Stock Exchange of Thailand. And the company's website. In addition, the company has disclosed such information in the topic of connected transactions In the annual report And the annual registration statement (Form 56-1) of the company.

#### (3) Internal control systems and risk management

Board of directors Aware of the importance of having a operational control system Financial reporting And in compliance with the rules and regulations of the company The internal audit department is responsible for examining, evaluating and monitoring the performance of the said system. As well as giving advice to ensure that Proceeded according to the specified guidelines effectively The audit results are reported to the Executive Committee and the Audit Committee in 2019. The company's Internal Audit Department Brought the examination results to a meeting with the relevant management To improve Exchange ideas And the audit report to the Executive Committee and the Audit Committee. In addition, meeting with the authorized auditor To know the financial reports regarding the review of quarterly financial statements And the results of the annual financial statement audit of the company And from evaluating the internal control system And the company's risk management system In summary, the company has prepared the financial statements correctly. Internal control system that is appropriate and sufficient.

#### (4) Risk management

Board of directors Give importance to risk management that affects the organization's goals. The risk management process is systematic and in line with the company's policy. The



Board of Directors has appointed the Risk Management and Anti-Corruption Committee. To oversee the effective risk management With a risk assessment And monitor risk management plans, as well as report to the Board of Directors.

#### **5.4 Term of Directorship**

Company director Has a tenure in accordance with the Articles of Association of the company And after the expiration of the term, he or she may be re-elected to continue his office. The age of the directors has not been determined. The number of companies in which each director holds a position, and the number of consecutive terms that he or she can hold Due to the company Believe that the business competence and expertise of each director does not depend on the age of the directors Or the number of companies in which each director holds a position

#### **5.5 Number of companies in which the directors are appointed**

The company has disclosed the names of directors, profiles, shareholding experience, and position of each director in other companies in Attachment 1 of Form 56-1 and in the annual report. Currently, the company has no directors. Who are in the position of directors of more than 5 listed companies, all of whom have fully devoted their time to perform duties for the company By regularly attending meetings And always benefit the company.

#### **5.6 Board meetings**

Board of directors Giving importance to meeting attendance and considered as a duty To acknowledge and participate.

Decides on the operations of the company. Meetings are scheduled in advance throughout the year. Which held every month The company secretary will send a meeting invitation letter. Along with the agenda Previous meeting minutes And supporting documents for the meeting of the Board of Directors on To consider at least 5 working days in advance, the Board of Directors can propose additional matters on the meeting agenda. The secretary of the company will prepare the minutes of the meeting and keep the minutes of the meeting that have been approved by the board of directors and can be examined by the board of directors and related parties for consideration. Chairman of the Board Which acted as the chairman of the meeting, allowing the directors and executives to express their opinions freely at the end of the meeting. The company secretary is responsible for preparing the meeting minutes. And to send to the Chairman of the Board to consider, sign and certify the accuracy by proposing to the

meeting for approval in the first agenda of the next meeting. In this regard, the Board of Directors can express opinions and request amendments to the minutes to be as accurate as possible. The meeting has approved. Will be stored systematically at the company office And stored in electronic documents together with attachments for various meeting agendas. For the convenience of searching references

### **5.7 Board Self Assessment**

Self-assessment of the Board of Directors The company has set a self-assessment of the board of directors on an annual basis. Which is the opinion of each director of the Board of Directors on the overall performance of the entire Board of Directors In order to use as a framework to improve the performance of duties of the Board of Directors in the year 2019. The overall evaluation was in the "good" level with an average score of 81.45 percent.

### **5.8 Directors and management remuneration**

#### **- Directors' remuneration**

Nomination and Remuneration Committee There is a compensation consideration process in which the Board of Directors will jointly determine the compensation limit. And present to the shareholders' meeting for approval based on the Company's operating results The amount of compensation approved by the shareholders' meeting And the amount of compensation paid in the past year Which the remuneration will be paid as a meeting allowance when attending the board meeting And the annual compensation will be paid to all directors The committee members who are members of the sub-committee will receive remuneration for their duties as well as receive meeting allowances when attending the meeting. In this regard, the 2019 Annual General Meeting of Shareholders held on April 29, 2019 has approved the remuneration of directors in the amount not exceeding 4 million baht per year and paid in the total amount of 2,370,000 baht.

#### **Auditor's remuneration**

Year Name of auditor Auditor

Authorized company number

2017 Miss Yupin Chuanchai 8622 SP Audit Company Limited

2018 Miss Yupin Chuanchai 8622 SP Audit Company Limited

2019 Mrs. Suwimol Krittayakian 2982 DIA International Auditing Company Limited



Summary of the auditor's inspection report for the past year

Year 2017, the auditor expressed unqualified opinions on the consolidated financial statements of the company. Subsidiaries and joint ventures And the separate financial statements of the company

Year 2018 The auditor has unqualified opinions on the consolidated financial statements of the company. Subsidiaries and joint ventures And the separate financial statements of the company

Year 2019 The auditor has unqualified opinions on the consolidated financial statements of the company. Subsidiaries and joint ventures And the separate financial statements of the company

Audit Fee

EMC Group paid the audit fee for the year 2019 in the amount of 4.91 million baht.

Non-Audit Fee (if any)

-None-

# Corporate Social Responsibility

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

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

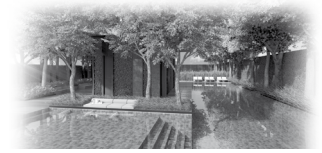
**1. Corporate Governance :** The company aims to become a good model of construction with credibility for investors and interested persons so as to enhance the value and promote the sustainable growth of the organization. To accomplish the goal and maintain the best in morality which is a valuable basis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

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

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

In order to ensure respect for human rights effectively, the company has created knowledge on human rights and cultivated consciousness for the company's personnel. Follow human rights principles.

**3. Fair Employee Treatment :** The company has supervised the wages to be at the level that is suitable for the Thai industry. Structural changes and organizing that organization will take responsibility which is under the framework of Thai law and in compliance with the law, the company has established a provident fund to create security for employees



1. To respect the rights of employees under the principles of the human rights and in compliance with labor laws

2. To provide recruiting process, fair employment conditions, and compensation determination, as well as to consider performance achievement under fair performance appraisal process

3. To provide a regular assessment in respect of compliance of the policies set forth

4. To provide welfare facilities for employees as required by laws such as social security, others welfare facilities apart from the laws such as health insurance, accident insurance, including allowances for children's scholarships, funeral allowance, etc.

5. To ensure that the employees work in safe and healthy workplaces under measures provided to prevent accidents and encourage safety awareness among employees, by this means, trainings are provided to promote good hygiene of employees and workplaces to attain consistent safety.

6. To promote personnel development by providing trainings, seminars, professional development, potential development, as well as to build up positive attitude, morality, ethics and teamwork among its personnel

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

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

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

#### **Guidelines for preventing involvement in corruption**

The company has an ideology of conducting business with morality. By adhering to social responsibility and all stakeholders according to good corporate governance And the code of conduct of the company As well as policies and guidelines for stakeholders of various groups of the company to ensure that the company Have a policy to define responsibility Guidelines and requirements for appropriate actions To prevent corruption with every business activity of the company And in order to make business decisions and actions that may have a risk of corruption being considered And practice around The company has prepared "Anti-corruption guidelines" in writing To be a clear guideline for conducting business And develop the organization to a sustainable organization

### Practice guidelines

1. The directors, management and employees of the Company, associated companies, and subsidiaries are prohibited to accept or support any form of corruptions, both direct and indirect, which covers all companies in this business line, including contractors or subcontractors involved. The implementation of the policy against corruption shall be reviewed regularly, and the guidelines shall be reviewed in compliance with the policy, procedures, prescriptions, rules and regulations, notifications, laws, and changes of business.

2. The Standard of Anti-Corruption is a part of the business operations and responsibilities of the Board of Directors, management, supervisor, and employees at all levels, including suppliers or subcontractors to share opinions and achieve the implementation of anti-corruption in line with the policies set forth.

3. The Company shall not engage in or support bribery in all forms and all activities under its supervision, including controlling, and donations to charity and political parties. For provision of any business gifts or activity support shall be transparent without intention to convince public or private official to conduct inappropriate operation.

4. The Company shall provide appropriate internal control regularly to prevent employees from improper performance.

5. The Company shall provide knowledge on anti-corruption to the Board of Directors, management, and employees to promote honesty, good faith, and responsibility in the operation of their responsible duties, with an aim to convey the commitment of the Company in this regards.

6. The Company shall provide a mechanism to report its financial status with transparency and accuracy.

7. The Company shall encourage diverse communication channels so that employees and concerned parties can identify clue suspicion by ensuring that the whistleblower shall be protected without punishment, unfair migration, or bullying in any way, thereby the appointment of persons who monitor all incoming notifications shall be made.

8. The Company is in the process to express its intention to participate with the private ally in Thailand to fight corruption.

### Follow-up

The Company has the internal audit department who plays a significant role in monitoring and evaluating the implementation of policies related to anti-corruption functions. The Audit Committee is responsible for reviewing the adequacy of the internal controls of the organization to report to the Board of Directors who plays a significant role in reviewing the appropriateness of the policy including measures to





develop the framework and guidelines on anti- corruption functions in order to build up confidence with all stakeholders

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

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

● **Activities promoting relationship with neighboring community**

In addition to building strong relationships with neighboring communities, the Company also focuses on building networking and strong relationships with government agencies and organizations in neighboring areas as well, In the year 2018, the company has participated in CSR activities as follows:

**EMC donated essential items to Phayathai Babies House**

EMC Public Company Limited or EMC is a leader in construction engineering, system work and real estate developer. Both condominiums, townhomes, commercial buildings and community mall organize CSR (Corporate Social Responsibility) activities, which are activities that the company has consistently conducted every year. On 9 November 2019, Mr. Krishna Sa-ngaengsaeng, Director of EMC Public Company Limited, assigned the employees of the company Make merit by donating items such as diapers, UHT milk box, chocolate butter, toothpaste, tank top, milk powder, liquid soap, skin cream, pillows, new dolls, snacks Along with feeding the sponsored children at the Protection and Development Center for the disabled Some bougainvillea Nonthaburi Province

Due to the company Recognizes the importance of youths who will be the economic driver in the future, even though these children are abandoned at birth But if growing up well, it can be developed to improve society and economy as well The company is therefore ready to help and donate items as needed for the home for the babies to use in the future.





# Internal Control and Risk Management

In the Audit Committee Meeting No. 13/2019 on December 18, 2019, with Independent directors and members of the Audit Committee meeting together has given importance to the internal control system. There is a continuous management and follow-up system in order to prevent and reduce potential risks and have an Audit Committee to review and evaluate the internal control system together With an internal audit department reporting the results to the Audit Committee performed a review of the operation system in various departments of the company according to the annual audit plan. Approved by the Audit Committee which has the following objectives

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

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

- **Organization Control and Environment**
  - Having clear business policy and target as well as supervising the implementation to be progressing as plan
  - Having the personnel performance indicators and quality manual which is the top-down guidance documents for the staff to follow
  - Having the ISO 9001: 2008 and internal audit as a tool in supporting the management to be able to control operation effectively and efficiently as well as being useful in management decision
  - Having regularly reviews on business targets and analysis of staff incentive scheme with reasonably by taking into account of shareholders' interests and maximum returns of the Company
  - Having a provision to prohibit management and staffs to conduct themselves in

manner that might cause a conflict of interests in the Company including the penalties

- The Company is formulating the code of conducts to use as a future guideline of all staffs and also adhere in moral commitment toward to trade partners, with due care for the works in hand, punctual payments and fair treatment for the trade partners.

## **2. Risk management**

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

## **3. Control Activity**

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

## **4. Information and communication**

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

## **5. Monitoring and evaluation**

The Company has set out business targets to achieve, which the Board of Directors will regularly monitor and supervise the operation, review and compare the performance of the



management with the targets. The Company will ensure that there is an examination of implementation under the internal control system on a regular basis, the results of which reported directly to the Board of Directors or the Audit Committee. It also has a policy for the management to report to the Board of Directors in case of any events that are or may be regarded as misconduct, violation of the laws and/or any irregularities that may materially affect the reputation and the financial status of the Company.

### **Risk management**

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

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

### **Head of the internal audit and Head of the Compliance of the Company**

1. Internal audit is a crucial part of internal supervising system. The audit committees appoint Mr. Thitapakorn Prasartvachirakul to be internal audit Assistant manager. Mr. Thitapakorn Prasartvachirakul has given internal audit policy in accordance with standard of The Institute of Internal Auditors to assure the value increase and the improvement of the operational system of organization to be of competence. The report of result shall also be fully undertaken. The regulations associated with the company's business shall be conducted strictly.

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

2. The Compliance Department of the Company at present appoints Mr. Matee Ittirivichai as the Compliance Manager directly reporting to the Board of Directors.



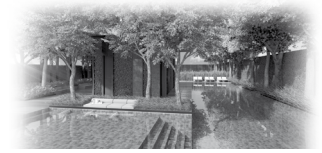
1. Connected Transactions between the company the company and persons who may have conflicts of interest

(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value	
				As of Dec 31, 2019	As of Dec 31, 2017
1. BR Construction Co., Ltd.	Subsidiaries	1. Interest with charged from short term loan subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-7.50% per year.	2,482	2,494
		2. Account Receivable	Accounts receivable occurred from the outstanding construction services at the end of the accounting period.	139,427	139,119
		3. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-7.50% per year.	94,707	91,707
		4. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-7.50% per year.	20,502	15,346
		5. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	4,600	4,600

(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
2. Rich Man Property Co., Ltd.	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	9,097	34,874	33,602
		2. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	466,846	465,846	463,346
		3. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	89,748	80,651	75,001
		4. Accrued Income	The transaction occurred from other income of subsidiaries	12	12	-
		5. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	8,314	2,129	2,129
		6. Income from Consulting fee with charged to subsidiaries	The transaction occurred from the consulting service which provided to subsidiaries by reasonable and fair pricing and no difference with customers.	3,558	-	-



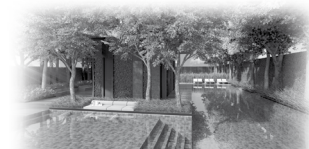
(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
3. North Property Company Limited	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	998	3,770	3,610
		2. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	51,104	51,104	49,604
		3. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	13,951	12,953	9,184
		4. Advance Payment	The transaction occurred from the construction advance payment and charged on the actual price.	15	-	-
		5. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	639	247	247
4. Saija Bangsaen Condominium Co.,Ltd.	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	929	3,505	3,026
		2. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	47,614	47,614	44,614
		3. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	12,119	11,190	7,684
		4. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	1,049	603	603



(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
5. Siam Bangkok Development Co., Ltd.	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	1,846	3,012	5,534
		2. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	18,500	37,400	47,200
		3. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	2,002	2,927	3,007
		4. Accrued Income	The transaction occurred from other income of subsidiaries	1,304	492	-
		5. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	1,381	-	530
		6. Income from Consulting fee with charged to subsidiaries	The transaction occurred from the consulting service which provided to subsidiaries by reasonable and fair pricing and no difference with customers.	5,160	5,160	5,656
		7. Other Income	The transaction occurred from other income of subsidiaries	724	-	-
6. Imperial Land Co., Ltd.	Subsidiaries	1. Income from Consulting fee with charged to subsidiaries	The transaction occurred from the consulting service which provided to subsidiaries by reasonable and fair pricing and no difference with customers.	5,540	6,119	6,119
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	15,431	14,392	11,633
		3. Short term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	218,000	205,000	165,000



		4. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate 6.50-6.87% per year.	40,456	26,025	11,633
		5. Accrued Income	The transaction occurred from other income of subsidiaries	19	15	-
		6. Other Receivable	The transaction occurred from the construction advance payment and charged on the actual price.	15,748	9,820	3,273
		7. Other Income	The transaction occurred from other income of subsidiaries	4	-	-

(Unit : thousand Baht)

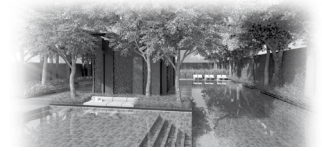
Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
7. EMC and Power Line Joint Venture.	Joint Venture between the company and Power Line Engineering Public Co.,Ltd.	1. Interest with charged from short term loan for joint venture operation	The transaction occurred from loan of company operation with interest at the rate of 8% per year.	-	-	21
8.Sanken-EMC Co.,Ltd.	Associated Company	1 Income from Consulting fee with charged to joint venture.	The transaction occurred from the consulting service which provided to associated company by reasonable and fair pricing and no difference with customers.	-	-	209
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.50% per year	271	188	63
		3. Short term Loan	The transaction occurred from loan of associated company operation with interest at the rate 6.50-7.50% per year.	4,600	2,500	2,500
		4. Accrued Interest Receivable	The transaction occurred from loan of associated company operation with interest at the rate 7.50% per year.	366	95	63
		5. Other Receivable	The transaction occurred from the outstanding services at the end of the accounting period.	-	-	607
		6. Account payable	Accounts payable occurred from the outstanding material purchasing and construction services at the end of the accounting period.	-	8,992	8,340
		7.Retention Payable	The transaction occurred from the materials construction purchasing and services and deducted retention.	10,128	4,820	1,022
		8. Construction Cost	The transaction occurred from the material cost by reasonable and fair pricing and no difference with customers.	97,290	133,621	37,325



(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
9. UA Withya Public Company Limited.	Related party as CEN being a common shareholder and co-shareholder.	1. Construction Cost	The transaction occurred from the material cost by reasonable and fair pricing and no difference with customers.	27,249	28,932	-
		2. Finance Costs	The transaction occurred from the loan payment for Imperial Land Company Limited (Subsidiaries) by four promissory notes including subsidiaries loan with interest at the rate 6.25%	-	524	10,083
		3. Account payable	Accounts payable occurred from the outstanding material purchasing and construction services at the end of the accounting period.	4,888	16,299	14,769
		4. Retention Payable	The transaction occurred from the materials construction purchasing and services and deducted retention.	1,778	1,050	332
		5. Short Term Loan	The transaction occurred from the loan payment for Imperial Land Company Limited (Subsidiaries) by four promissory notes including subsidiaries loan with interest at the rate 6.25%	-	-	170,000
		6. Accrued Interest Payable	The transaction occurred from the loan payment for Imperial Land Company Limited (Subsidiaries) by four promissory notes including subsidiaries loan with interest at the rate 6.25%	3,554	3,554	3,783
		7. Other Receivable	The transaction occurred from the outstanding services at the end of the accounting period.	61	61	-
		8. Other Revenues	The transaction occurred from the materials construction purchasing and services.	-	2,130	-
10. Chiangmai Daily Company Limited – EMC Public Company Limited Joint Venture	Related party as being a common shareholder and co-shareholder.	1. Interest with charged from short term loan for joint venture operation	The transaction occurred from loan of company operation with interest at the rate of 7.50% per year.	76	5	-
		2. Short term Loan*	The transaction occurred from loan of subsidiaries operation with interest at the rate 7.50% per year.	-	3,814	-

	3. Other Receivable	The transaction occurred from the outstanding services at the end of the accounting period.	2,438	-	-
	4. Accrued Interest Receivable*	The transaction occurred from loan of subsidiaries operation with interest at the rate 7.50% per year.	-	5	-
	5 Income from Consulting fee with charged to joint venture.	The transaction occurred from the consulting service which provided to associated company by reasonable and fair pricing and no difference with customers.	2,230	-	-

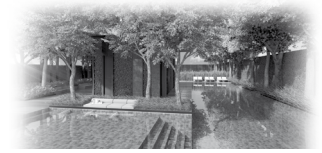


(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
11. Siam Grand Property Co., Ltd.	Relate Party	1. Other payable	The transaction occurred from Project purchase Deposit	2,003	2,003	2,003
		2. Other Receivable	The transaction occurred from the outstanding services at the end of the accounting period	16,805	16,805	16,805
12. Poonsub Property Co., Ltd.	Relate Party	1. Advance Payment for material and contractor	The transaction occurred from the outstanding material purchasing and construction services at the end of the accounting period.	17,205	17,205	17,205
		2. Retention Payable	The transaction occurred from the materials construction purchasing and services and deducted retention.	2,514	2,366	2,366
		3. Other Receivable	The transaction occurred from the outstanding services at the end of the accounting period.	46	46	46

(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
13. Mr. Anuwit Tantisevekul	Former Executive	1. Other Receivable	The transaction occurred from loan of subsidiaries Managing Director with market interest rate.	57	57	57
		2. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation without interest.	733	733	733
14. Mr. Norapat Tiyanpan	Director of subsidiaries (Already resigned in 2007)	1. Advance	The transaction occurred from an advance payment for the operation of subsidiaries.	156	156	156
		2. Other Receivable	The transaction occurred from loan of subsidiaries Managing Director with market interest rate.	22	17	17



		3. Other Payable	The transaction occurred from investment in subsidiaries	5,247	5,247	5,247
		4. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation without interest.	4,635	4,635	4,635
15. Mr.Voravit Leenabanchong	Directors	1. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation without interest.	-	-	26,038
		2. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	32,500	50,000	-
		3. Accrued Interest Payable	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	27	1,356	-
		4. Finance Cost	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	2,450	2,852	-

(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and rationality of the transaction	Transaction Value		
				As of Dec 31, 2019	As of Dec 31, 2018	As of Dec 31, 2017
16. Mr.Chanachai Leenabanchong	Directors	1. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	-	40,000	-
		2. Accrued Interest Payable	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	-	1,136	-
		3. Finance Cost	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	1,671	2,632	-
17. Mr.Chinchai Leenabanchong	Shareholder	1. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	-	5,000	-
		2. Accrued Interest Payable	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	-	16	-
		3. Finance Cost	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	31	905	-
18. Mr.Chinsiri Leenabanchong	Shareholder	1. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	17,500	30,000	-
		2. Accrued Interest Payable	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	14	814	-
		3. Finance Cost	The transaction occurred on borrowing money from Managing Director for subsidiaries operation with interest at the rate of 6.00% per year.	1,521	1,711	-

\* The Company has set a sidew the allowance for doubtful debts in full amount.





## **2. *Necessity and Justification of Transactions***

Transactions occurring in the past year are transactions made from:

1. Interest payment for short term loans from joint ventures for the operation of the company.
2. The consulting fees of projects and other incomes which collected by the Company from subsidiaries and joint ventures, is a fee charged by the company under a mutually agreed contract including the sale of scrap materials from the construction such transactions are normal business of the Company.
3. The contract works for the construction of the project instead of the subsidiary as the company undertakes the construction work and consider carefully the construction cost such transactions are normal business.
4. The material purchasing of projects, the Company has compared material prices according to the Company's regulations and the selection of material vendors is fair and considering the properties of the material vendor and the material price such transactions are normal business of the Company.
5. Short term loan for company operation without interest rate
6. Short term loan occurred from loan of subsidiaries operation with interest at the rate of 6.5-8.0% per year.

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

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

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

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

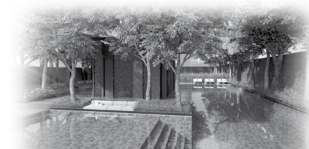
## **4. *Policy or Trend of Making the Related Party Transactions in the Future***

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

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

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

# Financial Highlights



## Auditor Remuneration

Year	Auditor	Certified Public Accountant Registration No.	Company
2017	Ms. Yupin Chumjai	8622	SP Audit Ltd.
2018	Ms. Yupin Chumjai	8622	SP Audit Ltd.
2019	Mrs. Suvimol Chrityakierne	2982	D I A International Audit Co.,Ltd..

## Audit report of the auditors in the past year

In 2017, the auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

In 2018, the auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

In 2019, the auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company

## Consolidated/Separate Financial Statements

EMC Public Company Limited, its Subsidiary and Joint Ventures

### Statement of Financial Position

As of December 31, 2019

	Consolidated Financial Statement					
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<b>Current assets</b>						
Cash and cash equivalents items	62.88	2.02	100.11	2.80	29.48	1.01
Short-term investments	1.82	0.06	5.96	0.17	3.76	0.13
Trade and other receivables	62.81	2.02	230.62	6.45	106.04	3.64
Earned revenues not yet billed	491.57	15.80	550.20	15.38	121.30	4.16
Retention receivable	172.03	5.53	117.63	3.29	82.51	2.83
Short-term loans and interest receivable to related parties	2.47	0.08	3.91	0.11	2.56	0.09
Work in progress	-	-	-	-	106.14	3.64
Inventories	768.32	24.70	874.70	24.45	997.38	34.21
Advance payments for materials and contractors	12.62	0.41	52.67	1.47	12.71	0.44
Deposits	-	-	25.00	0.70	-	-
Other current assets	18.00	0.58	6.67	0.19	9.68	0.33
<b>Total current assets</b>	<b>1,592.51</b>	<b>51.19</b>	<b>1,967.47</b>	<b>54.99</b>	<b>1,471.56</b>	<b>50.47</b>
<b>Non-current assets</b>						
Restricted banks deposits	106.44	3.42	171.29	4.79	168.98	5.80
Other long-term investments	25.00	0.80	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-
Investments in associates and joint venture	0.16	0.01	0.16	0.00	0.71	0.02
Land awaiting development	113.38	3.64	113.38	3.17	125.54	4.31
Investment property	1,032.19	33.18	1,107.37	30.95	934.32	32.05
Property, plant and equipment	170.54	5.48	156.33	4.37	158.47	5.44
Prepaid land leasehold	-	-	-	-	-	-
Intangible assets	3.24	0.10	3.76	0.11	4.54	0.16
Withholding tax deducted at sources	64.80	2.08	46.02	1.29	40.01	1.37
Advance payments for purchases of real estate projects under development	-	-	-	-	-	-
Other non-current assets	2.82	0.09	12.23	0.34	11.49	0.39
<b>Total non-current assets</b>	<b>1,518.57</b>	<b>48.81</b>	<b>1,610.54</b>	<b>45.01</b>	<b>1,444.06</b>	<b>49.53</b>
<b>Total assets</b>	<b>3,111.08</b>	<b>100.00</b>	<b>3,578.01</b>	<b>100.00</b>	<b>2,915.62</b>	<b>100.00</b>



EMC Public Company Limited, its Subsidiary and Joint Ventures

**Statement of Financial Position (Continued)**

As at December 31, 2019

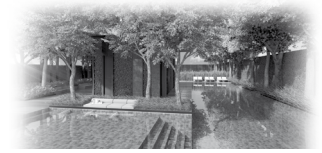
	Consolidated Financial Statement					
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Short-term loans from financial institutions	484.20	15.56	296.53	8.29	46.00	1.58
Trade and other payables	201.28	6.47	302.72	8.46	299.69	10.28
Current portion of:	-	-	-	-	-	-
Long-term loans from financial institution	1.29	0.04	154.11	4.31	316.19	10.84
Liabilities under finance lease contracts	2.56	0.08	2.48	0.07	2.12	0.07
Unbilled construction cost payables	32.62	1.05	336.66	9.41	68.85	2.36
Advances received from customers	154.24	4.96	168.01	4.70	208.43	7.15
Short-term loans and accrued interest from related parties	58.96	1.90	137.24	3.84	205.19	7.04
Provision for short-term liabilities	57.79	1.86	67.81	1.90	65.54	2.25
Other current liabilities	9.04	0.29	38.07	1.06	18.83	0.65
Total current liabilities	1,001.99	32.21	1,503.63	42.02	1,230.82	42.21
Non-current liabilities						
Long-term loans from financial institutions	-	-	1.29	0.04	5.03	0.17
Retention payable to contractors	133.36	4.29	112.15	3.13	93.14	3.19
Liabilities under finance lease contracts	11.24	0.36	3.29	0.09	3.45	0.12
Long-term advances received from customers	4.83	0.16	5.08	0.14	4.85	0.17
Provision for onerous contracts	37.33	1.20	36.94	1.03	34.14	1.17
Provision for employee retirement benefit	24.98	0.80	22.82	0.64	17.85	0.61
Deferred income tax liability	17.15	0.55	17.81	0.50	18.47	0.63
Other non-current liabilities	4.69	0.15	3.97	0.11	5.21	0.18
Total non-current liabilities	233.57	7.51	203.36	5.68	182.14	6.25
Total liabilities	1,235.56	39.71	1,706.99	47.71	1,412.97	48.46
Shareholders' equity						
Ordinary shares	12,650.63		15,180.63		13,571.25	
Issued and paid-up share capital						
8,433,754,763 Ordinary shares @ Baht 1.00 each	8,433.75	271.09	8,433.75	235.71	8,433.75	289.26
Premium on share capital	248.61	7.99	248.61	6.95	248.61	8.53
Discount on share capital	(4,459.88)	(143.35)	(4,459.88)	(124.65)	(4,459.88)	(152.96)
Premium on share capital - treasury stocks	5.97	0.19	5.97	0.17	5.97	0.20
Retained earnings (deficit)						
Appropriated						
Legal reserve	16.48	0.53	16.48	0.46	16.48	0.57
Deficit	(2,308.27)	(74.20)	(2,316.78)	(64.75)	(2,689.40)	(92.24)
Other component of equity	68.59	2.20	71.24	1.99	73.89	2.53
Total shareholders' equity of Parent Company	2,005.26	64.46	1,999.39	55.88	1,629.42	55.89
Non-controlling interests of subsidiaries	(129.74)	(4.17)	(128.37)	(3.59)	(126.77)	(4.35)
Total shareholders' equity	1,875.52	60.29	1,871.02	52.29	1,502.66	51.54
Total liabilities and shareholders' equity	3,111.08	100.00	3,578.01	100.00	2,915.62	100.00

EMC Public Company Limited, it Subsidiary and Joint Ventures

**Statements of Comprehensive Income**

For the year ended December 31, 2019

	Consolidated Financial Statement					
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Operating revenues						
Revenue from construction	943.18	78.71	1,645.35	75.84	559.03	84.94
Revenue from sales of real estate	236.53	19.74	507.59	23.40	92.07	13.99
Rental income and fee leasehold	18.57	1.55	16.50	0.76	7.02	1.07
Total Operating revenues	1,198.27	100.00	2,169.43	100.00	658.12	100.00
Operating cost						
Costs of construction	(880.70)	(73.50)	(1,421.38)	(65.52)	(498.88)	(75.80)
Cost of sales of real estate	(157.23)	(13.12)	(343.78)	(15.85)	(64.28)	(9.77)
(Loss) reversal on devaluation of property development costs are expected to be a net gain	2.65	0.22	2.28	0.11	35.29	5.36
Cost of rental and fee leasehold	(46.38)	(3.87)	(47.12)	(2.17)	(19.33)	(2.94)
Gross margin	116.62	9.73	359.43	16.57	110.92	16.85
Other revenues						
Revenue from project consultant	2.23	0.19	-	-	1.10	0.17
Interest Income	2.24	0.19	2.88	0.13	2.07	0.31
Reversal of allowance for doubtful debt	5.37	0.45	235.71	10.87	-	-
Other income	45.00	3.76	13.81	0.64	13.83	2.10
Reversal of allowance for loss on litigation claim	-	-	-	-	-	-
Gain on disposal of investment property	50.89	4.25	-	-	-	-
Total Other revenues	105.73	8.82	252.39	11.63	17.00	2.58
Operating expenses						
Selling expenses	(48.95)	(4.08)	(58.68)	(2.70)	(67.22)	(10.21)
Administrative expenses	(160.55)	(13.40)	(156.04)	(7.19)	(164.88)	(25.05)
Doubtful debt	-	-	-	-	(8.44)	(1.28)
Doubtful debt of impairment of advance payments for purchases of real estate projects under development	-	-	-	-	(466.34)	(70.86)
Loss from impairment of investments	-	-	-	-	-	-
Loss from onerous contract	-	-	(3.07)	(0.14)	(10.70)	(1.63)
Reserve short-term provisions	(0.01)	(0.00)	(1.42)	(0.07)	(6.43)	(0.98)
Loss from impairment of assets	-	-	-	-	(64.94)	(9.87)
Total operating cost	(209.50)	(17.48)	(219.21)	(10.10)	(788.96)	(119.88)
Profit (loss) before share of loss of investments in associated and joint venture	12.84	1.07	392.61	18.10	(661.04)	(19.88)
Share of loss of investments in associate and joint venture	(2.55)	- 0.21	(5.41)	- 0.25	(3.55)	(0.54)
Profit (loss) before financial cost and income tax revenues	10.29	0.86	387.20	17.85	(664.59)	(100.98)
Financial cost	(8.50)	- 0.71	(19.50)	- 0.90	(11.12)	(1.69)
Profit (loss) before income tax revenues	1.79	0.15	367.70	16.95	(675.71)	(102.67)
Income tax revenues	0.66	0.06	0.66	0.03	0.66	0.10
Profit (loss) for the year	2.45	0.20	368.36	16.98	(675.05)	(102.57)



EMC Public Company Limited, it Subsidiary and Joint Ventures

**Statements of Comprehensive Income (Continued)**

For the year ended December 31, 2019

	Consolidated Financial Statement					
	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit (loss) for the year	2.45		368.36		(675.05)	-
Other comprehensive income						
<b>Items that will not be reclassified subsequently to profit or loss :-</b>						
Revaluation surplus of Fixed assets						
Income tax relating to item that will not be reclassified						
Actuarial gain arising from defined benefit plan of employees	2.04		-		22.70	
Profit other comprehensive for the year-net income tax	2.04		-		22.70	
Total comprehensive profit (loss) for the year	4.49		368.36		(652.34)	
Profit (loss) attributable to for the year						
Shareholders of the Parent Company	3.82		369.97		(673.76)	
Non-controlling interests	(1.37)		(1.61)		(1.28)	
	2.45		368.36		(675.05)	-
Comprehensive profit (loss) attributable to for the year						
Shareholders of the Parent Company	5.86		369.97		(651.06)	
Non-controlling interests	(1.37)		(1.61)		(1.28)	
	4.49		368.36	-	(652.34)	-

Earning (loss) per share attributable to owners of the parent (Baht)

Basic earning per share	0.0005	0.0439	(0.0799)
Dilute earning per share	0.0004	0.0428	(0.0784)

EMC Public Company Limited, it Subsidiary and Joint Ventures

**Statement of Cash Flows (Continued)**

For the year ended December 31,2019

(Unit : Million Baht)

	Consolidated Financial Statement		
	2019	2018	2017
Cash flows from operating activities			
Profit (loss) before income tax revenues	1.79	367.70	(675.71)
Adjustments to reconcile profit (loss) before income tax expenses cash received (paid) from operating activities			
Depreciation and amortization	43.77	36.59	25.16
Amortization prepaid leasehold	-	4.68	-
Loss on impairment of assets	(3.60)	-	45.05
(Gain) on reversal of loss on diminution in value of real estate development cost	(2.65)	(2.28)	(35.29)
(Gain) on reverse unbilled construction cost payables	-	(1.61)	(3.75)
Gain on disposal of property plant and equipment	(0.50)	-	-
Loss from impairment of prepaid leasehold	-	-	19.89
Loss from onerous contract	1.31	3.07	10.70
Provision for short - term liabilities	6.12	16.77	13.98
Current service cost and interest expenses	8.34	4.97	9.06
Write-off withholding tax deducted at sources	-	1.05	0.09
Doubtful debt (reversal)	2.51	(235.71)	8.44
Doubtful debt of advance payments for purchases of real estate projects under development	-	-	466.34
Gain on disposal of investment property	(50.69)	-	-
Amortization accrued dividends	-	-	(2.45)
Share of loss of associated company and joint venture	2.55	5.41	3.55
Loss on sale and write-off property, plant and equipment	0.20	0.17	1.16
Gain on sale short-term investments	-	-	(0.04)
Dividend income	-	(0.00)	(0.00)
Interest income	(2.23)	(2.88)	(2.07)
Interest expense	33.45	19.50	11.12
Profit (loss) from operations before changes in operating assets and liabilities	40.38	217.43	(104.79)
Operating assets (increase) decrease			
Trade and other receivable	164.02	(114.67)	(29.42)
Eamed revenues not yet billed	58.63	(428.89)	(0.19)
ลูกหนี้เงินประกันผลงาน	(54.40)	(9.57)	(39.75)
Work in progress	(36.56)	129.44	(90.76)
Real estate development cost	145.58	115.46	(67.26)
Deposits	1.00	(19.50)	1.50
Advance payments for materials and contractors	39.90	(39.96)	38.69
Other current assets	(10.94)	2.63	(5.68)
Other non-current assets	9.41	(0.74)	(0.68)
Operating liabilities increase (decrease)			
Trade and other payables	(100.94)	13.33	157.57
Unbilled construction cost payables	(304.04)	278.98	17.80
Provision for short-term liabilities	(16.15)	(6.83)	(29.03)
Provision for onerous contracts	(0.93)	(0.27)	0.44
Advances received from customers	(14.02)	(32.51)	11.73
Other current liabilities	(28.80)	13.42	3.09
Retention payable to contractors	21.21	19.01	9.35
Non-other current liabilities	0.72	(3.62)	3.49
Cash received (paid) from operating activities	(85.93)	133.14	(123.89)
Payment for employee retirement benefit	(4.14)	-	-
Income tax paid	(18.78)	(2.70)	(10.22)
Net cash received (used) from operating activities	(108.85)	130.44	(134.11)





EMC Public Company Limited, it Subsidiary and Joint Ventures

**Statement of Cash Flows (Continued)**

For the year ended December 31, 2019

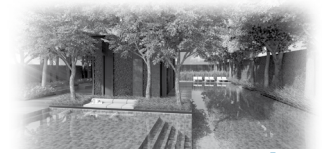
(Unit : Million Baht)

	Consolidated Financial Statement		
	2019	2018	2017
Cash flows from investing activities			
(Increase) decrease in short-term investment	4.14	(2.20)	4.88
(Increase) decrease in short-term loans to related parties	1.71	(3.81)	(2.00)
Effect on cash flow from additionally investing in subsidiary		-	-
(Increase) decrease in restricted banks deposits	64.86	(2.31)	(7.28)
Cash received for property, plant and equipment	0.55	0.23	0.76
Payment for acquisition of property plant and equipment	(11.96)	(20.38)	(277.51)
Proceeds from sales of investment property	98.30		
Payment for acquisition of investment property	(0.20)	-	-
Acquisition of intangible assets	(0.13)	-	(0.35)
Increase in investment in associated company and joint venture	-	-	(0.80)
Cash received from interest income	1.79	2.65	2.37
Dividend income	(2.55)	0.00	0.00
Net cash used from investing activities	156.52	(25.82)	(279.93)
Cash flows from financing activities			
Increase in short-term loans from financial institutions	187.50	254.00	46.00
Increase (decrease) in short-term loans from related parties	(75.00)	(71.04)	26.04
Repayment for liabilities under finance lease contracts	(3.38)	(2.03)	(2.16)
Cash received from long-term loan from financial institution	-	223.11	228.50
Repayment of long-term loans from financial institutions	(154.63)	(392.16)	(32.91)
Increase in share capital from the exercised warrants	-	-	0.01
Paid interest expenses	(39.39)	(45.88)	(21.36)
Net cash received (used) from financing activities	(84.90)	(34.00)	244.12
Net cash and cash equivalents items increase (decrease)-net	(37.24)	70.63	(169.91)
Cash and cash equivalents items at the beginning of the year	100.11	29.48	199.40
Cash and cash equivalents items at the end of the year	62.87	100.11	29.48

## EMC Public Company Limited

### Financial Ratios

		2019	2018	2017
<b>Liquidity Ratios</b>				
Current Ratio	Times	1.59	1.31	1.20
Quick Ratio	Times	0.82	0.73	0.39
Account Recieveable Turnover	Times	1.95	4.80	3.19
Average Collection Period	Day	186.87	75.97	114.29
Account Payable Turnover	Times	4.29	6.01	2.41
Average Payment Period	Day	85.04	60.74	151.32
<b>Profitability Ratios</b>				
Gross Profit Margin	(%)	9.73	16.57	16.85
Operating Profit Margin	(%)	0.79	15.99	(98.44)
Net Profit Margin	(%)	0.19	15.21	(99.99)
Cash to Profitability	(%)	4,442.26	35.41	(19.87)
Return on Equity	(%)	0.13	19.69	(44.92)
<b>Efficiency Ratios</b>				
Return on Asset	(%)	0.08	10.30	(23.15)
Return on Fix Asset	(%)	0.19	26.75	(55.41)
Total Asset Turnover	Times	0.42	0.68	0.23
<b>Leverage Ratios</b>				
Debt to Equity Ratio	Times	0.66	0.91	0.94
Dividend Payout	(%)	-	-	-
<b>Market Value Ratios</b>				
Book Value Per Share	Baht	0.22	0.22	0.18
Earning Per Share	Baht	0.0003	0.04	(0.08)
Dividend Per Share	Baht	-	-	-
Dividend Yield	(%)	-	-	-



# Explanation and Analysis of Business Operation and Financial Status

## Overview of business operation in the past

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

Company Name	Type of Business	Paid-up Capital	Shareholding Percentage
EMC Public Company Limited	Services under construction and real estate development contracts	8,433,754,763	-
<u>Subsidiaries</u>			
Imperial Land Co., Ltd.	Property Development	110,000,000	100
Siam Bangkok Development Co., Ltd.	Property Development	20,000,000	100
Richman Property Co., Ltd.	Property Development	5,000,000	100
North Property Co., Ltd.	Property Development	4,000,000	100
Sajja Bangsaen Condominium Co., Ltd.	Property Development	4,000,000	100
BR Construction Co., Ltd.	Currently ceasing business	60,000,000	51
<u>Associates</u>			
Sanken-EMC Co., Ltd.	Construction Services	40,000,000	48

In 2019, the company has operated two construction contracts from four employers: 1) a government agency as The Bangkhunthian Elderly Hospital Project is located in Bangkhunthian, Bangkok, by the contract services of structural, architecture, and the building system. The work value is about 2,795 million Baht and 2) a private company as the new construction project for food and beverage factories, by the contract services of structural, architecture, and the building system. The value of work is approximately 533 million Baht. 3) a government agency as The Taksin Hospital. The work value is about 1,950 million Baht. 4) a university as The Building Thammasat secondary school 3. The work value is about 327 million Baht.

In addition, the company has real estate projects under development such as 1) URBITIA THONG LO, located at Soi Sukhumvit 36, to develop as a residential condominium project for sales with 8-storey building of 130 units, the project value approximately 930 million Baht, expected to be completed around Q2 2018, 2) Sea Side, located at Wornapha Beach, Bangseang, to develop as a residential condominium project for sales with two 6-storey building of 200 units, the project value approximately 550.85 million Baht, the project on the process of owner transferring, 3) Land Mark Mahachai, located at Mahachai, Samutsakorn, to develop as a commercial building leasehold and community mall, the project value approximately 1,200 million Baht.

Moreover, the company has been monitoring the progress of the court consideration of the claim to Siam Grand Property Company Limited. On September 16, 2015, the company was filed a civil court by Siam Grand Property Company Limited

("Plaintiffs") and one of former shareholders of Siam Bangkok Development Company Limited ("Co-Plaintiffs") according to the Black Case No. P2206/2558 claimed the company to;

**1. Progress report of the lawsuit of advance payment to purchase the American Town Project, Siam Tara Mantra Project, and Eastern Venice Project to Siam Grand Property Co., Ltd.**

Referring to the Company paid to purchase land and buildings of the American Town Project, Siam Tara Mantra Project, and Eastern Venice Project from Siam Grand Property Co., Ltd. As of March 31, 2017 the company recorded those as "Advance payments for purchases of real estate projects under development" totaling Baht 466.34 million. The dispute is a civil case in black case number P2206/2558 and Siam Grand Property Co., Ltd. is requested to rehabilitate the business to the Central Bankruptcy Court, Black Case No. F 31/60 as known.

The latest progress, The Court appointed the plaintiff and defendant witnesses .

**2. Report of received the payment from sell investment amount 590 million.**

held on April 5, 2019 by offering shares and transferring the right to claim the " Sea Side by North Beach Resort" project and the "Palmio" project as well as entire building and land of three subsidiaries (Richman Property Company Limited, North Property Company Limited and Sajja Bangsaen Condominium Company Limited) in the price of Baht 590 million that the buyer agreed to make payment as follows:

- 1) The 1st instalment amount of Baht 15 million at the agreement date.
- 2) The 2nd instalment amount of Baht 15 million is paid on April 17, 2019.
- 3) The 3rd instalment amount of Baht 118 million will be paid on June 20, 2019.
- 4) The remaining amount of Baht 442 million will be paid every the 5th of each month not less than Baht 36.84 million, commenced on July 5, 2019 onwards.

The Company will transfer the share capital existed in those three subsidiaries to the re-buyer when the payment is completed.

the Company has already received the payment amount of Baht 30 million from the re-buyer. On January 16, 2020, the Company received two post date cheque amount 280 million on March 16,2020 and amount 30 million on April 16,2020

**3. Progress report on deposit refund, proceed to get the ownership transfer, and restore the receivables.**

**3.1 Accounts receivable of Siam Grand Property Co., Ltd. amounting to Baht 16.81 million.**

As at March 31, 2017, the Company had outstanding receivables of Baht 16.81 million for the sale of the projects of Siam Grand Property Co., Ltd. The Company recorded total outstanding balance of Baht 14.40 million for indemnity claims for damages in the Black Case No. 2206/2558, which are under consideration by the Court of First Instance. The additional receivable Baht 2.41 million is not in the case to which the company is going to claim later after the main case on article 1 finished. The Company has set aside allowance for doubtful accounts amounting to Baht 16.81 million in the financial statements since 2016. The current progress is as per the above article 1.

**3.2 Progress of the repayment of Trade Receivable, Retention, and Suspension Project Receivable**

Comparison data for allowance compared to the value set for all projects.



Progress of lawsuit: L Nine Development Company Limited (the defendant) is the owner of Blue Rock Hua Hin, a condominium project located in Hua Hin, Prachuapkerekhun Province. The defendant is the owner of the contract to architectural and MEP construction totaled Baht 436.50 million. On August 23, 2016 the Company has filed the lawsuit according to the Black Case No. P1523/2559, to claim the defendant breached of the contract amount of Baht 24.62 million, including the defendant failed to pay the final installment construction on December 25, 2015 of Baht 4.39 million with a fine of Baht 0.44 million and retention refund of Baht 19.10 million with interest of Baht 0.69 million totaling Baht 24.62 million.

The Court of Appeal issued a judgment to L Nine Development Co., Ltd. (defendant) to pay the company (plaintiff) total amount of Baht 23,491,575.40 with interest of 7.50% per annum. The case is under trial.

In 2019, the Group's total operating revenues were Baht 1,304 million, a decrease of Baht 1,117.82 million or 46.16% from that of the same period of last year. This is the revenue from the two main lines of construction; general building construction and M&E systems construction. In addition, there are revenues from real estate development, project advisory fee, rental revenue and leasehold service and interest income.

#### **REVENUES FROM THE OPERATION**

In 2019, the total revenue of the Company and subsidiaries is Baht 1,304 million, a decrease of Baht 1,117.82 million or 46.16 percent comparing to that of 2018 which the total revenue was Baht 2,421.82 million due to the decrease in revenue from construction services and real estate development.

#### **CONSTRUCTION AND REAL ESTATE COSTS**

In 2019, the Company and subsidiaries have the real estate development costs and the construction service costs amounting to Baht 1,081.66 million or 82.95 percent of the revenues, with the decrease of Baht 728.34 million or 40.24 percent comparing to that of 2018, which the real estate development costs and the construction service costs were Baht 1,810 million.

#### **SALES AND ADMINISTRATION EXPENSES**

The sales and administration expenses in 2019 are equivalent to Baht 209.50 million or 16.07 percent of the total revenue, with a decrease of Baht 5.22 million or 2.43 percent due to the decrease in selling expenses of Baht 9.73 million while administration expenses an increase of Baht 4.51 million.

#### **FINANCIAL COSTS**

The financial costs in 2019 are Baht 8.50 million, with a decrease of Baht 11.00 million or 56.41 percent comparing to that of 2018 due to the Company has repayments long-term loan from financial institutions.

#### **NET PROFITS**

In 2019, the Company and subsidiaries have recorded a net profit of Baht 2.45 million representing a net profit margin of 0.19 percent of the total revenue, with the decrease of Baht 365.91 million or 99.33 percent comparing to that of 2018.

## Financial Status

### Assets

Total assets of the Group by the end of 2019 were Baht 3,111.08 million, a decrease of Baht 466.93 million or 13.05% from that of the previous year mainly due to the decrease of Trade and others current receivables Baht 167.81 million. And decrease of investment property Baht 75.18 million. And decrease of inventories Baht 106.38 million.

### Cash and Cash Equivalent and Short-Term Investment

In 2019, the group had cash and cash equivalents of Baht 62.88 million and short-term investment of Baht 1.82 million, totaling Baht 64.70 million, a decrease of Baht 41.37 million from that of the previous year mainly due to the increase cash flow from operating activities.

### Account Receivables

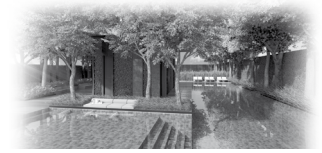
As at 31 December 2019, the group had net trade receivables of Baht 48.11 million, a decrease of Baht 165.30 million comparing to that of the previous as the debtor aging table below:

Description	Consolidated Financial Statement (Million Baht)	
	2019	2018
Trade receivables of other parties:		
- undue	44.46	204.84
- overdue		
Up to 3 months	0.46	5.35
From 3 months to 6 months	0.93	1.53
From 6 months to 12 months	2.26	1.30
More than 12 months	<u>8.25</u>	<u>8.16</u>
Total	<u>56.36</u>	<u>221.18</u>
<u>Less allowance for doubtful accounts</u>	<u>(8.25)</u>	<u>(7.77)</u>
Total trade receivables of other parties	<b>48.11</b>	<b>213.41</b>

By the end of 2019, the group had an allowance for doubtful accounts totaling Baht 8.25 million, an increase of Baht 0.48 from that of the previous year. The Group has closely monitored customers with overdue debts. In addition, to reduce the risk of collecting from customers, the group has a policy to consider the customer's ability to pay for contracts thoroughly before the consideration to undertake the construction services of each client.

### Unbilled Account Receivables and Retention Receivables from Customers

The unbilled account receivables of the group as at the end of 2019 was Baht 491.57 million, a decrease of Baht 58.63



million or 10.66% from that of the previous year mainly from ongoing projects. The unpaid projects pending for more than 12 months has been set aside allowance for doubtful accounts total amount of Baht 7.51 million.

The retention receivables of the group at the end of 2019 were Baht 172.03 million, an increase of Baht 54.40 million or 46.25% from that of the previous year. The allowance for doubtful retention receivable was Baht 25.08 million decreased by Baht 74.04 million. From the lawsuit project of united centre innovation that ended.

#### *Inventories*

The group's net real estate development cost at the end of 2019 was Baht 768.32 million, an decrease of Baht 106.38 million or 12.16% from that of the previous year. This was mainly due to the investment in development for the condominium projects.

#### *Lands, Buildings and Equipment*

The group of company has land property, plant and equipment net as of December 31, 2019 totaling Baht 170.54 million, an increase of Baht 14.21 million or 9.09% from that of the previous year. The increase was mainly furniture, machine tools, and vehicles.

#### **Liabilities (Debts)**

The total liabilities of the group as at 2019 amounted 1,235.56 million Baht which were decreased 471.43 million or 27.62% Baht compared to that of last year The increase was mainly from because of the decrease of long-term loans from financial institutions Baht 152.82 million and decrease from unbilled construction cost payable Baht 304.04 million. Currently, the company has the ability to repay debt and to comply with the terms of the loan. It also has the ability to provide the additional source of fund from other sources to expand the business further.

#### *Tradeand Other Current Payable*

As at 31 December 2019, the outstanding balances of trade accounts payable and other accounts payable were Baht 201.28 million, a decrease of Baht 101.44 million or 33.51% from that of the previous year due to the decrease of the trade account payable and accrued expense payable.

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

As at 31 December 2019, the outstanding balance of long-term loans from financial institutions due within one year was Baht 1.29 million, an decrease of Baht 152.82 million or 99.16% from that of the previous year due to Gradually repay the loan.

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

As at 31 December 2019, there were outstanding balances of short-term loans and accrued interest receivable from related parties of Baht 58.96 million, an decrease of Baht 78.28 million or 57.04% mainly due to Gradually repay the loan.

## Shareholders' Equity

As of December 31, 2019, the Company's paid-up capital was Baht 8,433.75 million. Meanwhile the group's operating results for the year 2019 were profit of Baht 3.82 million (for Parent company), the accrued deficit retained earnings of Baht 2,308.27 million and an increase in shareholders' equity of the parent company to Baht 2,005.26 million at the end of 2019 or book value was Baht 0.24 per share.

## Cash Flow and Liquidity

In 2019, the Group had a cash flow from operating activities before the change in operating assets and liabilities was Baht 40.38 million and principally spending on investment in the operating activities such as unbilled construction cost payable Baht 304.04 resulted in a net cash flow used in operating activities of Baht 85.93 million. There were cash utilization in investment Baht 156.52 million and used cash from financing activities Baht 84.90 million, resulting in net cash and cash equivalent increase of Baht 37.23 million, and cash and the ending balance of cash equivalents Baht 62.87 million.

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

## Sources of Capital

Source of Capital	Consolidated Financial Statement					
	2019		2018		2017	
	million	%	million	%	million	%
Current Liabilities	1,001.99	32.21	1,503.63	42.02	1,230.82	42.20
Non-Current Liabilities	233.57	7.51	203.36	5.69	182.14	6.25
Total Liabilities	1,235.56	39.71	1,706.99	47.71	1,412.97	48.46
Shareholders' Equity	1,875.52	60.29	1,871.02	52.29	1,502.66	51.54
Total Liabilities and Shareholders' Equity	3,111.08	100.00	3,578.01	100.00	2,915.62	100.00

From the table above, for the year 2019, the group's capital base was 60.29% from the shareholders' equity and 39.71% from the total liabilities accounting for 32.21% of current liabilities. The group's business operations require a lot of capital to buy construction equipment, payroll and construction labor costs, and sub-contractor expenses. Most of the funds are in the form of credits received from trade accounts payable, money received in advance from customers, unbilled construction costs, and short-term loans from financial institutions. For the year 2017, the group has debt to total asset ratio of 0.40 times and debt to equity ratio of 0.66 times, implying that the utilization of debt financing is suitable. Therefore, the group has the better opportunity to apply for a loan from a financial institution to expand its business in the future.





## Commitments and contingent liabilities

1) As at December 31, 2018, the company and its subsidiaries had commitments under purchase orders of construction materials and subcontractors services totalling Baht 154.11 million.

2) Commitments under operating leases

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

(Unit : Thousand Baht)		
<u>Consolidated financial statements</u>		
<u>As at December 31,</u>		
	<u>2019</u>	<u>2018</u>
Not later than 1 year	13,970	8,528
Later than 1 year and not later than 5 years	19,714	14,327
Later than 5 year	145,914	149,641
Total	<u>179,598</u>	<u>172,496</u>

## Letter of Guarantee

As at December 31, 2019, the group's outstanding letters of guarantee issued by financial institutions on behalf of the group in respect as required in the normal course of business was Baht 520.32 million. The letters of guarantee are guaranteed by deposits with financial institutions of the company, and joint by a director including the right to receive payment for work with the bank as collateral.

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

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

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

The labor shortage affects to the construction of the group of companies in the past, which is the cause of construction delay problems and cannot deliver on time as scheduled. However, the group is aware of this risk and be prepared to supply foreign workers to replace. That will make the lower labor cost and it can help alleviate the labor shortage affect to the operations of the company.

Economic and the policy of the government can be considered as another factor that affects the operation of the group of companies. If the economic condition of the country has improved, investment has expanded in both the public and private sectors then, it will contribute the work increasing of the group of companies. However, the liberalization of trade in ASEAN group (AEC), and Eastern Economy Corridor (EEC) that the government supports is likely to be advantage of the company toward internal trading expansion such as automotive, tourism and so on and it's likely to cause the expansion of ASEAN to Thailand. Meanwhile, it is the opportunity to expanding for investment or contractor in ASEAN or more. However, the Company expects to receive the task of building up from government support this free trade. In addition, demand for housing of people who want to invest in Thailand will be another customer group of real estate development business of the companies.

In term of political, any political change will lead to uncertainties of large investments plans in the infrastructure of the country including of the investment plans of the private sector, and will affect the construction sector and the real estate development business of the company as well. However, the group of companies has adjusted the strategy by increasing the proportion of the private sector job which is low risk and construction period is not too long and also with a good margin by not focus on the project quantity. That is the cause of operations result of the group of companies will not much affect with these risk factors. Future plans for the company, remains focused on constructions which provide the good profit such as a plant construction and the low rise buildings by concerning about business potential and finance of the employer.



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

To The Shareholders of EMC Public Company Limited

The Audit Committee has performed duties pursuant to the scope of authority and duties of the Audit Committee Charter prescribed by the Stock Exchange of Thailand (“the SET”) and the relevant laws, and as assigned by the Board of Directors, based on the good governance principles.

For the year 2019, the Audit Committee had arranged 13 meetings with full attendance from members and the management and other concerned parties from the Departments of Accounting, Finance, Legal, and Internal Audit, including the Auditor to exchange opinions and monitor efficiency and effectiveness of the system.

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

- |                                |                                 |
|--------------------------------|---------------------------------|
| 1. Miss Praomart Hantra        | Chairman of the Audit Committee |
| 2. Dr. Yaowarin Srichainan     | Audit Committee Director        |
| 3. Miss Thaweesri Wikayathipat | Audit Committee Director        |
| 4. Mr. Punnathee Sriwongthai   | Audit Committee Director        |

**Duties and responsibilities of the Audit Committee can be summarised as follows:**

1. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange’s regulations, and are reasonable and for the highest benefit of the Company. Based on the revision, all transactions are in accordance with normal courses of business and are revealed and practiced, following rules and directions drawn by the Stock Exchange of Thailand precisely.

2. To review the Company's quarterly financial reports and annual reports that have been reviewed and audited by authorized auditor with the authorized auditor and the Company's management, prior to disclosure to The Stock Exchange of Thailand and public. Financial report review shall be conducted, in accordance with applied accounting standards as well as related laws and regulations, to ensure that reviewed financial information is accurate, complete, credible and transparent and that they were adequately and promptly disclosed for the benefit of shareholders, investors and users of such statements when making investment decisions.

3. To review the Company's internal control system and internal audit system, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit, to review the Company's enterprise risk management system. The audit committee reviewed sufficiency of the

Company's internal audit system to prevent and reduce probably risks and that no material weakness is present.

4. To review the Company's internal audit report that involves the Company's operations in relation to its plan, reviewed the mission, scope of work, accountability and responsibility, independence, and authority of internal audit activities to ensure that every business units possess better internal control system which will enhance their operations' effectiveness and efficiency.

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

6. Consider the selection, appointment, remuneration and performance evaluation of the Company's auditor, which the Audit Committee has considered independence performance and experience of the authorized auditor and the appropriateness of annual remuneration. Therefore, the Audit Committee has performed the duties and responsibilities assigned and in accordance with the best practices of the Stock Exchange of Thailand and the Audit Committee Charter, using knowledge and ability to consider carefully and independently, without restrictions in receiving information from the management, staff and related persons, as well as providing advice and suggestions that is beneficial to the administration which the management has implemented corrections according to the recommendations appropriately for the benefit of investors and stakeholders equally.

In summary, the Audit Committee gave judgment that the Board of Directors, Management and executive directors have operated with an ethical mind and have had the intention of performing duties professionally to achieve the Company's goals. Furthermore, the Company has committed itself to an importance of business principle under effective corporate governance.

Miss Praomart Hantra

Chairman of the Audit Committee



# EMC Public Company Limited and its Subsidiaries Financial Statements DECEMBER 31, 2019

# Independent Auditor's Report

To the Shareholders of EMC Public Company Limited and its subsidiaries

## Opinion

I have audited the accompanying consolidated and separate financial statements of EMC Public Company Limited and its subsidiaries (the Group) and of EMC Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

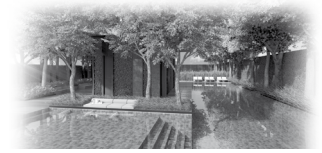
In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the EMC Public Company Limited and its subsidiaries and of EMC Public Company Limited as at December 31, 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis of 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 Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

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



### ***Recognition of revenues and costs of construction contracts.***

According to the notes to the financial statements no 4.20.2 and 4.21.2

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

### ***How my audit addressed the key audit matters***

#### **The percentage of construction completion.**

Due to the preparation of the percentage of completion report of the construction engineer at the year end to take information from two sources included delivery of construction to customer this information will be verified for accuracy by the contract party, a third party, and the other is the construction engineer has assessed finished job but not yet deliver or on receiving process which only in latter part have risk to dislocation acceptance by the customer. So the auditing method in above I will test the difference between the amount assessed by the engineers in the second part with the value of the customer acceptance after the end of the period, to observe at the end of period to review construction condition at the site with the actual amount of the contribution made by the management and I also compare between the completion rate from company engineer with the percentage of cost incurred with construction cost projection. I found that the rate of completion of the construction that the company used are appropriate.

#### Estimated total cost of the project

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

#### **Other Information**

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

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

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

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





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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



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

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 26, 2020

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
As at December 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2019	2018	2018	2019	2018	2018
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Assets			Reclassified	Reclassified		Reclassified	Reclassified
<b>Current assets</b>							
Cash and cash equivalents items		62,875,082	100,108,164	29,481,127	59,125,829	87,429,713	19,547,484
Current investments	6	1,820,180	5,958,763	3,758,292	1,482,250	5,633,848	3,558,292
Trade and other current receivables	7	62,807,692	230,617,379	106,044,751	86,002,114	238,590,747	107,655,704
Unbilled income	8	491,566,482	550,195,433	121,302,959	491,566,482	550,195,433	121,302,959
Retention receivable	8	172,033,590	117,629,976	82,514,283	172,033,590	117,629,976	82,514,283
Short-term loans and interest receivable	5	2,465,733	3,913,494	2,562,671	831,917,214	813,734,913	753,587,105
Inventories	9	768,322,034	874,697,822	1,103,510,997	265,228,250	360,771,644	548,605,600
Advance payments for materials and contractors		12,616,682	52,673,366	12,708,678	8,313,246	50,113,893	10,180,392
Deposits	11	-	25,000,000	-	-	25,000,000	-
Other current assets		18,002,957	6,674,252	9,676,886	16,363,326	5,192,187	8,226,965
Total current assets		1,592,510,432	1,967,468,649	1,471,560,644	1,932,032,301	2,254,292,354	1,655,178,784
<b>Non-current assets</b>							
Restricted banks deposits	11	106,439,083	171,294,513	168,979,708	105,159,604	169,300,104	167,460,229
Investments in subsidiaries	12	-	-	-	20,000,000	20,000,000	38,358,538
Investments in associates and joint venture	13	158,173	157,664	713,556	2,550,000	-	800,000
Other long-term investments	14	25,000,000	-	-	25,000,000	-	-
Land held for development		113,384,984	113,384,984	125,540,681	-	-	-
Investment property	15, 36	1,032,194,418	1,107,370,743	934,322,704	769,307,207	834,903,887	667,686,410
Property, plant and equipment	16, 36	170,537,329	156,326,617	158,470,080	169,996,587	155,468,372	157,250,164
Other intangible assets		3,236,316	3,757,897	4,536,653	3,171,151	3,681,498	4,449,019
Withholding tax deducted at sources		64,800,751	46,019,382	40,011,280	63,475,157	45,147,288	38,926,729
Advance payments for purchases of real estate projects under development	17	-	-	-	-	-	-
Other non-current assets		2,816,556	12,229,871	11,488,780	2,319,446	11,721,691	11,263,152
Total non-current assets		1,518,567,610	1,610,541,671	1,444,063,442	1,160,979,152	1,240,222,840	1,086,194,241
Total assets		3,111,078,042	3,578,010,320	2,915,624,086	3,093,011,453	3,494,515,194	2,741,373,025

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



EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (Continued)  
As at December 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31, 2019	December 31, 2018	January 1, 2018	December 31, 2019	December 31, 2018	January 1, 2018
		(Audited)	(Audited) Reclassified	(Audited) Reclassified	(Audited)	(Audited) Reclassified	(Audited) Reclassified
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term borrowings from financial institutions	18	484,195,520	296,529,623	46,000,000	484,195,520	296,529,623	46,000,000
Trade and other current payables	19	201,280,147	302,715,008	299,692,612	181,512,135	281,337,211	266,208,463
Current portion of:							
Long-term borrowings	23	1,292,005	154,111,919	316,189,750	1,292,005	154,111,919	316,189,750
Liabilities under finance lease	24	2,562,419	2,480,371	2,115,998	2,562,419	2,480,371	2,115,998
Unbilled construction cost payables	20	32,621,212	336,656,305	68,850,818	32,621,212	336,656,305	68,850,818
Advances received from customers	21	154,242,992	168,005,644	208,425,293	147,687,389	159,078,509	192,127,830
Short-term borrowings and accrued interest	5	58,963,565	137,243,839	205,188,676	51,619,178	129,899,452	171,924,426
Provisions for short-term liabilities	22	57,789,858	67,813,946	65,535,430	47,326,723	51,967,752	47,777,649
Other current liabilities		9,043,926	38,073,603	18,825,388	18,045,638	47,002,790	27,689,533
Total current liabilities		1,001,991,644	1,503,630,258	1,230,823,965	966,862,219	1,459,063,932	1,138,884,467
<b>Non-current liabilities</b>							
Long-term borrowings	23	-	1,292,005	5,025,484	-	1,292,005	5,025,484
Liabilities under finance lease	24	11,235,019	3,288,045	3,447,580	11,235,019	3,288,045	3,447,580
Deferred income tax liability		17,148,671	17,810,362	18,472,052	17,148,671	17,810,362	18,472,052
Provisions for employee retirement benefit	25	24,978,271	22,823,042	17,849,183	24,978,271	22,823,042	17,849,183
Provisions for onerous contracts	26	37,330,543	36,942,218	34,140,368	13,418,324	13,030,000	10,700,000
Retention payable to contractors		133,364,228	112,154,496	93,142,199	129,809,960	108,265,315	89,897,889
Long-term advances received from customers		4,827,291	5,082,787	4,850,395	-	-	-
Other non-current liabilities		4,685,845	3,965,074	5,214,317	-	239,996	274,000
Total non-current liabilities		233,569,868	203,358,029	182,141,578	196,590,245	166,748,765	145,666,188
Total liabilities		1,235,561,512	1,706,988,287	1,412,965,543	1,163,452,464	1,625,812,697	1,284,550,655
<b>Shareholders' equity</b>							
<b>Share capital</b>							
12,650,632,144 Ordinary shares @ Baht 1.00 each	27	12,650,632,144	-	-	12,650,632,144	-	-
15,180,632,144 Ordinary shares @ Baht 1.00 each		-	15,180,632,144	-	-	15,180,632,144	-
13,571,245,611 Ordinary shares @ Baht 1.00 each		-	-	13,571,245,611	-	-	13,571,245,611
<b>Issued and paid-up share capital</b>							
8,433,754,763 Ordinary shares @ Baht 1.00 each		8,433,754,763	8,433,754,763	8,433,754,763	8,433,754,763	8,433,754,763	8,433,754,763
<b>Share premium (discount) on ordinary shares</b>							
Share premium on ordinary shares		248,605,614	248,605,614	248,605,614	248,605,614	248,605,614	248,605,614
Share discount on ordinary shares		(4,459,882,745)	(4,459,882,745)	(4,459,882,745)	(4,459,882,745)	(4,459,882,745)	(4,459,882,745)
Share premium on treasury stocks		5,970,478	5,970,478	5,970,478	5,970,478	5,970,478	5,970,478
<b>Retained earnings (deficit)</b>							
<b>Appropriated</b>							
Legal reserve		16,482,791	16,482,791	16,482,791	16,482,791	16,482,791	16,482,791
Deficit		(2,308,269,529)	(2,316,779,216)	(2,689,395,146)	(2,383,966,596)	(2,447,469,850)	(2,861,996,739)
<b>Other component of equity</b>							
		68,594,684	71,241,446	73,888,208	68,594,684	71,241,446	73,888,208
Total shareholders' equity of Parent Company		2,005,256,056	1,999,393,131	1,629,423,963	1,929,558,989	1,868,702,497	1,456,822,370
Non-controlling interests		(129,739,526)	(128,371,098)	(126,765,420)	-	-	-
Total shareholders' equity		1,875,516,530	1,871,022,033	1,502,658,543	1,929,558,989	1,868,702,497	1,456,822,370
Total liabilities and shareholders' equity		3,111,078,042	3,578,010,320	2,915,624,086	3,093,011,453	3,494,515,194	2,741,373,025

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
For the year ended December 31, 2019

(Unit : Baht)					
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Revenues					
Revenue from construction		943,184,088	1,645,348,438	940,448,526	1,645,348,438
Revenue from sales of real estate		236,525,084	507,590,149	208,653,860	421,468,837
Rental income and fee leasehold		18,565,030	16,495,472	13,309,787	13,012,487
Other income					
Revenue from project consultant		2,230,000	-	16,488,620	11,279,412
Interest income		2,238,352	2,876,526	32,986,259	65,057,104
Gain on disposal of investment property		50,889,781	-	50,889,781	-
Reversed allowance for doubtful accounts		5,368,645	235,710,641	1,386,822	223,558,490
Other income		45,002,219	13,805,768	46,071,282	7,165,758
Total revenues		1,304,003,199	2,421,826,994	1,310,234,937	2,386,890,526
Expenses					
Costs of construction		(880,699,697)	(1,421,383,499)	(880,699,697)	(1,421,383,499)
Cost of sales of real estate		(157,229,280)	(343,777,912)	(141,136,744)	(281,688,623)
(Loss) reversal on devaluation of property development costs are expected to be a net gain		2,646,374	2,280,457	2,646,374	505,880
Cost of rental and leasehold fee		(46,375,035)	(47,120,186)	(33,103,748)	(33,549,745)
Distribution costs		(48,948,558)	(58,682,467)	(38,185,252)	(49,455,750)
Administrative expenses		(160,548,353)	(156,039,399)	(153,350,404)	(146,907,329)
Loss from impairment of investments		-	-	-	(19,158,538)
Loss from onerous contract		-	(3,068,162)	-	(3,068,162)
Reserve short-term provisions		(6,099)	(1,423,042)	-	(2,213,640)
Finance costs		(8,502,466)	(19,501,513)	(8,254,722)	(18,752,683)
Total expenses		(1,299,663,114)	(2,048,715,723)	(1,252,084,193)	(1,975,672,089)
Share of loss from investments in associate and joint venture	13	(2,551,336)	(5,409,471)	-	-
Profit before income tax expense		1,788,749	367,701,800	58,150,744	411,218,437
Tax income	28	661,690	661,690	661,690	661,690
Profit for the year		2,450,439	368,363,490	58,812,434	411,880,127

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





EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME (Continued)  
For the year ended December 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
Gains (losses) on remeasurements of					
defined benefit plans	25	2,044,058	-	2,044,058	-
Other comprehensive income for the year - net of tax		2,044,058	-	2,044,058	-
Total comprehensive income for the year		4,494,497	368,363,490	60,856,492	411,880,127
Profit (loss) attributable to :					
Owners of the Company		3,818,867	369,969,168	58,812,434	411,880,127
Non-controlling interests		(1,368,428)	(1,605,678)	-	-
		2,450,439	368,363,490	58,812,434	411,880,127
Total comprehensive income (expense) attributable to :					
Owners of the Company		5,862,925	369,969,168	60,856,492	411,880,127
Non-controlling interests		(1,368,428)	(1,605,678)	-	-
		4,494,497	368,363,490	60,856,492	411,880,127
Earnings (loss) per share	29				
Basic earnings per share		0.0005	0.0439	0.0070	0.0488
Diluted earnings per share		0.0004	0.0428	0.0068	0.0476

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
For the year ended December 31, 2019 (AUDITED)

(Unit : Baht)

	Consolidated financial statements									
	Equity holders of the parent									
	Issued and paid-up share capital	Share premium on ordinary shares	Share discount on share capital	Share premium on treasury stocks	Appropriated for legal reserve	Deficit		Other component of equity		Equity attributable to owners of the parent
						Unappropriated (deficit)	Revaluation surplus of fixed assets	Income tax	Net	
Balance as at January 1, 2019	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,316,779,216)	89,051,808	(17,810,362)	71,241,446	1,999,393,131
Transaction with shareholder on directly recorded to equity										
Depreciation of surplus on revaluation of assets	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total transaction with shareholder on directly recorded to equity	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total comprehensive income for the period										
Profit (loss) for the period	-	-	-	-	-	3,818,867	-	-	-	3,818,867
Other comprehensive expense for the year	-	-	-	-	-	2,044,058	-	-	-	2,044,058
Total comprehensive income for the period	-	-	-	-	-	5,862,925	-	-	-	5,862,925
Balance as at December 31, 2019	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,308,269,529)	85,743,356	(17,148,672)	68,594,684	2,005,256,056
Balance as at January 1, 2018	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,689,395,146)	92,360,260	(18,472,052)	73,888,208	1,629,423,963
Transaction with shareholder on directly recorded to equity										
Depreciation of surplus on revaluation of assets	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total transaction with shareholder on directly recorded to equity	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total comprehensive income for the period										
Profit (loss) for the period	-	-	-	-	-	369,969,168	-	-	-	369,969,168
Total comprehensive income for the period	-	-	-	-	-	369,969,168	-	-	-	369,969,168
Balance as at December 31, 2018	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,316,779,216)	89,051,808	(17,810,362)	71,241,446	1,999,393,131

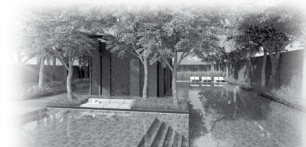
Notes to financial statements are an integral part of these financial statements.



**EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)**  
**For the year ended December 31, 2019 (AUDITED)**

(Unit : Baht)

	Separate financial statements									
	Issued and paid-up share capital	Share premium on ordinary shares	Share discount on share capital	Share premium on treasury stocks	Appropriated for legal reserve	Deficit	Other component of equity			
							Revaluation surplus of fixed assets	Income tax	Net	Total
Balance as at January 1, 2019	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,447,469,850)	89,051,808	(17,810,362)	71,241,446	1,868,702,497
Transaction with shareholder on directly recorded to equity										
Depreciation of surplus on revaluation of assets	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total transaction with shareholder on directly recorded to equity	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	58,812,434	-	-	-	58,812,434
Other comprehensive expense for the year	-	-	-	-	-	2,044,058	-	-	-	2,044,058
Total comprehensive income for the period	-	-	-	-	-	60,856,492	-	-	-	60,856,492
Balance as at December 31, 2019	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,383,966,596)	85,743,356	(17,148,672)	68,594,684	1,929,558,989
Balance as at January 1, 2018	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,861,996,739)	92,360,260	(18,472,052)	73,888,208	1,456,822,370
Transaction with shareholder on directly recorded to equity										
Depreciation of surplus on revaluation of assets	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total transaction with shareholder on directly recorded to equity	-	-	-	-	-	2,646,762	(3,308,452)	661,690	(2,646,762)	-
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	411,880,127	-	-	-	411,880,127
Total comprehensive income for the period	-	-	-	-	-	411,880,127	-	-	-	411,880,127
Balance as at December 31, 2018	8,433,754,763	248,605,614	(4,459,882,745)	5,970,478	16,482,791	(2,447,469,850)	89,051,808	(17,810,362)	71,241,446	1,868,702,497



**EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**For the year ended December 31, 2019 (AUDITED)**

(Unit : Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2019	2018	2019	2018
Cash flows from operating activities					
Profit (loss) before tax income		1,788,749	367,701,800	58,150,744	411,218,437
Adjustments to reconcile profit (loss) before tax income to cash received (paid) from operating activities					
Doubtful accounts (reversal)		2,510,958	(235,710,641)	6,492,780	(223,558,490)
Loss on diminution in value of real estate development cost (reverse)		(2,646,374)	(2,280,457)	(2,646,374)	(505,880)
(Gain) on reversal of unbilled construction cost payables		-	(1,613,572)	-	(1,613,572)
Depreciation		43,122,475	40,492,025	33,199,463	29,884,373
Share of loss of associates and joint venture		2,551,335	5,409,471	-	-
Loss on impairment of subsidiary and associates		-	-	-	19,158,538
Gain on disposal of investment property		(50,694,586)	-	(50,694,586)	-
Loss on impairment of investment property (reverse)		(3,603,444)	-	(3,603,444)	-
Loss from onerous contract		1,314,916	3,068,162	1,314,916	3,068,162
Gain on disposal of property, plants and equipment		(498,406)	-	(498,406)	-
Loss on write-off property, plants and equipment		198,617	171,699	195,589	155,997
Amortized other intangible assets		648,481	778,756	637,246	767,522
Write-off withholding tax deducted at sources		-	1,047,608	-	23,585
Short-term provisions		6,121,691	16,769,204	6,516,786	18,592,388
Provisions for employee retirement benefit		8,339,506	4,973,859	8,339,506	4,973,859
Dividend income		-	(2,381)	-	(2,381)
Interest income		(2,226,939)	(2,876,526)	(32,986,259)	(65,057,104)
Interest expense		33,451,326	19,501,513	30,549,812	18,752,683
Profit (loss) from operations before changes in operating assets and liabilities		40,378,305	217,430,520	54,967,773	215,858,117
Operating assets (increase) decrease					
Trade and other current receivable		164,018,665	(114,673,626)	148,796,405	(120,874,903)
Unbilled income		58,628,951	(428,892,474)	58,628,951	(428,892,474)
Retention receivable		(54,403,614)	(9,566,819)	(54,403,614)	(9,566,819)
Work in progress		(36,561,207)	129,443,936	(36,561,207)	129,443,936
Real estate development cost		145,583,369	115,459,115	134,750,975	76,641,867
Advance payments for materials and contractors		39,901,684	(39,964,688)	41,645,647	(39,933,501)

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



**EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**For the year ended December 31, 2019 (AUDITED)**

	(Unit : Baht)				
	Consolidated financial statements			Separate financial statements	
	Notes	2019	2018	2019	2018
Deposit		1,000,000	(19,500,000)	1,000,000	(19,500,000)
Other current assets		(10,941,883)	2,631,811	(10,784,317)	2,647,954
Other non-current assets		9,408,246	(741,155)	9,402,246	(458,540)
Operating liabilities increase (decrease)					
Trade and other current payables		(100,935,686)	13,329,982	(99,511,826)	15,436,661
Unbilled construction cost payables		(304,035,092)	278,983,459	(304,035,092)	278,983,459
Other current provisions		(16,145,779)	(6,832,187)	(11,157,814)	(6,743,785)
Advances received from customers		(14,018,147)	(32,513,887)	(11,391,120)	(25,375,950)
Other current liabilities		(28,812,677)	13,417,992	(28,740,153)	13,483,034
Provisions for onerous contracts		(926,592)	(266,311)	(926,592)	(738,162)
Retention payable to contractors		21,209,732	19,012,297	21,544,645	18,367,426
Non-other current liabilities		718,924	(3,618,821)	(239,996)	(34,004)
Cash generated (paid) from operation		(85,932,801)	133,139,144	(87,015,089)	98,744,316
Payment for employee retirement benefit		(4,140,219)	-	(4,140,219)	-
Income tax received (paid)		(18,781,369)	(2,696,511)	(18,327,868)	(1,885,009)
Net cash provided by (used in) operating activities		(108,854,389)	130,442,633	(109,483,176)	96,859,307
Cash flows from investing activities					
Increase (Decrease) in restricted banks deposits		64,860,500	(2,314,805)	64,140,500	(1,839,875)
Increase (Decrease) in current investment		4,138,583	(2,200,471)	4,151,597	(2,075,556)
Proceeds from short-term loans		5,813,680	-	24,713,830	9,800,000
Payments for short-term loans		(4,100,000)	(3,813,680)	(19,600,000)	(52,313,680)
Payments for investment in associates		(2,550,000)	-	(2,550,000)	-
Proceeds from sales of investment property		98,302,800	-	98,302,800	-
Payments for acquisition of investment property		(202,481)	-	(202,481)	-
Proceeds from sales of property, plant and equipment		551,401	233,645	551,401	233,645
Payments for acquisition of property, plant and equipment		(11,960,761)	(20,378,234)	(11,931,871)	(10,378,234)
Payments for other intangible assets		(126,900)	-	(126,900)	-
Proceeds from dividend		-	2,381	-	2,381
Proceeds from interest		1,792,262	2,651,272	5,540,753	34,921,577
Net cash provided by investing activities		156,519,084	(25,819,892)	162,989,629	(21,649,742)

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (Continued)  
For the year ended December 31, 2019 (AUDITED)

(Unit : Baht)					
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Cash flows from financing activities					
Increase (decrease) in short-term borrowings from financial institutions		187,500,000	254,000,000	187,500,000	254,000,000
Proceeds from short-term borrowings		8,500,000	186,000,000	8,500,000	186,000,000
Repayments for short-term borrowings		(83,500,000)	(257,038,125)	(83,500,000)	(231,038,125)
Proceeds from long-term borrowings		-	223,108,666	-	223,108,666
Repayments for long-term borrowings		(154,628,307)	(392,157,253)	(154,628,307)	(392,157,253)
Payments for finance lease liabilities		(3,379,044)	(2,026,004)	(3,379,044)	(2,026,004)
Payments for interest expenses		(39,390,426)	(45,882,988)	(36,302,986)	(45,214,620)
Net cash provided by (used in) financing activities		(84,897,777)	(33,995,704)	(81,810,337)	(7,327,336)
Net cash and cash equivalents, increase (decrease)		(37,233,082)	70,627,037	(28,303,884)	67,882,229
Cash and cash equivalents at the beginning of the period		100,108,164	29,481,127	87,429,713	19,547,484
Cash and cash equivalents at the end of the period	26	62,875,082	100,108,164	59,125,829	87,429,713

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



## EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2019 (AUDITED)

#### 1. General information

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

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

#### 2. Basis of financial statements preparation

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

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

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

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

#### 2.3 New financial reporting standards

##### 2.3.1 Financial report standards that became effective in the current year

- Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2019.

- TFRS 15 Revenue from Contracts with Customers, establishes the principles that the information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer, is reported to the users of financial statements. The entity recognizes revenue to depict the transfer of goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity applies a five-step model to account for revenue and exercise judgement, taking into consideration when applying each step of the model.

TFRS 15 Revenue from Contracts with Customers supersedes the Thai Accounting Standards, Thai Standing Interpretations Committee and Thai Financial Reporting Interpretations Committee as detailed below :

Thai Accounting Standards	Content
TAS 11 (Revised 2017)	Construction contracts
TAS 18 (Revised 2017)	Revenue
Thai Financial Reporting Interpretations Committee	
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
Thai Standing Interpretations Committee	Content
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services

The adoption of those financial reporting standards does not have any significant impacts on the Group.

### 2.3.2 Financial report standards that will become effective in the future

- Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2020.
- During the year, the Federation of Accounting Professions has published for adoption Thai Financial Reporting Standards related to Financial Instruments which comprise five issues of accounting standards and interpretations as below :

Thai Financial Reporting Standards	Content
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Thai Accounting Standards	
TAS 32	Financial Instruments: Presentation
Thai Financial Reporting Interpretations Committee	
TFRIC 16	Hedges of a Net Investments in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments





The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument. When this set of TFRSs are effective, as a result, some currently effective accounting standards, interpretations and guidance will be cancelled.

**- TFRS 16 Leases**

TFRS 16 Leases set out the principals of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17. TFRS 16 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standard	Content
TAS 17 (Revised 2018)	Leases
Thai Standing Interpretations Committee	
TSIC 15 (Revised 2018)	Operating Leases – Incentives
TSIC 27 (Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
Thai Financial Reporting Interpretations Committee	
TFRIC 4 (Revised 2018)	Determining Whether an Arrangement Contains a Lease

- At present, the Management of the Group is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

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

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

#### Project development costs estimation

In calculating cost of condominium and cost of land and buildings sold, the Group have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

#### Construction revenue and construction costs

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

#### Unbilled construction cost payables (Construction in progress)

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

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

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





#### Allowance for diminution in value of real estate development costs

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

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

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

#### Depreciation of plant and equipment

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

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

#### Amortization of intangible asset

The management is assessing the useful life of intangible assets, the useful life that the management determined must be related to the future use format of the asset. In determining whether an intangible asset has an indication that it will be impaired or not, the management is required to use discretion to assess the recoverable amount of assets.

#### Provision for maintenance of housing and condominium units

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

#### Compensation for Housing Estate Juristic Persons

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

#### Estimate on employee benefit obligations

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

#### Lease agreement

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

#### Litigation

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

#### Fair Value

In determining the fair value of financial instruments which are recognized in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognized in the statement of financial position and disclosures of fair value hierarchy.

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



### 3. Basis of the consolidated financial statements preparation

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

<u>Name of company</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2019</u>	<u>2018</u>
<b><u>Subsidiaries</u></b>				
BR Construction Co., Ltd.	The provision of services under long-term service agreements and construction agreements. Currently, the subsidiary does not engage in any business.	Thailand	51.00	51.00
Rich Man Property Co., Ltd.	Real estate development	Thailand	100.00	100.00
North Property Co., Ltd.	Real estate development	Thailand	100.00	100.00
Sajja Bangsaen Condominium Co., Ltd.	Real estate development	Thailand	100.00	100.00
Siam Bangkok Development Co., Ltd.	Real estate development	Thailand	100.00	100.00
Imperial land company Limited	Real estate development	Thailand	100.00	100.00
<b><u>Associate</u></b>				
Sanken - EMC Co., Ltd.	Slough service construction agreements	Thailand	48.00	48.00
<b><u>Joint Ventures</u></b>				
The Joint Venture EMC and Power Line	The joint arrangement does not engage in any business since 2013	Thailand	49.00	49.00
Chiangmai Daily Company Limited – EMC Public Company Limited Joint Venture	Real estate	Thailand	51.00	51.00

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

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

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

#### 4. Accounting policies

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

- 4.1 Cash and cash equivalents items include cash, bank deposits in the forms of savings and current accounts, and fixed accounts with term not exceeding three months and not subject to withdrawal restrictions.
- 4.2 Trade and other receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.
- 4.3 Work in progress comprises the costs of materials, labor, contractor charges, services and overheads, values at the lower of cost and net realizable value.
- 4.4 Real estate development cost are stated at the lower of cost and net realizable value. Cost comprises cost of land, design fees, utilities, construction costs and directly related finance cost and expenses. The Group recognizes loss on diminution in value of projects (if any) in the statement of comprehensive income.
- 4.5 Investments
- 4.5.1 Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- 4.5.2 In the separate financial statements, the investments in subsidiary companies, associates and joint venture are recorded by the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in the statement of comprehensive income when the investments has been disposed or impaired.
- 4.5.3 General investments are non-marketable equity instruments, shown at cost net off by allowance for accumulated impairment (if any) and change in value of general investments is recognised in the statements of income when they are sold or impaired.

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



- 4.6 Prepaid leasehold land are shown at accumulate amortized cost and allowance for accumulated impairment by a straight line method over the lease term.
- 4.7 Land awaiting developments are valued at cost or net realisable value whichever is lower.
- 4.8 Investment property of the Group are land, building and condominium units without specific purpose of use in the future and exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and impairment loss (if any) and calculated depreciation on a straight-line method over their approximate useful-life of 30 years, except for land which is considered to have an indefinite life.
- 4.9 Property, plant and equipment

Equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

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

The Group records the differences incurred from revaluation as follows :-

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and presented in equity in the statement of financial position as a "Revaluation surplus on fixed assets". However, a revaluation increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading "Revaluation surplus of fixed assets".

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

When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income in the period they are incurred.

### Depreciation

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives :-

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

#### 4.10 Intangible Assets

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

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

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





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

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

4.12 Trade and other payables are stated at cost.

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

4.14 Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The defined benefit plan is defined as the post-employment benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method is the allocation of benefits for the current period and previous period. That must be paid to employee who provide services to the group of company to various periods according to the calculation formula of the benefits of the project and will allocate benefits by straight-line method throughout the service life of the employee until retirement.

Current service cost, Past service costs and gains and losses on settlement. Including gains and losses from reducing project size and project benefit payment when reducing project size will be recognized in the income statement in the period which the transaction occurs.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

4.15 Estimation of liabilities: The Group will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of comprehensive income in the net amount after recovered expense already recognized.

The Group recognized provision for liabilities by the best estimate of the expected expenses to settle the present obligation at the end of the reporting period. In the case where the time value of money has a significant effect on the amount of such provision. The group of company need to reduce cash flow to present value by the discount rate used must be the pre-tax rate that reflects the current market situation of the time value of money and the specific risk of the liabilities being considered. In measuring the value of estimate liabilities. The group of company must consider the risks and uncertainties that are inevitable which it is surrounding on events and situations to get the best estimate of provision.

4.16 The recording of long-term lease contracts of the Group (finance lease and hire purchase contract) is both an asset and a liability made in the statement of financial position at the same amount equivalent to fair value of leased asset as at the commencing date of the agreement or the present value of the minimum amount payable under the agreement whichever is the lower. The discount rate to be used in calculating such present value is the interest rate specified in the lease agreement. The directly related initial cost is included in the cost of the asset and the paid lease fee will be appropriated partly as financial expense and other to reduce the principle. The financial expense will be apportioned to various periods throughout the term of agreement so that the interest rate compared to the remaining amount of debt at each period is constant. Depreciation policy for lease assets conforms to depreciable assets owned by the Group.

4.17 Premiums on ordinary shares when the Company share subscription monies are in excess of the par value of the shares issued, the Company has to set aside this excess amount to a reserve account ("premiums on ordinary shares"). Premiums on ordinary share are not available for dividend distribution.

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





#### 4.19 Non-controlling interests

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

#### 4.20 Incomes recognition

4.20.1 Revenue from sale of land and houses and revenue from sale of residential condominium units. The Group recognised revenue from sale of real estate when the construction works are completed and the ownerships have been transferred to buyers after all payments are received from the buyers.

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

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

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

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

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

4.20.6 Other incomes are recognized by accrual basis.

#### 4.21 Expenses recognition

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

4.21.2 The Group recognizes costs from construction contracts by the percentage of completion method. The stage of completion is measured by referencing to the completion of a physical proportion of the contract work performed as assessed by the project engineers as per the conditions agreed with customers. The estimated total cost is determined by the Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

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

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

4.21.4 Financial cost consists of interest expense or other expenses in similar nature charged to the statement of comprehensive income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under finance lease contract is charged to the statement of comprehensive income by effective rate method.

4.21.5 Other expense is recognized on accrual basis.

4.22 Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.



#### Current tax

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

#### Deferred tax

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

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

- 4.23 The related parties and related companies with the Company and its subsidiaries meant individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the same control with the Company and its subsidiaries. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or the employees of the Company and its subsidiaries who have the power to plan and control the operations of the Company and its subsidiaries including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 4.24 Basic earnings (loss) per share is calculated by dividing profit (loss) for the year by the weighted average number of already issued and fully paid shares during the accounting year, and diluted earnings (loss) per share is calculated by dividing annual profit (loss) for the year after adjustment with the effect of item related to diluted ordinary shares by the weighted average number of already issued and fully paid shares during the year plus number of ordinary shares which may be issued in order to convert all diluted ordinary shares to ordinary shares.
- 4.25 The sectoral business operation is disclosed under the separate business sectors of the Group. The business segment is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

4.26 Financial assets and liabilities carried on the statement of financial position include bank deposit short-term investment, trade receivables and payables , other receivables and payables, loan receivables and payables, receivable and payable under financial lease contracts. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

#### 4.27 Fair value measurement

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

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

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

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

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

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

### 5. Business transactions with related parties and person

The major shareholder of the Company in the year 2019 and 2018 is Leenabanchong Family holding 42.55% and 64.27%, respectively, of the share capital of the EMC Public Company Limited transactions related to companies in which the Leenabanchong family is the principal shareholders or directors are recognized as related parties to the Group.

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



5.1 Inter-assets and liabilities are as follows:-

Type of items	(Unit :Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
<b>Trade accounts receivable</b>				
BR Construction Co., Ltd.	-	-	139,119	139,119
<u>Less</u> Allowance for doubtful accounts	-	-	(139,119)	(139,119)
<b>Total</b>	-	-	-	-
<b>Unbilled income</b>				
BR Construction Co., Ltd.	-	-	308	308
<u>Less</u> Allowance for doubtful accounts	-	-	(308)	(308)
<b>Total</b>	-	-	-	-
<b>Other current receivables and advance payment</b>				
<b>Other current receivables</b>				
BR Construction Co., Ltd.	-	-	4,600	4,600
<u>Less</u> Allowance for doubtful accounts	-	-	(4,600)	(4,600)
<b>Net</b>	-	-	-	-
Siam Grand Property Co., Ltd.	16,805	16,805	16,805	16,805
<u>Less</u> Allowance for doubtful accounts	(16,805)	(16,805)	(16,805)	(16,805)
<b>Net</b>	-	-	-	-
Khun Anuwit Tantisewekul	57	57	-	-
<u>Less</u> Allowance for doubtful accounts	(57)	(57)	-	-
<b>Net</b>	-	-	-	-
North Property Co., Ltd.	-	-	639	247
<u>Less</u> Allowance for doubtful accounts	-	-	(247)	(247)
<b>Net</b>	-	-	392	-
Sajja Bangsaen Condominium Co., Ltd.	-	-	1,049	603
<u>Less</u> Allowance for doubtful accounts	-	-	(603)	(603)
<b>Net</b>	-	-	446	-
Rich Man Property Co., Ltd.	-	-	8,314	2,129
<u>Less</u> Allowance for doubtful accounts	-	-	(2,129)	(2,129)
<b>Net</b>	-	-	6,185	-

(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
Poonsub Property Co., Ltd.	46	46	-	-
<u>Less</u> Allowance for doubtful accounts	(46)	(46)	-	-
<b>Net</b>	-	-	-	-
Siam Bangkok Development Co., Ltd.	-	-	1,381	-
Imperial Land Co., Ltd.	-	-	15,748	9,820
Chiangmai Daily Company Limited –				
EMC Public Company Limited Joint Venture	2,438	-	2,438	-
Ua WithYa Public Company Limited	61	61	-	-
Khun Chinchai Leenabanchong	-	41	-	41
Khun Norrapat Teeyapan	22	22	-	-
<u>Less</u> Allowance for doubtful accounts	(22)	(22)	-	-
<b>Net</b>	-	-	-	-
<b>Total other current receivables</b>	<b>2,499</b>	<b>102</b>	<b>25,590</b>	<b>9,861</b>
<b>Advance payment</b>				
Rich Man Property Co., Ltd.	-	-	15	-
Khun Norrapat Teeyapan	156	156	-	-
<u>Less</u> Allowance for doubtful accounts	(156)	(156)	-	-
<b>Net</b>	-	-	-	-
<b>Total advance payment</b>	-	-	15	-
<b>Total</b>	<b>2,499</b>	<b>102</b>	<b>26,605</b>	<b>9,861</b>
<b>Accrued income</b>				
Siam Bangkok Development Co., Ltd.	-	-	1,304	492
Rich Man Property Co., Ltd.	-	-	12	12
Imperial Land Co. Ltd.	-	-	19	15
<b>Total accrued income</b>	-	-	<b>1,335</b>	<b>519</b>



(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
<b>Short-term loans and interest receivable</b>				
<b>Short-term loans</b>				
(interest rate at 6.50% to 7.50% per annum) :				
BR Construction Co., Ltd.	-	-	94,707	93,207
<u>Less</u> Allowance for doubtful accounts	-	-	(94,707)	(93,207)
Net	-	-	-	-
(interest rate at 7.50 % per annum) :				
Rich Man Property Co., Ltd.	-	-	466,846	465,846
<u>Less</u> Allowance for doubtful accounts	-	-	(115,295)	(115,295)
Net	-	-	351,551	350,551
Sajja Bangsaen Condominium Co., Ltd.	-	-	47,614	47,614
<u>Less</u> Allowance for doubtful accounts	-	-	(7,007)	(7,007)
Net	-	-	40,607	40,607
Imperial Land Co. Ltd.	-	-	218,000	205,000
<u>Less</u> Allowance for doubtful accounts	-	-	(11,087)	(11,087)
Net	-	-	206,913	193,913
North Property Co., Ltd.	-	-	51,104	51,104
Siam Bangkok Development Co., Ltd.	-	-	18,500	37,400
Sanken - EMC Co., Ltd.	4,600	2,500	4,600	2,500
<u>Less</u> Allowance for doubtful accounts	(2,500)	(2,500)	-	-
Net	2,100	-	4,600	2,500
Chiangmai Daily and EMC Joint Venture Co., Ltd.	-	3,814	-	3,814
<b>Total short-term loans</b>	<b>2,100</b>	<b>3,814</b>	<b>673,275</b>	<b>679,889</b>
<b>Accrued interest receivable</b>				
BR Construction Co., Ltd.	-	-	20,502	18,020
<u>Less</u> Allowance for doubtful accounts	-	-	(20,502)	(18,020)
Net	-	-	-	-



(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
Rich Man Property Co., Ltd.	-	-	89,748	80,651
North Property Co., Ltd.	-	-	13,951	12,953
Sajja Bangsaen Condominium Co., Ltd.	-	-	12,119	11,190
Siam Bangkok Development Co., Ltd.	-	-	2,002	2,927
Imperial Land Co., Ltd.	-	-	40,456	26,025
Sanken - EMC Co., Ltd.	366	95	366	95
Chiangmai Daily Company Limited – EMC Public Company Limited Joint Venture	-	5	-	5
<b>Total interest receivable</b>	<b>366</b>	<b>100</b>	<b>158,642</b>	<b>133,846</b>
<b>Total</b>	<b>2,466</b>	<b>3,914</b>	<b>831,917</b>	<b>813,735</b>
<b>Advance payments for materials and contractors</b>				
Poonsub Property Co., Ltd.	17,205	17,205	-	-
<u>Less</u> Allowance for doubtful accounts	(14,839)	(14,839)	-	-
<b>Net</b>	<b>2,366</b>	<b>2,366</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,366</b>	<b>2,366</b>	<b>-</b>	<b>-</b>
<b>Trade accounts payable</b>				
Ua WithYa Public Company Limited	4,888	16,299	4,179	15,590
Sanken - EMC Co., Ltd.	-	8,992	-	8,992
<b>Total</b>	<b>4,888</b>	<b>25,291</b>	<b>4,179</b>	<b>24,582</b>
<b>Unbilled construction cost payables</b>				
Sanken - EMC Co., Ltd.	-	66,151	-	66,151
<b>Total</b>	<b>-</b>	<b>66,151</b>	<b>-</b>	<b>66,151</b>
<b>Other current payables</b>				
Khun Norrapat Teeyapan	5,247	5,247	5,247	5,247
Siam Grand Property Co., Ltd.	2,003	2,003	2,003	2,003
<b>Total</b>	<b>7,250</b>	<b>7,250</b>	<b>7,250</b>	<b>7,250</b>
<b>Retention payable</b>				
Sanken - EMC Co., Ltd.	10,128	4,820	10,128	4,820
Poonsub Property Co., Ltd.	2,514	2,366	151	-
Ua WithYa Public Company Limited	1,778	1,050	1,778	1,050
<b>Total</b>	<b>14,420</b>	<b>8,236</b>	<b>12,057</b>	<b>5,870</b>





(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
<b>Short-term borrowings (non- interest bearing)</b>				
Khun Norrapat Teeyapan	4,635	4,635	-	-
Khun Anuwit Tantisewekul	733	733	-	-
<b>Total</b>	<b>5,368</b>	<b>5,368</b>	<b>-</b>	<b>-</b>
<b>Short-term borrowings (interest rate of 6.00%)</b>				
Khun Voravit Leenabanchong	32,500	50,000	32,500	50,000
Khun Chanachai Leenabanchong	-	40,000	-	40,000
Khun Chinchai Leenabanchong	-	5,000	-	5,000
Khun Chinsiri Leenabanchong	17,500	30,000	17,500	30,000
<b>Total</b>	<b>50,000</b>	<b>125,000</b>	<b>50,000</b>	<b>125,000</b>
<b>Total short-term borrowings</b>	<b>55,368</b>	<b>130,368</b>	<b>50,000</b>	<b>125,000</b>
<b>Accrued interest expenses</b>				
Ua WithYa Public Company Limited	3,554	3,554	1,577	1,577
Khun Voravit Leenabanchong	27	1,356	27	1,356
Khun Chanachai Leenabanchong	-	1,136	-	1,136
Khun Chinchai Leenabanchong	-	16	-	16
Khun Chinsiri Leenabanchong	14	814	14	814
<b>Total accrued interest expense</b>	<b>3,595</b>	<b>6,876</b>	<b>1,618</b>	<b>4,899</b>
<b>Total</b>	<b>58,963</b>	<b>137,244</b>	<b>51,618</b>	<b>129,899</b>

The movement for the year ended December 31, 2019 and 2018 of loans to related parties are as follows:-

(Unit :Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
<b>BR Construction Co., Ltd</b>				
Balance as at January 1,	-	-	93,207	91,707
<u>Plus</u> Increase during the year	-	-	1,500	1,500
<u>Less</u> Received during the year	-	-	-	-
Balance as at December 31,	-	-	94,707	93,207

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Rich Man Property Co., Ltd.</b>				
Balance as at January 1,	-	-	465,846	463,346
Plus Increase during the year	-	-	1,000	2,500
Less Received during the year	-	-	-	-
Balance as at December 31,	-	-	466,846	465,846
<b>Sajja Bangsaen Condominium Co., Ltd.</b>				
Balance as at January 1,	-	-	47,614	44,614
Plus Increase during the year	-	-	-	3,000
Less Received during the year	-	-	-	-
Balance as at December 31,	-	-	47,614	47,614
<b>North Property Co., Ltd.</b>				
Balance as at January 1,	-	-	51,104	49,604
Plus Increase during the period	-	-	-	1,500
Less Received during the period	-	-	-	-
Balance as at December 31,	-	-	51,104	51,104
<b>Siam Bangkok Development Co., Ltd.,</b>				
Balance as at January 1,	-	-	37,400	47,200
Plus Increase during the year	-	-	-	-
Less Received during the year	-	-	(18,900)	(9,800)
Balance as at December 31,	-	-	18,500	37,400
<b>Imperial Land Co.Ltd.</b>				
Balance as at January 1	-	-	205,000	165,000
Plus Increase during the year	-	-	13,000	40,000
Less Received during the year	-	-	-	-
Balance as at December 31	-	-	218,000	205,000
<b>Sanken - EMC Co., Ltd.</b>				
Balance as at January 1,	2,500	2,500	2,500	2,500
Plus Increase during the year	2,100	-	2,100	-
Less Received during the year	-	-	-	-
Balance as at December 31,	4,600	2,500	4,600	2,500



(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Chiangmai Daily Company Limited –</b>				
<b>EMC Public Company Limited Joint Venture</b>				
Balance as at January 1,	3,814	-	3,814	-
<u>Plus</u> Increase during the year	2,000	3,814	2,000	3,814
<u>Less</u> Received during the year	(5,814)	-	(5,814)	-
Balance as at December 31,	-	3,814	-	3,814
<b>Total short-term loans</b>	<b>4,600</b>	<b>6,314</b>	<b>901,371</b>	<b>906,485</b>

As at December 31, 2019 and 2018, short-term loans to related parties are unsecured promissory notes in the form of 12 months maturity from the date of issuance and the repayment will be due at call. Interest was charged at the rates of 6.50%-8.00% per annum equally for both year (Separate: part of short-term loans to a subsidiary in amount of Baht 53.55 million equally for both year, interest was not inter-charge).

The movement for the year ended December 31, 2019 of allowance for doubtful accounts of short-term loans and interest receivable are as follows :-

(Unit :Thousand Baht)

	<u>Separate financial statements</u>			
	<u>January 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2019</u>
<b>BR Construction Co., Ltd.</b>				
short-term loans	93,207	1,500	-	94,707
Interest receivable	18,020	2,482	-	20,502

The movement for the year ended December 31, 2018 of allowance for doubtful debts of short-term loans from related persons and accrued interest receivable are as follows :-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>			
	<u>January 1, 2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2018</u>
<b>Sanken - EMC Co., Ltd.</b>				
- Short-term loans due from	-	(2,500)	-	(2,500)
<b>BR Construction Co., Ltd.</b>				
- Short-term loans due from	(91,707)	(1,500)	-	(93,207)
- Accrued interest receivable	(14,683)	(3,337)	-	(18,020)

(Unit :Thousand Baht)

<u>Consolidated financial statements</u>				
	<u>January 1, 2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2018</u>
<b>Rich Man Property Co., Ltd.</b>				
- Short-term loans due from	(109,073)	(6,222)	-	(115,295)
<b>Sajja Bangsaen Condominium Co., Ltd.</b>				
- Short-term loans due from	(16,839)	-	9,832	(7,007)
<b>Imperial land Co., Ltd.</b>				
- Short-term loans due from	-	(11,087)	-	(11,087)

The movement for the year ended December 31, 2019 and 2018 of short-term borrowings from related persons and parties are as follows :-

(Unit :Thousand Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Ua WithYa Public Company Limited</b>				
Balance as at January 1,	-	170,000	-	144,000
<u>Less</u> Payment during the year	-	(170,000)	-	(144,000)
Balance as at December 31,	-	-	-	-
<b>Khun Norrapat Teeyapan</b>				
Balance as at January 1,	4,635	4,635	-	-
<u>Plus</u> Increase during the year	-	-	-	-
<u>Less</u> Payment during the year	-	-	-	-
Balance as at December 31,	4,635	4,635	-	-
<b>Khun Anuwit Tantisewekul</b>				
Balance as at January 1,	733	733	-	-
<u>Plus</u> Increase during the year	-	-	-	-
<u>Less</u> Payment during the year	-	-	-	-
Balance as at December 31,	733	733	-	-
<b>Khun Worawit Leenabanchong</b>				
Balance as at January 1,	50,000	26,038	50,000	26,038
<u>Plus</u> Increase during the year	-	56,000	-	56,000
<u>Less</u> Payment during the year	(17,500)	(32,038)	(17,500)	(32,038)
Balance as at December 31,	32,500	50,000	32,500	50,000



(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Khun Chanachai Leenabanchong</b>				
Balance as at January 1,	40,000	-	40,000	-
<u>Plus</u> Increase during the year	8,500	80,000	8,500	80,000
<u>Less</u> Payment during the year	(48,500)	(40,000)	(48,500)	(40,000)
Balance as at December 31,	-	40,000	-	40,000
<b>Khun Chinchai Leenabanchong</b>				
Balance as at January 1,	5,000	-	5,000	-
<u>Plus</u> Increase during the year	-	20,000	-	20,000
<u>Less</u> Payment during the year	(5,000)	(15,000)	(5,000)	(15,000)
Balance as at December 31,	-	5,000	-	5,000
<b>Khun Chinsiri Leenabanchong</b>				
Balance as at January 1,	30,000	-	30,000	-
<u>Plus</u> Increase during the year	-	30,000	-	30,000
<u>Less</u> Payment during the year	(12,500)	-	(12,500)	-
Balance as at December 31,	17,500	30,000	17,500	30,000
<b>Total short-term loans</b>	<b>50,000</b>	<b>130,368</b>	<b>50,000</b>	<b>125,000</b>

As at December 31, 2019 and 2018, short-term borrowings from related persons are borrowings from directors and shareholders in the form of unsecured promissory notes of 6 months and 12 months, interest was charged at the rate of 6.00% per annum.

As at December 31, 2019 and 2018, the short-term loans from related persons amounted to Baht 5.37 million equally for both year interest was not inter-charge, are unsecured and due at call.

## 5.2 Inter-revenues and expenses are as follows:-

(Unit :Thousand Baht)

<u>Type of items</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenue from project consultant</b>				
Siam Bangkok Development Co., Ltd.	-	-	5,160	5,160
Imperial Land Co., Ltd.	-	-	5,540	6,119
Chiangmai Daily Company Limited –				
EMC Public Company Limited Joint Venture	2,230	-	2,230	-
Rich Man Property Co., Ltd.	-	-	3,558	-
<b>Total</b>	<b>2,230</b>	<b>-</b>	<b>16,488</b>	<b>11,279</b>

(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,			
	2019	2018	2019	2018
<b>Interest income</b>				
BR Construction Co., Ltd.	-	-	2,482	2,674
Rich Man Property Co., Ltd.	-	-	9,097	34,874
North Property Co., Ltd.	-	-	998	3,770
Sajja Bangsaen Condominium Co., Ltd.	-	-	929	3,505
Siam Bangkok Development Co., Ltd.	-	-	1,846	3,012
Imperial Land Co., Ltd.	-	-	15,431	14,392
Sanken - EMC Co., Ltd.	271	188	271	188
Chiangmai Daily Company Limited – EMC Public Company Limited Joint Venture	76	5	76	5
<b>Total</b>	<b>347</b>	<b>193</b>	<b>31,130</b>	<b>62,420</b>
<b>Other income</b>				
Siam Bangkok Development Co., Ltd.	-	-	724	-
Imperial Land Co., Ltd.	-	-	4	-
Ua WithYa Public Company Limited	-	2,130	-	2,130
<b>Total</b>	<b>-</b>	<b>2,130</b>	<b>728</b>	<b>2,130</b>
<b>Cost of construction</b>				
Ua WithYa Public Company Limited	27,249	133,621	27,249	133,621
Sanken - EMC Co., Ltd.	97,290	28,932	97,290	28,932
<b>Total</b>	<b>124,539</b>	<b>162,553</b>	<b>124,539</b>	<b>162,553</b>
<b>Finance costs</b>				
Ua WithYa Public Company Limited	-	524	-	444
Khun Voravit Leenabanchong	2,450	2,852	2,450	2,852
Khun Chanachai Leenabanchong	1,671	2,632	1,671	2,632
Khun Chinchai Leenabanchong	31	905	31	905
Khun Chinsiri Leenabanchong	1,521	1,711	1,521	1,711
<b>Total</b>	<b>5,673</b>	<b>8,624</b>	<b>5,673</b>	<b>8,544</b>
<b>Directors' remuneration and key management benefits</b>				
Short-term benefits	23,239	24,726	23,239	24,726
Post-employment benefits	4,416	3,145	4,416	3,145
Directors' remuneration	2,371	2,600	2,371	2,600
<b>Total</b>	<b>30,026</b>	<b>30,471</b>	<b>30,026</b>	<b>30,471</b>



### Policy of setting prices

	<u>Policy</u>
Costs of construction	Based on the agreed price
Project consultant fees	Based on the agreed price
Other income	Based on the agreed price
Interest income	
BR Construction Co., Ltd	6.50% -7.50% per annum
Rich Man Property Co., Ltd.	7.50% per annum
Sajja Bangsaen Condominium Co., Ltd	7.50% per annum
North Property Co., Ltd.	7.50% per annum
Siam Bangkok Development Co., Ltd.,	7.50% per annum
Imperial Land Co.Ltd.	7.50% per annum
JV EMC-PLE	8.00% per annum
Chiangmai Daily Company Limited – EMC Public Company Limited Joint Venture	7.50% per annum
Costs of construction	Based on the agreed price
Interest expenses	
Ua WithYa Public Company Limited	6.25% per annum
Khun Worawit Leenabanchong	6.00% per annum
Khun Chanachai Leenabanchong	6.00% per annum
Khun Chinchai Leenabanchong	6.00% per annum
Khun Chinsiri Leenabanchong	6.00% per annum

### 5.3 Relationship of related parties

Consisted of:-

<u>Name of companies</u>	<u>Nationality</u>	<u>Nature of relationship</u>
BR Construction Co., Ltd.	Thai	Subsidiary
Rich Man Property Co., Ltd.	Thai	Subsidiary
Sajja Bangsaen Condominium Co., Ltd.	Thai	Subsidiary
North Property Co., Ltd.	Thai	Subsidiary
Siam Bangkok Development Co., Ltd.	Thai	Subsidiary
Imperial Land Co., Ltd.	Thai	Subsidiary
Sanken - EMC Co., Ltd.	Thai	Associate
JV EMC-PLE	Thai	Joint Arrangement
Chiangmai Daily and EMC Joint Venture Co., Ltd.	Thai	Joint Arrangement
Ua WithYa Public Company Limited	Thai	Common shareholders
Siam Grand Property Co., Ltd.	Thai	Khun Anuwit is director and major shareholder

<u>Name of companies</u>	<u>Nationality</u>	<u>Nature of relationship</u>
Poonsub Property Co., Ltd.	Thai	Khun Norrapat is director and major shareholder
Khun Voravit Leenabanchong	Thai	Directors
Khun Chanachai Leenabanchong	Thai	Directors
Khun Chinchai Leenabanchong	Thai	Shareholder
Khun Chinsiri Leenabanchong	Thai	Shareholder
Khun Nutteera Ngamlertkul	Thai	Shareholder
Khun Norrapat Teeyapan	Thai	Former subsidiary's director
Khun Anuwit Tantiseewekul	Thai	Former executive

## 6. Current investments

Consisted of -

(Unit :Thousand Baht)

	<u>Interest rate</u> (% per annum)	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>As at December 31,</u>		<u>As at December 31,</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Investments in fixed deposits					
Twelve months' fixed deposit	1.25 - 2.00	1,820	5,959	1,482	5,634

## 7. Trade and other current receivables

Consisted of: -

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade accounts receivable				
Related parties	-	-	139,119	139,119
Less Allowance for doubtful accounts	-	-	(139,119)	(139,119)
Net	-	-	-	-
Other parties	56,357	221,182	56,357	221,182
Less Allowance for doubtful accounts	(8,247)	(7,771)	(8,247)	(7,771)
Net	48,110	213,411	48,110	213,411
Total	48,110	213,411	48,110	213,411

(Unit :Thousand Baht)





(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Other current receivables</b>				
Advance payment to related parties	156	156	15	-
Advance payment to third parties	390	2,502	211	1,880
Accrued income - related parties	57	-	1,335	519
Accrued income - third parties	1,299	1,078	697	941
Prepaid expenses	3,317	5,797	3,281	5,755
Other receivables - related parties	20,442	17,032	50,974	34,245
Other receivables - other parties	12,611	15,747	12,251	14,243
<b>Total</b>	<b>38,272</b>	<b>42,312</b>	<b>68,764</b>	<b>57,583</b>
<b>Less Allowance for doubtful accounts</b>	<b>(23,574)</b>	<b>(25,106)</b>	<b>(30,872)</b>	<b>(32,403)</b>
<b>Total other current receivables</b>	<b>14,698</b>	<b>17,206</b>	<b>37,892</b>	<b>25,180</b>
<b>Total</b>	<b>62,808</b>	<b>230,617</b>	<b>86,002</b>	<b>238,591</b>

Aging analysis for trade receivable were as follows:-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Trade accounts receivable - related parties</b>				
- Over due				
More than 12 months	-	-	139,119	139,119
<b>Total</b>	<b>-</b>	<b>-</b>	<b>139,119</b>	<b>139,119</b>
<b>Less Allowance for doubtful accounts</b>	<b>-</b>	<b>-</b>	<b>(139,119)</b>	<b>(139,119)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade accounts receivables - other parties</b>				
- Not yet due	44,463	204,837	44,463	204,837
- Overdue				
Less than 3 months	460	5,356	460	5,356
From 3 to 6 months	928	1,529	928	1,529
From 6 to 12 months	2,259	1,305	2,259	1,305
More than 12 months	8,247	8,155	8,247	8,155
<b>Total</b>	<b>56,357</b>	<b>221,822</b>	<b>56,357</b>	<b>221,822</b>
<b>Less Allowance for doubtful accounts</b>	<b>(8,247)</b>	<b>(7,771)</b>	<b>(8,247)</b>	<b>(7,771)</b>
<b>Total</b>	<b>48,110</b>	<b>213,411</b>	<b>48,110</b>	<b>213,411</b>
<b>Total trade accounts receivables</b>	<b>48,110</b>	<b>213,411</b>	<b>48,110</b>	<b>213,411</b>

The normal credit terms for the customer of the Group had a period of 5 days to 45 days.

Trade receivables overdue more than 6 months in the statements of financial positions as at December 31, 2019 and 2018 consist of :-

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
a) Construction Projects of BR Construction Co., Ltd.	-	-	139,119	139,119
b) Airport Link Square Car Park Project	-	384	-	384
c) United Center Renovation Project	-	3,317	-	3,317
d) Bluroc Hau Hin Project	4,329	4,329	4,329	4,329
e) Landmark Mahachai Project	6,052	-	6,052	-
f) Other projects	125	125	125	125
Total	10,506	8,155	149,625	147,274

As at December 31, 2019 and 2018, the Company has transferred the right to receive payment from an account receivable amounting to Baht 13.98 million and Baht 203.98 million respectively as collateral for credit facilities from bank as discussed in notes to financial statements No. 18 and 35.4

## 8. Unearned construction income and amounts advance from customers

### 8.1 Balance under contract

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Unbilled income	499,071	562,747	499,071	562,747
<u>Less</u> Allowance for doubtful accounts	(7,505)	(12,552)	(7,505)	(12,552)
Unbilled income-net	491,566	550,195	491,566	550,195
Retention receivable	194,144	142,713	194,144	142,713
<u>Less</u> Allowance for doubtful accounts	(22,110)	(25,083)	(22,110)	(25,083)
Retention receivable-net	172,034	117,630	172,034	117,630



(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Amount received in advance				
Services	86,871	19,208	81,753	14,054
Real estate business	72,200	153,881	65,934	145,025
Total	159,071	173,089	147,687	159,079

## 8.2 Revenues to be recognized for unsatisfied performance obligations

As at December 31, 2019, the Group expected to have revenues to be recognized in the future relating to performance obligations that are unsatisfied (or partial unsatisfied) of contracts with customer in the amount of Baht 2,961.74 million (Separate: Baht 2,867.36 million). The Group expected to satisfy such performance obligations of such contract within 30 years (Separate: 5 years).

8.3 As at December 31, 2019 and 2018, the Company has transferred the right to receive payment from an unbilled receivable amount of Baht 445.61 million and Baht 188.37 million respectively as collateral for credit facilities from bank as discussed in notes to financial statements No.18 and 36.5

As at December 31, 2019 and 2018, the Company transferred the rights to receive payment from retention receivable from a customer amounting to Baht 168.52 million and Baht 69.14 million respectively as collateral for credit facilities from bank as discussed in notes to financial statements No.18 and 36.5

## 9. Investment

Consist of:-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Construction materials	36,561	-	36,561	-
Real estate development cost	731,761	874,698	228,667	360,772
Total	768,322	874,698	265,228	360,772

Estate development cost Consist of:-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and development	15,444	15,672	-	-
Construction cost	81,179	85,748	-	-
Interest expenses	2,572	2,862	-	-
Property for sale	1,247,141	1,246,146	631,946	641,298
Total	1,346,336	1,350,428	631,946	641,298
<u>Less</u> Transfer of real estate development cost to accumulated cost	(606,382)	(464,890)	(397,261)	(271,861)
Balance of real estate development cost	739,954	885,538	234,685	369,437
<u>Less</u> Allowance for devaluation	(8,193)	(10,840)	(6,018)	(8,665)
Total	731,761	874,698	228,667	360,772

Allowance for devaluation of real estate development cost in consolidated and separate statements of financial position as at December 31, 2019 and 2018, are as follows :-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Hallmark Ngamwongwan Project	2,348	4,995	2,348	4,995
Malibu Khao Tao Project	3,625	3,625	3,625	3,625
Arinsiri Town Project	45	45	45	45
Seaside Bangsan by North Beach Project	2,175	2,175	-	-
Total	8,193	10,840	6,018	8,665

Additional information of the projects

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total estimated sale value of project which				
Were operated at the end of period	2,155,889	1,993,708	937,047	962,365
Total sale value of units with signed				
agreements to buy and sell, or units sold	1,119,287	1,109,446	761,336	768,185
Percentage of sale value of units with signed				
agreements to buy and sell, or units sold	51.92	55.56	81.25	79.82



As at December 31, 2019 and 2018, real estate development cost in the consolidated and separate financial statements total Baht 47 million and Baht 351.06 million respectively, were pledged as collateral against short-term borrowings, long-term borrowings from financial institutions and obligations with commercial banks as stated in notes 18, 23 and 35.4.

#### 10. Deposits

Consist of :-

(Unit :Thousand Baht)		
<u>Consolidated and Separate</u>		
<u>financial statements</u>		
<u>As at December 31,</u>		
	<u>2019</u>	<u>2018</u>
Project from Fine 22 Properties Co., Ltd.	17,000	18,000
Investment in Moonshot Venture Capital Co., Ltd.	-	25,000
Total	17,000	43,000
<u>Less</u> Allowance for doubtful accounts	(17,000)	(18,000)
Net	-	25,000

In the third quarter of 2014, the Company paid a deposit for the purchase of a project to Fine 22 Properties Co., Ltd. in the amount of Baht 25 million. Later, on January 5, 2015, the Company canceled the memorandum of intent in the purchase of this project which the Fine 22 Properties Co., Ltd. has sent a letter to the Company to return the deposit to the Company within May 31, 2016 but that company cannot pay the return in agreed time then they request to postponed in several times by allow the Company to charge interest on the part of postponement. The last times on October 7, 2016, the Company had requested to postpone of payment again by 4 issues of cheque to the Company which were dated on November 30, 2016, in the later, when those cheque are due, 4 issues cannot be collected. The Company is in the process of prosecution a lawsuit to that company. Subsequent, on October 2, 2017, the court considered the case. Both parties can agree. That company agreed to pay the debt to the Company by issuing 36 advance cheque totaling Baht 40.50 million. The first cheque dated October 7, 2017, the remaining cheque will be dated the 7th of the following month. On December 31, 2019 and 2018, the Company received amount of Baht 8 million and Baht 7 million respectively from such company. Subsequent on October 1, 2019 both parties remade the memorandum for the debt settlement total amount of Baht 32.50 million, that company is required to settle debts in full within January 30, 2020 and agreed to appraise property for debt settlement in the form of 31 units of Tower C, Am Fine Condominium project within March 31, 2020 if it could not make debt settlement.

For the year ended December 31, 2019, Moonshot Venture Capital Co., Ltd. has increased the registered share capital amount of Baht 20 million to Baht 200 million (divided into 2,000,000 ordinary shares of Baht 100 each). The Company has held those shares of such company amount of Baht 25 million, therefore, such deposits were transferred to present in other long-term investment (see note 14).

#### 11. Restricted bank deposits

As at December 31, 2019 and 2018, totaling bank deposits have been pledged as collateral for short-term borrowings from financial institutions, long-term borrowings from financial institutions and obligations with commercial banks in Notes 18, 23 and 35.4.

#### 12. Investments in subsidiaries

As at December 31, 2019 and 2018, the investments in subsidiaries are as follows :-

(Unit :Thousand Baht)

<u>Company names</u>	<u>Separate financial statements</u>									
	<u>Paid up capital</u>		<u>Percentage of ownership (%)</u>		<u>Cost Method</u>		<u>Allowance for impairment</u>		<u>Net</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
BR Construction Co., Ltd.	60,000	60,000	51.00	51.00	3,600	3,600	(3,600)	(3,600)	-	-
Rich Man Property Co., Ltd.	5,000	5,000	100.00	100.00	37,030	37,030	(37,030)	(37,030)	-	-
North Property Co., Ltd.	4,000	4,000	100.00	100.00	66,067	66,067	(66,067)	(66,067)	-	-
Sajja Bangsaen Condominium Co., Ltd.	4,000	4,000	100.00	100.00	12,767	12,767	(12,767)	(12,767)	-	-
Siam Bangkok Development Co., Ltd.	20,000	20,000	100.00	100.00	20,000	20,000	-	-	20,000	20,000
Imperial Land Co., Ltd.	110,000	110,000	100.00	100.00	134,800	134,800	(134,800)	(134,800)	-	-
Total					274,264	274,264	(254,264)	(254,264)	20,000	20,000

12.1 On October 31, 2016, the Company purchased the common shares of the Imperial Land Co., Ltd. (subsidiary) amounting to 1.10 million shares from 3 individual and related parties are UA WITHYA Plc., Mr. Wutichai Leenabanchong and Mr. Monthon Chatuwatlopkul at Baht 134.80 million, in addition, the Company will be repaid the borrowings and accrued interest, calculated to February 13, 2015, to UA WITHYA Plc. instead of the subsidiary in the amount of Baht 144 million, as at acquisition date of subsidiary has outstanding including accrued interest with UA WITHYA Plc. total amount of Baht 176.92 million. At the acquisition date, the subsidiary has the debt and accrued interest on the original terms amount of Baht 32.92 million to the Company. The Company had recorded this amount of the debt of Baht 32.92 million and the difference between the amount to purchase common shares to the book value of net assets as purchasing date in amount of Baht 128 million as part of the " Property, plant and equipment " which were not recognized as goodwill or gain on bargain due to this purchasing of common shares of the subsidiary is not in the definition of the acquisition business according to the terms stated in the Financial Reporting Standard No.3, Business Combinations.





- 12.2 On September 2, 2015, the Company received cancellation letter on sell of common shares of Siam Bangkok Development Co., Ltd. as discussed in Note 17.
- 12.3 On April 4, 2019, the Company entered into agreement to buy and to sell and transfer the right to claim with 5 persons (shareholders) in accordance with the Board of directors' meeting No.3/2019 held on April 5, 2019 by offering shares and transferring the right to claim the “Sea Side by North Beach Resort” project and the “Palmio” project as well as entire building and land of three subsidiaries (Richman Property Company Limited, North Property Company Limited and Sajja Bangsaen Condominium Company Limited) in the price of Baht 590 million that the buyer agreed to make payment as follows:
- 1) The 1<sup>st</sup> instalment amount of Baht 15 million at the agreement date.
  - 2) The 2<sup>nd</sup> instalment amount of Baht 15 million is paid on April 17, 2019.
  - 3) The 3<sup>rd</sup> instalment amount of Baht 118 million will be paid on June 20, 2019.
  - 4) The remaining amount of Baht 442 million will be paid every the 5<sup>th</sup> of each month not less than Baht 36.84 million, commenced on July 5, 2019 onwards..

The Company will transfer the share capital existed in those three subsidiaries to the re-buyer when the payment is completed.

For the year ended December 31, 2019, the Company has already received the payment amount of Baht 30 million from the re-buyer.

- 12.4 There was no dividend received from the subsidiaries during the year ended December 31, 2019 and 2018.

### 13. Investments in associates and joint venture

As at December 31, 2019 and 2018, investments in associates and joint venture as follows :-

(Unit :Thousand Baht)

Company name	Paid up capital		Percentage of ownership (%)		Consolidated financial statements				Separate financial statements			
					Equity method				Cost method			
									Allowance for impairment			
									Cost		Net	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Sanken - EMC Co., Ltd.	40.00	40.00	48.00	48.00	-	-	19,200	19,200	(19,200)	(19,200)	-	-
Joint venture EMC and Power Line	-	-	49.00	49.00	158	158	800	800	(800)	(800)	-	-
Chiangmai Daily and EMC Joint Venture Co., Ltd.	5.00	-	51.00	51.00	-	-	2,550	-	-	-	2,550	-
					158	158	22,550	20,000	(20,000)	(20,000)	2,550	-

On October 16, 2018, the Board of Directors' Meeting No. 6/2018, passed a resolution to approve the establishment of joint venture with Chiang Mai Daily Co., Ltd. under the name of " Joint Venture Chiang Mai Daily Co., Ltd. and EMC Public Company Limited" in proportion of 49 : 51, objective to submit documents for bidding to construction and management of housing projects under Government Policy "Thai People's House" project in the State of Properties land. Later, on February 5, 2019, there is establishment of Chiangmai Daily and EMC Joint Venture Co., Ltd. for operating of such project.

As at 31 December 2017, joint venture EMC and Power Line have registered to dissolve their business with the Revenue Department which are currently on the process of liquidation.

As at December 31, 2019 and 2018, according to the consolidated financial statements, the Company recognizes loss on equity method in excess of investment in Sanken-EMC Co., Ltd. in amounting of Baht 2.37 million and Baht 2.37 million respectively, which is recognized as a part of the transaction "Other non-current liabilities" in total amount.

For the year ended December 31, 2019 and 2018, share of profit (loss) and dividend income in associates and joint venture as follows :-

(Unit :Thousand Baht)

	<u>Consolidated</u>		<u>Consolidated and Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>Share of profit (loss)</u>		<u>Dividend income</u>	
	2019	2018	2019	2018
Sanken - EMC Co., Ltd.	(2)	(4,870)	-	-
Chiangmai Daily Company Limited				
EMC Public Company Limited Joint Venture	(2,550)	-	-	-
Joint venture EMC and Power Line	-	(540)	-	-
Total	(2,552)	(5,410)	-	-





Significant financial information of associates and joint venture that can be summarized as follows :-

(Unit :Thousand Baht)

	<u>Sanken - EMC Co., Ltd.</u>		<u>Chiangmai Daily and EMC Joint Venture Co., Ltd.</u>		<u>Joint venture EMC and Power Line</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	17,879	98,256	4,707	406	322	322
Non-current assets	6,054	5,026	3,634	3,680	-	-
Current liabilities	10,672	95,338	9,808	4,194	-	-
Non-current liabilities	7,255	4,224	-	-	-	-

(Unit :Thousand Baht)

	<u>Chiangmai Daily and EMC Joint Venture Co., Ltd.      Joint venture EMC Sanken - EMC Co., Ltd.      and Power Line</u>					
	<u>For the year ended December 31,</u>					
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues	41,572	138,826	11	-	-	1
Profit (loss) from continuing operations	2,287	(1,022)	(6,517)	(108)	-	(2)
Other comprehensive income (expense)	2,287	(1,022)	(6,517)	(108)	-	(2)
Total comprehensive income (expense)	2,287	(1,022)	(6,517)	(108)	-	(2)

#### 14. Other long-term investments

As at December 31, 2019 and 2018, other long-term investments consist of :-

(Unit :Thousand Baht)

<u>Consolidated and Separate financial statements</u>							
<u>Company names</u>	<u>Nature of business</u>	<u>Paid up capital</u>	<u>Investment portion</u> (%)	<u>Cost method</u>		<u>Dividend income</u> <u>For the year ended</u> <u>December 31,</u>	
				<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
M.1 Property Co., Ltd.	Real estate	120,000	10.00	12,000	12,000	-	-
Thai medical center public company limited	Health care business	200,539	0.02	50	50	-	2
Bangkok Club Co., Ltd.	Sales of food and beverages, services and fitness facilities	450,000	0.22	1,000	1,000	-	-
Moonshot Venture Capital Co., Ltd.	Holding company in which has not mainly invested in finance business	92,500	10.00	25,000	-	-	-
Total				38,050	13,050	-	2
Less : Provision for impairment				(13,050)	(13,050)	-	-
Net				25,000	-	-	2

On November 14, 2018, according to the resolution of the Board of Directors' Meeting No. 7/2018, the Company approved the investment in Moonshot Venture Capital Co., Ltd. by establishing a joint venture company ("Venture Capital Company") in order to invest in specialized technology and industry. The Company will hold 10% of the registered capital of Baht 1,000.00 million. By making agreement to a joint shareholder on November 15, 2018. As at December 31, 2019, the Company has remaining obligation amount of Baht 75 million.

As at December 31, 2019, such company has a registered capital of Baht 320.00 million (consist of 3,200,000 ordinary shares with a par value amount of Baht 100 each) and the issued and paid-up share capital amount of Baht 92.50 million equal to 28.91% of registered share capital.



## 15. Investment property

Consisted of :-

(Unit :Thousand Baht)

	Consolidated financial statements			
	Land	Buildings and condominium units	Leasehold rights	Total
<b>Cost :</b>				
As at January 1, 2018	-	460,174	116,365	576,539
Received debt settlement by land	164,895	-	-	164,895
Transfer from real estate development cost	-	27,705	-	27,705
Transfer from work in construction	-	363,504	-	363,504
Transfer from land awaiting developments	10,035	-	-	10,035
As at December 31, 2018	174,930	851,383	116,365	1,142,678
Increase	202	-	-	202
Disposals / Write off	(19,652)	(25,440)	(2,726)	(47,818)
As at December 31, 2019	155,480	825,943	113,639	1,095,062
<b>Surplus (discount) from asset revaluation:</b>				
As at January 1, 2018	-	(9,939)	48,816	38,877
Increase (decrease) from revaluation during the year	-	-	-	-
As at December 31, 2018	-	(9,939)	48,816	38,877
Increase (decrease) from revaluation during the year	-	-	(1,144)	(1,144)
As at December 31, 2019	-	(9,939)	47,672	37,733
<b>Accumulated depreciation -</b>				
<b>Surplus (discount) from asset revaluation:</b>				
As at January 1, 2018	-	-	-	-
Depreciation for the year	-	-	(932)	(932)
As at December 31, 2018	-	-	(932)	(932)
Depreciation for the year	-	-	(913)	(913)
As at December 31, 2019	-	-	(1,821)	(1,821)
<b>Net book value Surplus (discount) from asset revaluation:</b>				
As at December 31, 2018	-	(9,939)	47,884	37,945
As at December 31, 2019	-	(9,939)	45,851	35,912

(Unit :Thousand Baht)

	Consolidated financial statements			
	Land	Buildings and condominium units	Leasehold rights	Total
<b>Accumulated depreciation:</b>				
As at January 1, 2018	-	(13,810)	-	(13,810)
Depreciation for the year	-	(25,002)	(3,751)	(28,754)
As at December 31, 2018	-	(38,812)	(3,751)	(42,564)
Depreciation for the year	-	(26,786)	(3,674)	(30,460)
Disposal / Amortized	-	764	99	863
As at December 31, 2019	-	(64,834)	(7,326)	(72,161)
<b>Accumulated impairment:</b>				
As at January 1, 2018	-	(2,355)	(19,891)	(22,246)
Increase	-	(8,441)	-	(8,441)
As at December 31, 2018	-	(10,796)	(19,891)	(30,687)
Decrease	-	3,603	466	4,069
As at December 31, 2019	-	(7,193)	(19,425)	(26,618)
<b>Net book value :</b>				
As at December 31, 2018	174,930	791,834	140,607	1,107,373
As at December 31, 2019	155,480	743,977	132,739	1,032,196

**Depreciation in profit or loss for the years :**

End of December 31, 2018	29,685
End of December 31, 2019	31,469

(Unit :Thousand Baht)

	Separate financial statements			
	Land	Buildings and condominium units	Leasehold rights	Total
<b>Cost :</b>				
As at January 1, 2018	-	180,386	116,365	296,751
Received debt settlement by land	164,895	-	-	164,895
Transfer from real estate development cost	-	21,648	-	21,648
Transfer from work in construction	-	363,505	-	363,505
Transfer from land awaiting developments	-	-	-	-
As at December 31, 2018	164,895	565,539	116,365	846,799
Increase	202	-	-	202
Disposals / Write off	(19,652)	(25,440)	(2,726)	(47,818)
As at December 31, 2019	145,445	540,099	113,639	799,183



(Unit :Thousand Baht)

	Separate financial statements			
	Land	Buildings and condominium units	Leasehold rights	Total
<b>Surplus (discount) from asset revaluation:</b>				
As at January 1, 2018	-	(9,939)	48,816	38,877
Increase (decrease) from revaluation during the year	-	-	-	-
As at December 31, 2018	-	(9,939)	48,816	38,877
Disposals / Write off	-	-	(1,144)	(1,144)
As at December 31, 2019	-	(9,939)	47,672	37,733
<b>Accumulated depreciation - Surplus (discount) from asset revaluation:</b>				
As at January 1, 2018	-	-	-	-
Depreciation for the year	-	-	(932)	(932)
As at December 31, 2018	-	-	(932)	(932)
Depreciation for the year	-	-	(913)	(913)
Disposals / Write off	-	-	24	24
As at December 31, 2019	-	-	(1,821)	(1,821)
<b>Net book value Surplus (discount) from asset revaluation:</b>				
As at December 31, 2018	-	(9,939)	47,884	37,944
As at December 31, 2019	-	(9,939)	45,851	35,912
<b>Accumulated depreciation:</b>				
As at January 1, 2018	-	-	-	-
Depreciation for the year	-	(15,399)	(3,751)	(19,150)
As at December 31, 2018	-	(15,399)	(3,751)	(19,150)
Depreciation for the year	-	(17,206)	(3,674)	(20,880)
Disposals and write off	-	763	99	862
As at December 31, 2019	-	(31,842)	(7,283)	(39,168)
<b>Accumulated impairment:</b>				
As at January 1, 2018	-	(2,355)	(19,891)	(22,246)
Increase	-	(8,441)	-	(8,441)
As at December 31, 2018	-	(10,796)	(19,891)	(30,687)
Increase	-	-	-	-
Decrease	-	3,603	466	4,069

(Unit :Thousand Baht)

	Separate financial statements			
	Land	Buildings and condominium units	Leasehold rights	Total
<b>Net book value :</b>				
As at December 31, 2018	164,895	529,402	140,607	834,907
As at December 31, 2019	145,445	491,125	132,739	769,309
<b>Depreciation in profit or loss for the years :</b>				
End of December 31, 2018				20,082
End of December 31, 2019				21,793

As at December 31, 2019, investment properties had fair value amount of Baht 1,057.32 million in the consolidated financial statements and Baht 811.32 million in the separate financial statements respectively.

As at December 31, 2019 and 2018, land valued at Baht 145.24 and 164.89 million is an asset that the Company has received instead of payment from a debtor as described in Notes 7 and 35.5

As at December 31 2019 and 2018, investment property of cost in the consolidated financial statements and separate financial statements amount of Baht 41.45 million and Baht 21.65 million respectively, were pledged as collateral for short-term investment borrowings from financial institutions, long-term borrowings and obligations from financial institution as stated in Notes 18, 23 and 35.4

### Building and units of condominium

As at December 31, 2019 and 2018, building in consolidated the financial statements in the amount of Baht 247.88 million and Baht 257.25 million respectively as building of which Imperial Land Co., Ltd. (subsidiary) is eligible for management land with construction in form of 7 floors high building in accordance with lease land with its construction agreement dated December 1, 2015 between Imperial Land Co., Ltd. and Petcharat-Suvatana Foundation (Foundation) under project "STATION 1 @ CHINA TOWN" with the agreement period is 30 years from June 1, 2016 to May 31, 2046. The remuneration over the lease period is Baht 161.01 million by dividing into 3 parts are 1) special remuneration amount of Baht 60 million will be paid on a yearly basis through 6 years of Baht 10 million each and to be completed within December 10, 2019 (already paid amount of Baht 30 million), 2) compensation for lack of benefits during the building renovation total amount of Baht 2.76 million will be paid on the 10<sup>th</sup> of every month at Baht 0.05 million until the renovation is completed (commenced on May 1, 2013 to November 2015) and Baht 0.20 million from December 1, 2015 to May 31, 2016 (already paid in full), and 3) monthly rental on over the lease total Baht 96.67 million by making payment on the 10<sup>th</sup> of every month throughout the period of 30 years commenced in 2016. Thus the subsidiary intended to possess building under lease agreement to find benefit from rental income.



### **Leasehold right**

On November 24, 2014, the Company (lessee) entered into lease land with its construction agreement under property development project with State Railway of Thailand (lessor) for the period of 4 years commenced from January 1, 2015 to December 31, 2018. The Company has to constructed buildings, construction and components as agreed with the lessor to be completed as stipulated in agreement. The lessee is responsible for construction costs. The Company can take construction costs of building to deduct with benefits fee not exceeding the determination in agreement. Building, construction and components including entire equipment at the lease space will be vested in the ownership of the lessor immediately when agreement is terminated. During the lease period, the lessor has a right to cancel this agreement by making notice in writer not less than 30 days that the lessee has not a right to claim any damages or compensation.

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

On April 10, 2015, the Company (“Lessee”) has entered into a land rental for utility construction agreement for vehicle entrance, thoroughfare to enter to the lessee’s place with a company. The land rental agreement has the period of 3 years 7 months staring from May 1, 2015 to December 31, 2018.

On April 10, 2015, the Company (“Lessee”) has entered into land rental agreement for operating benefit with a company for the period of 30 years starting from January 1, 2019 to December 31, 2048. The lessee will pay the annual rental in advance as indicate in the agreement. The Company already prepaid the rent for the first 15 years in advance totalling Baht 15.52 million.

As at December 31, 2019 and 2018, the Group recognized a loss from an onerous contract in the consolidated financial statements amount of Baht 37.33 million and Baht 36.94 million and in the separate financial statements amount of Baht 13.42 million and Baht 13.03 million respectively, such loss represents the cost of rental which the Company has to pay to two lessee subject to the commitments specified in the above contract and the costs are higher than the economic benefits expected from contract.



## 16. Property, plant and equipment

Consisted of :-

(Unit :Thousand Baht)

### Consolidated financial statements

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work in progress	Total
<b>Cost :</b>									
As at January 1, 2018	20,425	45,000	29,065	444	115,516	58,010	34,691	-	303,151
Acquisition	-	-	224	-	1,835	2,937	3,413	-	8,409
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
Disposals / write off	-	-	(32)	-	-	(21,119)	-	-	(21,151)
As at December 31, 2018	20,425	45,000	29,257	444	117,351	39,828	38,104	-	290,409
Acquisition	-	-	-	-	9,670	2,341	14,250	-	26,228
Transfer in/Transfer out	-	-	-	-	(33)	33	-	-	-
Disposals / write off	-	-	-	-	(55,069)	(6,292)	(520)	-	(61,848)
As at December 31, 2019	20,425	45,000	29,257	444	71,952	35,877	51,834	-	254,789
<b>Incremental amount :</b>									
As at January 1, 2018	7,609	130,119	-	-	-	-	-	-	137,728
Increase of revalued during the year	-	-	-	-	-	-	-	-	-
As at December 31, 2018	7,609	130,119	-	-	-	-	-	-	137,728
Increase of revalued during the year	-	-	-	-	-	-	-	-	-
As at December 31, 2019	7,609	130,119	-	-	-	-	-	-	137,728
<b>Accumulated depreciation incremental amount :</b>									
As at January 1, 2018	-	(45,368)	-	-	-	-	-	-	(45,368)
Depreciation for year	-	(3,308)	-	-	-	-	-	-	(3,309)
As at December 31, 2018	-	(48,676)	-	-	-	-	-	-	(48,676)
Depreciation for year	-	(3,308)	-	-	-	-	-	-	(3,308)
As at December 31, 2019	-	(51,984)	-	-	-	-	-	-	(51,984)
<b>Net book value settlement from incremental :-</b>									
As at December 31, 2018	7,609	81,443	-	-	-	-	-	-	89,052
As at December 31, 2019	7,609	78,135	-	-	-	-	-	-	85,744





(Unit :Thousand Baht)

**Consolidated financial statements**

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work in progress	Total
<b>Accumulated depreciation :-</b>									
As at January 1, 2018	-	(22,016)	(28,878)	(202)	(111,091)	(50,294)	(24,559)	-	(237,041)
Depreciation for year	-	(897)	(106)	(111)	(1,236)	(2,685)	(1,803)	-	(6,838)
Disposals / write off	-	-	32	-	-	20,713	-	-	20,745
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
As at December 31, 2018	-	(22,913)	(28,952)	(313)	(112,327)	(32,266)	(26,363)	-	(223,134)
Depreciation for the year	-	(897)	(96)	(111)	(1,712)	(2,872)	(2,773)	-	(8,461)
Disposals / write off	-	-	-	-	54,990	6,143	467	-	61,600
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
As at December 31, 2019	-	(23,810)	(29,048)	(4240)	(59,049)	(28,995)	(28,669)	-	(169,995)
<b>Accumulated allowance for impairment</b>									
As at January 1, 2018	-	-	-	-	-	-	-	-	-
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
As at December 31, 2018	-	-	-	-	-	-	-	-	-
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
As at December 31, 2019	-	-	-	-	-	-	-	-	-
<b>Net book value :</b>									
As at December 31, 2018	28,034	103,530	305	131	5,024	7,562	11,741	-	156,327
As at December 31, 2019	28,034	99,325	209	20	12,903	6,882	23,165	-	170,538

**Depreciation in profit or loss for the years :-**

End of December 31, 2018	10,146
End of December 31, 2019	11,770

(Unit :Thousand Baht)

Separate financial statements

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work in progress	Total
<b>Cost :</b>									
As at January 1, 2018	20,426	45,000	29,065	444	115,516	56,262	34,691	-	301,404
Acquisition	-	-	224	-	1,835	2,938	3,413	-	8,410
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
Disposals / write off	-	-	(32)	-	-	(21,083)	-	-	(21,115)
As at December 31, 2018	20,426	45,000	29,257	444	117,351	38,117	38,104	-	288,699
Acquisition	-	-	-	-	9,670	2,279	14,250	-	26,199
Transfer in/Transfer out	-	-	-	-	(33)	33	-	-	-
Disposals / write off	-	-	-	-	(55,037)	(6,283)	(520)	-	(61,840)
As at December 31, 2019	20,426	45,000	29,257	444	71,951	34,146	51,834	-	253,058
<b>Incremental amount :</b>									
As at January 1, 2018	7,609	130,118	-	-	-	-	-	-	137,727
Increase of revalued during the year	-	-	-	-	-	-	-	-	-
As at December 31, 2018	7,609	130,118	-	-	-	-	-	-	137,727
Increase of revalued during the year	-	-	-	-	-	-	-	-	-
As at December 31, 2019	7,609	130,118	-	-	-	-	-	-	137,727
<b>Accumulated depreciation incremental amount :</b>									
As at January 1, 2018	-	(45,367)	-	-	-	-	-	-	(45,367)
Depreciation for year	-	(3,308)	-	-	-	-	-	-	(3,308)
As at December 31, 2018	-	(48,675)	-	-	-	-	-	-	(48,675)
Depreciation for year	-	(3,308)	-	-	-	-	-	-	(3,308)
As at December 31, 2019	-	(51,983)	-	-	-	-	-	-	(51,983)
<b>Net book value settlement from incremental :-</b>									
As at December 31, 2018	7,609	81,443	-	-	-	-	-	-	89,052
As at December 31, 2019	7,609	78,135	-	-	-	-	-	-	85,744



(Unit :Thousand Baht)

**Separate financial statements**

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Work in progress	Total
<b>Accumulated depreciation :-</b>									
As at January 1, 2018	-	(22,016)	(28,878)	(202)	(111,091)	(49,767)	(24,560)	-	(236,514)
Depreciation for year	-	(897)	(107)	(111)	(1,236)	(2,339)	(1,803)	-	(6,493)
Disposals / write off	-	-	32	-	-	20,694	-	-	20,726
As at December 31, 2018	-	(22,913)	(28,953)	(313)	(112,327)	(31,412)	(26,363)	-	(222,281)
Depreciation for the year	-	(897)	(960)	(111)	(1,744)	(2,571)	(2,772)	-	(8,118)
Disposals / write off	-	-	-	-	54,990	6,137	467	-	61,594
As at December 31, 2019	-	(23,810)	(29,049)	(424)	(59,049)	(27,804)	(28,669)	-	(168,805)
<b>Accumulated allowance for impairment</b>									
As at January 1, 2018	-	-	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-	-	-
As at December 31, 2018	-	-	-	-	-	-	-	-	-
Transfer in/Transfer out	-	-	-	-	-	-	-	-	-
As at December 31, 2019	-	-	-	-	-	-	-	-	-
<b>Net book value :</b>									
As at December 31, 2018	28,035	103,530	304	131	5,024	6,705	11,741	-	155,470
As at December 31, 2019	28,035	99,325	208	20	12,903	6,342	23,165	-	169,998

**Depreciation in profit or loss for the years :-**

End of December 31, 2018	9,801
End of December 31, 2019	11,426

As at December 31, 2019 and 2018, the Company has assets in consolidated and separate financial statements at cost amount of Baht 128.49 million and Baht 185.79 million respectively, were fully depreciated but most of them are still in use.

As at December 31, 2019 and 2018, revaluation surplus of fixed assets in the consolidated financial statements and separate financial statements amount of Baht 68.59 million and Baht 71.24 million respectively, shown as “Other component of equity - net” under “Shareholders’ Equity” in statements of financial position, the revaluation surplus on fixed assets is not available for dividend distribution.

As at December 31, 2019 and 2018, the consolidated and separate financial statements, the Company has property and condominium amount of Baht 232.14 million and Baht 204.11 million respectively to collateral against bank overdrafts amount of Baht 20 million and obligations with commercial bank in accordance in notes to financial statements No. 35.4

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

At the Board of Directors' meeting No. 6/2015 held on March 20, 2015, the Board of Directors unanimously passed the resolutions to approve the Company to purchase land and constructions of American Town project, Siam Tara Muntra project and Venice East project from Siam Grand Property Co., Ltd. The Company paid the total project costs, the borrowings for the projects from financial institutions and additional construction costs as agreed the detailed are as follows :-

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

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

(Unit :Thousand Baht)

Consolidated and Separate financial statements

As at December 31,

	2019	2018
American Town project	230,909	230,909
Siam Tara Muntra project	83,724	83,724
Venice East project	151,710	151,710
Total	466,343	466,343
<u>Less</u> Allowance for doubtful accounts	(466,343)	(466,343)
Net	-	-

As at December 31, 2019 and 2018, the ownership of land and constructions of such 3 projects have not been transferred to the Company.

On September 2, 2015, the Company received 2 letters from Siam Grand Property Co., Ltd. (Seller the American Town project, Siam Tara Muntra project and Venice East project) and a former shareholder of Siam Bangkok Development Co., Ltd. to cancel:-



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

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

In addition, the Company instructed the owner of the projects to immediately transfer the ownership of such assets to the Company and reserved the right to claim for compensation of Baht 743 million for guarantee profit as specified in the agreements.

b) The share sale agreement dated March 20, 2015 to sell 100% of common shares of Siam Bangkok Development Co., Ltd. to the Company based on the reasons that the Company conducted against rules, regulation, announcements and laws of the Stock Exchange and made a claim to the Company and/or its directors to jointly responsible for damages (to be informed later) plus interest at 15% from the date of this letter until the last settlement and instructed the Company to return all common shares within September 9, 2015, Subsequent on September 7, 2015, the Company issued a letter to argue such cancellation letter by claiming that such sell and purchase common shares was legally completed and could not be cancelled. On November 16, 2015, the Company received a legal opinion from the Company's independent legal counselor that such share sale agreement was comprehensive agreement and could not be cancelled. Therefore, the cancellation letter was unfair, illegitimate and invalid.

On September 16, 2015, Siam Grand Property Co., Ltd. (“the Plaintiff”) and former shareholder of Siam Bangkok Development Co., Ltd (Co- plaintiff) filed a court case with the Civil Court as a black case No. Por 2206/2558 against the Company, in order to force the Company to 1) submit the original copy of the mortgagee of a mortgage contract dated August 13, 2014, consent document to redeem the mortgage from a local bank, the original land title deeds of land located at Amphur Ban Bung, Chonburi Province totalling 20 plots, including power of attorney for transfer of land of the Plaintiff, 2) pay the amount of Baht 500,000 to the Plaintiff together with interest at the rate of 7.5% per annum of such principal starting from the prosecution date until completely settled such amount, and 3) pay for the damage continuously on a monthly basis of Baht 1.30 million per month starting from the prosecution date until the Company can return such land title deeds to the Plaintiff. Subsequent, on October 26, 2015, the Company presented to the court and filed the counterclaim to the Civil Court against such case to force A) the Plaintiff and Co- plaintiff to transfer the ownership of land title deeds according to the sale and purchase asset agreements of Siam Tara Muntra Project (65 plots), Venice East Project (6 plots) and American Town Project (151 plots), B) if the Plaintiff and the Co- Plaintiff cannot transfer the ownership of land to the Company as required by A), the Plaintiff and the Co- Plaintiff have to repay the Company for the amount paid by the Company of Baht 521.62 million together with interest at the rate of 7.5% per annum of the principal of Baht 515.81 million starting from the date of filing the counterclaim until the Plaintiff and Co- Plaintiff completely settle to the Company, and C) the Plaintiff and Co-plaintiff pay for the damage to the Company of Baht 751.36 million together with interest at the rate of 7.5% per annum of the principal of Baht 743 million starting from the date of filing the counterclaim until the Plaintiff and Co-plaintiff completely settled to the Company. Subsequent, on October 3, 2017, the date of the first plaintiff's hearing, the plaintiff told the court that on September 27, 2017, the plaintiff was called by a creditor to the Central Bankruptcy Court to request the plaintiff's entered into rehabilitation plan. The plaintiff asked the Court to stop the trial as abovementioned. The plaintiff's request is in accordance with the Bankruptcy Act, Section 90/12, which prohibits any person to litigate or request the Court to consider the debtor during the rehabilitation and in case have the lawsuit before , the Court shall suspend the case before the Central Bankruptcy Court have judgement.

On October 30, 2018, the Central Bankruptcy Court dismissed the petition for business rehabilitation of the debtor (plaintiff) since the Court considered and do not believe that the debtor will have more debts than assets and the information in the financial statements is not reliable. Later, when the attention of the plaintiff and defendant's taking an evidences, there is people (interpleader) who claim to be the buyer of land in the plaintiff's project filed the interpleading that such disputed land should be transferred to him. The Court of First Instance submitted the interpleading for the trail to the Appeal Court. At present, the interpleading is under the Appeal Court's trial.

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





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

<u>Case No.</u>	<u>Offence</u> <u>against</u>	<u>Damages</u>	<u>Progress lawsuit</u>
Black Case No.3781/2559	Cheating Fraud	Selling 5 land title deeds	The Court of First Instance has dismissed the judgment on August 23, 2017 and the Appeal Court had order to dismiss a petition on April 4, 2018, according to the Court of First Instance.
Black Case No.4635/2559	Cheating Fraud	Selling 5 land title deeds	The Court of First Instance has dismissed the judgment on March 20, 2017. The Appeal Court had order to dismiss a petition on September 6, 2017, according to the Court of First Instance.
Black Case No.4703/2559	Cheating Fraud	Selling 7 land title deeds	The Court of First Instance has dismissed the judgment on October 31, 2017. The Appeal Court had order to dismiss a petition on April 18, 2018, according to the Court of First Instance.
Black Case No.4771/2559	Cheating Fraud	Selling 5 land title deeds	The Court of First Instance has dismissed the judgment on October 31, 2017. The Appeal Court had order to dismiss a petition on July 24, 2018, according to the Court of First Instance. The Company has filed a petition for a verdict. Currently, the petition is being considered. Subsequent, on November 13, 2018, the Supreme Court has notified that not to receive the petition from the Company.
Black Case No.4989/2559	Cheating Fraud	Selling 6 land title deeds	The Court adjudged the cases are prima facie case to indictment by appointment to attest from defendant and determined to take an evidence in April 2018 and on June 27, 2018, the Court dismissed the case. And the Company has filed an appeal. The Appeal Court affirmed the judgment. At present, the case is still pending the Supreme Court's trial. The Company has filed for the dika approval and the dika appeal to the Supreme Court on July 15, 2019. Subsequent on September 7, 2019, the Supreme Court has a writ for disapprove the dika appeal.

Although the plaintiff is being ordered by the Central Bankruptcy Court to refuse the rehabilitation but all the incidence and situations as mentioned above shows that the Company has a high risk to not receiving payment from the debtors and the management is unable to predict when the debt can be settled and some part of property in the case had been transferred to a third party. These factors have a negative impact on the ability of the plaintiff to pay back its debts. As a result, the Company's management had considered to record the allowance for doubtful accounts of "Advances payment for purchases of real estate projects under development" in the consolidated and separate financial statements in full.

#### 18. Short-term borrowings from financial institutions

Consisted of :-

(Unit : Thousand Baht)				
	<u>Interest rate</u>		<u>Consolidated and Separate financial</u>	
	<u>(% p.a.)</u>		<u>statements</u>	
			<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Promissory notes	6.00	6.25	487,500	300,000
<u>Less</u> Prepaid interest expenses			(3,304)	(3,470)
Net			484,196	296,530

The promissory notes of the Company are short-term borrowings under credit lines, discounted promissory notes, guaranteed by the transfer of rights to receivables from trade receivable, unbilled income, retention receivables, cost of real estate development and investment property as mentioned in notes No.7, 8, 9, 15 and No.16, the Company's directors joined to guarantee against the promissory notes. The promissory notes will be matured in March 2020.

As at December 31, 2019 and 2018, the Group had unutilized promissory notes amounting to Baht 32.10 million and Baht 30 million respectively.





19. Trade and other current payables

Consist of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade accounts payables - related parties	2,823	25,291	-	24,582
Trade accounts payables - third parties	135,099	231,600	129,609	231,135
Other payables - related parties	6,205	7,250	7,250	7,250
Other payables - third parties	40,218	6,066	38,375	5,287
Accrued expenses	16,935	32,508	6,278	13,083
Total	201,280	302,715	181,512	281,337

20. Unbilled construction cost payables

As at December 31, 2018, the Company has reversed the liabilities related to compromise agreement between the Company and one debtor (see Note No.7) in the amount of Baht 17.22 million, consisting of provision for maintenance amounting of Baht 7.66 million and realized whole amount of profit from reversal as part of the value of the land which received from the debtor (see Note No.15) because of the Company has no obligation to pay such debts.

21. Advances received from customers

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidate financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Advances received from customers				
- Construction	72,788	5,205	72,788	5,205
- Real estate development	72,200	153,881	65,934	145,025
- Lease and service contract	14,083	14,003	8,965	8,849
Total Advances received from customers	159,071	173,089	147,687	159,079
<u>Less</u> Short-term advances received from customers	(154,243)	(168,006)	(147,687)	(159,079)
Net	4,828	5,083	-	-

## 22. Short-term provisions

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>				
	Provision for maintenance	Allowance for loss on litigation claim	Estimates of future losses	Compensation for Housing Estate Juristic Persons	Total
As at January 1, 2018	56,225	-	8,879	431	65,535
Increase during the year	20,163	394	-	-	20,557
Utilised	(6,769)	-	(62)	-	(6,831)
Reversal of provisions	(11,447)	-	-	-	(11,447)
As at December 31, 2018	58,172	394	8,817	431	67,814
Increase during the year	10,084	-	-	-	10,084
Utilised	(11,158)	-	(4,988)	-	(16,146)
Reversal of provisions	(3,565)	(394)	-	-	(3,959)
As at December 31, 2019	53,530	-	3,829	431	57,790

(Unit : Thousand Baht)

	<u>Separate financial statements</u>				
	Provision for maintenance	Allowance for loss on litigation claim	Estimates of future losses	Compensation for Housing Estate Juristic Persons	Total
As at January 1, 2018	47,778	-	-	-	47,778
Increase during the year	19,978	394	-	-	20,372
Utilised	(6,744)	-	-	-	(6,744)
Reversal of provisions	(9,438)	-	-	-	(9,438)
As at December 31, 2018	51,574	394	-	-	51,968
Increase during the year	10,081	-	-	-	10,081
Utilised	(11,158)	-	-	-	(11,158)
Reversal of provisions	(3,170)	(394)	-	-	(3,560)
As at December 31, 2019	47,327	-	-	-	47,327

As at December 31, 2018, the Company has reversed the provision for maintenance of Baht 7.66 million (see Note No. 7).



## 23. Long-term borrowings

Consist of :-

(Unit : Thousand Baht)

<u>Consolidate and Separate financial statements</u>	
<u>As at December 31,</u>	
	<u>2019</u>
	<u>2018</u>
Long-term borrowings from financial institutions	1,292
Less Current portion of long-term borrowings	(1,292)
Net	-
	1,292

As at December 31, 2019 and 2018, long-term borrowings from financial institutions are as follow :-

<u>Credit Line</u>		<u>Outstanding</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>balance</u>		<u>(% p.a.)</u>		
		<u>(Million Baht)</u>				
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
320	320	-	48.78	MLR-1.50	MLR-1.50	- Repayment of the mortgage unit at a rate of not less than 70% of unit price contract and not less than per square meter, according to the agreement to be completed within 36 months from the contract date (within 2019).
						- Payment of the interest at each monthly from the first drawdown borrowings.
250	250	-	101.59	MLR	MLR	- Repayment of principal for a period the median value of work of the Elderly Bang Khun Thian Hospital project in proportion of not less than 11% of the amount of work that has been each period, according to the agreement to be completed within 36 months from the contract date. (within year 2019).
						- Payment of the interest at each monthly from the first drawdown borrowings.
10.80	-	1.29	5.03	5.65	-	- Repayment in monthly shall be made within 36 months from the date of first drawdown (within 2020).
						- Payment of the interest at each monthly from the first drawdown borrowings.
581	570	1.29	155.40			

Long-term borrowings are guaranteed by the mortgage of land with its construction under property development projects for sale and investment property (see notes No.10 and 16), transfer right of bank deposit claims (see notes No.12) and transfer right of receive construction fee under the project. "Elderly Hospital Bang Khun Thian" and the director of the Company joined into the guarantee.

24. Liabilities under long-term lease contract

Consisted of :-

	(Unit : Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Liabilities under financial lease contracts		
- Within 1 year	3,560	2,776
- Over 1 year but not over 5 years	13,707	3,620
Total liabilities under financial lease contracts	17,267	6,396
<u>Less</u> Deferred interest expense	(3,470)	(628)
Present value of liabilities under financial lease contract	13,797	5,768
<u>Less</u> Current portion	(2,562)	(2,480)
Liabilities under financial lease contracts-net	11,235	3,288

As at December 31, 2019 and 2018, has entered into 7 agreements (2018 : 3 agreements) , with three of the financial institution (2018 : two of the financial institution). The monthly repayable is Baht 0.38 and 0.26 million period of contract are duration of 4-5 years, equally for both year, which were guaranteed by the Company's directors. When all the hire-purchase contractual payment have been paid, the ownership of the said vehicles would automatically belong to the Company but financial leases contract the vehicle's ownership still be the lessor until the Company decides to purchase it.

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

	(Unit : Thousand Baht)		
	<u>Consolidated and Separate financial statements</u>		
	<u>As at December 31, 2019</u>		
	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	3,560	13,707	17,267
Deferred interest expense	(998)	(2,472)	(3,470)
Present value of future minimum lease payments	2,562	11,235	13,797

	(Unit : Thousand Baht)		
	<u>Consolidated and Separate financial statements</u>		
	<u>As at December 31, 2018</u>		
	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	2,776	3,620	6,396
Deferred interest expense	(296)	(332)	(628)
Present value of future minimum lease payments	2,480	3,288	5,768



25. Non-current provisions for employee benefit

For the year ended December 31, 2019 and 2018, changes in the present value of the employee benefit obligation as follows : -

	(Unit : Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
Employee benefit obligations as at January 1,	22,823	17,849
Add Increment costs under the Act	2,042	-
Current service cost and interest	6,451	4,974
Less Actuarial gains	(2,044)	-
Paid during period	(4,294)	-
Employee benefit obligations as at December 31,	<u>24,978</u>	<u>22,823</u>

(Revenue) expenses are recognized in the total statement of comprehensive income for the year ended December 31, 2019 and 2018 as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>2018</u>	<u>2018</u>
<b>Profit and loss statement</b>		
Current service cost	8,053	4,629
Financial cost	440	345
Total	<u>8,493</u>	<u>4,974</u>

	(หน่วย : พันบาท)	
	<u>Consolidate and Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
<b>Other comprehensive income</b>		
Included in retained earnings		
Losses (gains) on remeasurements	(2,044)	-

25.3 Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO2017”)

25.4 Principal actuarial assumptions as at December 31, 2019, and 2018:-

	<u>Consolidated and Separate financial statements</u>			
	<u>2019</u>		<u>2018</u>	
Discount rate	1.35%	per annum	1.95%	per annum
Salary increment rate	5.00%	per annum	5.00%	per annum
Resignation rate	0%-33%	per annum	0%-32%	per annum
Retired age	60 years		60 years	

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

(Unit : Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
If the discount rate increase 1%	(1,214)	(1,012)
If the discount rate decrease 1%	1,342	1,114
If the future salary growth increase 1%	1,387	1,420
If the future salary growth decrease 1%	(1,279)	(1,312)
If the future turnover of staff increase 1%	(1,399)	(1,174)
If the future turnover of staff decrease 1%	802	663
If the proportion of life expectancy increase 1 year	99	84
If the proportion of life expectancy decrease 1 year	(98)	(84)

## 26. Provision for onerous contracts

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidate financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
As at January 1,	36,030	33,700	13,030	10,700
Increase during the year	1,314	-	1,314	-
Increase from change discount rate	-	3,068	-	3,068
Decrease from repayment	(926)	(738)	(926)	(738)
Total	36,418	36,030	13,418	13,030
Accrued interest expenses	912	912	-	-
As at December 31,	37,330	36,942	13,418	13,030



## 27. Share capital

Consisted of :-

(Unit : Thousand Baht)

	Consolidated and Separate financial statements			
	Issued and paid-up share capital	Premiums on ordinary shares	Discount on share capital	Total
As at January 1, 2018	8,433,755	248,605	(4,459,883)	4,222,477
Increase in share capital	-	-	-	-
As at December 31, 2018	8,433,755	248,605	(4,459,883)	4,222,477
Increase in share capital	-	-	-	-
As at December 31, 2019	8,433,755	248,605	(4,459,883)	4,222,477

27.1 According to the minutes the ordinary shareholders meeting for the year 2019 on April 29, 2019, the shareholders passed the resolutions to approve on the following matters :-

- A. Decrease the Company's registered capital from Baht 15,180.63 million to Baht 12,650.63 million (divided into 12,650,632,144 ordinary shares with a par value of Baht 1 per share) by cancelling the registered ordinary shares that unissued and offered amount of Baht 2,300 million (divided into 2,300,000,000 ordinary shares of Baht 1 each). The Company's ordinary shares by using a General Mandate method.
- B. Approve the amendment Article Clause 4 of the Memorandum of Association of the Company to be consistent with the reduction of the registered capital of the Company.

The Company registered to decrease the capital and registered to amendment of the Memorandum of Association with the Ministry of Commerce on May 8, 2019.

27.2 According to minutes of the Board of directors' meeting No. 3/2018 held on March 14, 2018 approved the resolution the following matter:

- A) Decrease share capital of the Company from Baht 13,571.25 million (divided into 13,571,245,611 ordinary shares of Baht 1 each) to Baht 8,433.75 million (divided into 8,433,754,763 ordinary shares of Baht 1 each) by cutting the registered ordinary shares which reserved for exercise of warrants to purchase ordinary shares of the Company No. 5 (EMC-W5) and ordinary shares reserve for the increase share capital in the form of General Mandate for 5,137,490,848
- B) Approve to amend the Memorandum of Association Clause 4 of the Company to be responded to the decrease share capital of the Company.

The Company has registered the decrease share capital and amendment of the Memorandum of Association with the Ministry of Commerce on May 10, 2018.



C) Increase share capital of the Company from Baht 8,433.75 million (divided into 8,433,754,763 ordinary shares of Baht 1 each) to Baht 15,180.63 million (divided into 15,180,632,144 ordinary shares of Baht 1 each) by issuing new 6,746,877,381 ordinary shares of Baht 1 each, had the details as follows:

1. The number not exceed 4,216,877,381 shares for reserve the adjustment right of warrants to purchase ordinary shares of the Company No. 6 (EMC-W6) which offer to the existing shareholders (Right Offering) without offering price at the ratio of 2 ordinary shares for 1 unit of warrant of EMC-W6 in the exercise price equal to Baht 0.15 per share.
2. Allocate the increase ordinary shares of the Company be way of General Mandate by issuing new ordinary shares not exceed 2,530,000,000 shares of Baht 1 each.

D) Approve to amend the Memorandum of Association Clause 4 of the Company to be responded to the increase share capital of the Company.

The Company has registered the increase share capital and amendment of the Memorandum of Association with the Ministry of Commerce on May 17, 2018.

According to the minutes the Annual General Meeting of shareholders for the year 2018 on April 27, 2018, the shareholders passed the resolutions to approve the decrease and increase registered share capital of the Company and approved the amendment the Memorandum of Association Clause 4 of the Company to be responded to the decrease and increase share capital of the Company as aforementioned.

### 27.3 Warrants

At the Annual General Meeting of Shareholders' for the year 2018, held on April 27, 2018, the shareholders unanimously passed the resolution ("EMC-W6"), to the Company's existing shareholders who had share subscription and paid the share subscription. Details as follows :-

	Description
Type of warrant	Registered name and transferable
Term of warrants	Within five years from the issuance date and selling the warrant (Last exercise date will be on October 15, 2023)
To be issued and offered quantities	4,216,877,381 units
Offering price per warrant	At zero value
Exercise ratio	1 warrant to 1 common share
Exercise price	Baht 0.15 per share





As at December 31, 2019, the whole amount of the Company's warrants ("EMC-W6"), has not yet been exercised.

## 28. Income tax

The Group is not liable to corporate income tax for the year ended December 31, 2019 and 2018 due to tax losses carry forward.

As at December 31, 2019 and 2018 the Group had the deductible temporary differences and unused tax losses for which no deferred tax assets are recognized in the statement of financial position due to the Group's managements considered that it is not probable the Group future taxable profit will be available against which the deferred tax assets can be utilized. Consisted of

			(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Temporary differences</u>				
Allowance for doubtful debt, diminution in value and impairment				
- Trade and retention receivable	30,357	32,854	30,357	32,854
- Real estate development cost	8,193	10,840	6,018	8,665
- Deposits for lands	17,000	18,000	17,000	18,000
- Investments	13,050	13,050	287,314	287,314
- Investments Property	26,618	30,687	26,618	30,687
- Advance payments for purchases of projects	466,343	466,343	466,343	466,343
- Provision for onerous contracts	37,330	36,942	13,418	13,030
Employee benefits obligation	24,978	22,823	24,978	22,823
Provision for loss on litigation claim	-	393	-	393
Provision of future losses	3,829	8,817	-	-
Provision for Housing Estate Juristic Persons	431	431	-	-
Provision for maintenance	53,530	58,173	47,327	51,574
<b>Total</b>	<b>686,113</b>	<b>699,353</b>	<b>919,373</b>	<b>931,683</b>
<u>Unused tax losses</u>				
Tax losses carry forward	440,773	1,592,783	159,353	1,185,868

Detail of deferred tax liabilities as at December 31 2019 and 2018 as follows :-

Consolidated and Separate financial statements (Thousand Baht)			
	Transaction record		
	add (less) in		
	January 1,2019	shareholders' equity	December 31,2019
<b>Deferred tax liabilities</b>			
Revaluation surplus of fixed assets	(17,810)	662	(17,148)
Consolidated and Separate financial statements (Thousand Baht)			
	Transaction record		
	add (less) in		
	January 1,2018	shareholders' equity	December 31,2018
<b>Deferred tax liabilities</b>			
Revaluation surplus of fixed assets	(18,472)	662	(17,810)

## 29. Basic earnings (loss) per share and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year which attributable to the shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares issued and paid-up during the year.

Diluted earnings (loss) per share are calculated by dividing profit (loss) for the year which attributable to the shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares issued and paid-up during the year and the diluted potential ordinary shares issued for conversion to ordinary shares by assuming that the conversion to ordinary shares arising from the exercise right to purchase ordinary shares from individuals at fair value.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) for the year (Thousand Baht)	3,818	369,969	58,812	411,880
Weighted average number of shares (Thousand shares)	8,433,755	8,433,738	8,433,755	8,433,738
Effects of potential ordinary shares (“EMC-W6”) (Thousand shares)	158,133	215,651	158,133	215,651
Number of diluted potential ordinary shares (Thousand shares)	8,591,888	8,649,389	8,591,888	8,649,389
Basic earnings (loss) per shares (Baht)	0.0005	0.0439	0.0070	0.0488
Effects of potential ordinary shares (Baht)	(0.0001)	(0.0011)	(0.0001)	(0.0012)
Diluted earnings (loss) per shares (Baht)	0.0004	0.0428	0.0068	0.0476



### 30. Additional cash flows information

#### 30.1 Cash and cash equivalents as following details :-

	(Unit : Thousand Baht)			
	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	762	1,480	692	1,405
Deposits at banks	61,577	98,407	57,903	85,809
Deposits at banks with term not exceeding three months	536	221	530	216
Total	62,875	100,108	59,125	87,430

As at December 31, 2019 and 2018, saving and fixed accounts of the Group bearing interest at the rates of 0.220% to 0.125% per annum (2018: 0.125% to 0.375% per annum) (Separate : 0.220% to 1.000% per annum, 2018 : 0.125% to 0.375% per annum).

#### 30.2 Non- cash transactions

(Unit : Thousand Baht)				
	<u>Consolidated</u>		<u>Separate financial</u>	
	<u>financial statements</u>		<u>statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
1. Refund the deposit of land as land with building.	-	10,560	-	10,560
2. Transfer real estate development cost to investment property	-	27,706	-	21,648
3. Transfer land awaiting developments to investment property	-	10,035	-	-
4. Transfer land awaiting developments to real estate development cost	-	2,120	-	-
5. Classification of leasehold right for land to property, plant and equipment		430		430
6. Acquired assets under finance lease contracts	14,250	2,231	14,250	2,231
7. Long-term loan for advance payment of machinery rental	-	-	-	-
8. Transfer deposit to other long-term investment	25,000	-	25,000	-
9. Received debts settlement by investment property : (Notes 7)				
- Trade and other receivables	-	111,933	-	111,933
- Retention receivable	-	36,396	-	36,396
- Earned revenue not yet billed	-	43,225	-	43,225
- Withholding tax	-	(4,359)	-	(4,359)
- Unbilled construction cost payables	-	(9,564)	-	(9,564)
- Advances received from customers	-	(7,573)	-	(7,573)
- Provision on maintenance	-	(7,659)	-	(7,659)
- Value Added Tax	-	2,496	-	2,496
Total	-	164,895	-	164,895

### 31. Natures of expenses

For the years ended December 31, 2019 and 2018 consist of: -

(Unit : Thousand Baht)

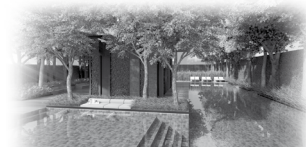
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>		
	<u>For the years ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of sale real estate	157,229	343,778	141,136	281,689
(Profit) loss from diminution in value of inventories	(2,646)	(2,280)	(2,646)	(506)
Change in work in progress	(36,561)	106,135	(36,561)	106,135
Sub-contractors expenses	108,849	731,532	108,849	731,532
Employee benefit expenses	123,078	110,023	123,078	109,884
Supplies and construction materials used	577,933	546,708	577,885	546,665
Direct labor expenses	157,323	113,033	157,323	113,033
Interest costs of construction	22,584	24,347	22,295	21,747
Depreciation and amortization	43,770	41,271	33,837	30,652
Provision on maintenance	10,087	20,782	10,083	20,805
Provision on loss from litigation	-	393	-	393
Loss on impairment of investments	-	-	-	19,159
Loss from onerous contract	-	3,068	-	3,068
Real estate sale fees	14,156	22,318	12,671	18,064
Financial cost	8,277	19,502	8,243	18,753

### 32. Operating segments

Operating segments information in the consolidated financial statements for year ended December 31, 2019 and 2018, the details are as follows :-

	Construction contracting		Real estate development		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018
Revenue from operation	940,448	1,645,348	255,090	524,086	1,195,538	2,169,434
Cost from operation	(800,699)	(1,421,383)	(200,957)	(388,618)	(1,081,657)	(1,810,001)
Profit (loss) from operation	59,749	223,965	54,133	135,468	113,881	359,433
Other income	-	-	-	-	108,464	15,068
Profit from the reversal of unbilled construction cost payables	-	1,614	-	-	-	1,614
Reversal of allowance for doubtful debt	-	235,711	-	-	-	235,711
Selling expenses	-	-	-	(58,682)	(48,949)	(58,682)
Administrative expenses	-	-	-	-	(160,554)	(156,040)
Loss on provision short-term liabilities	-	2,241	-	(3,664)	-	(1,423)
Doubtful debt	-	-	-	-	-	-
Loss on impairment of assets	-	-	-	-	-	-
Loss on onerous contracts	-	-	-	(3,068)	-	(3,068)
Financial cost	-	-	-	-	(8,502)	(19,502)
Share of loss of investments in associates and joint venture	-	-	-	-	(2,551)	(5,410)
Profit (loss) before income tax expenses	-	-	-	-	1,789	367,701
Income tax expenses	-	-	-	-	662	662
Comprehensive profit (loss) for the year	-	-	-	-	2,451	368,363

(Unit : Thousand Baht)



Details of the sectorial business assets in the consolidated financial statements as at December 31, 2019 and 2018 are as follows :-

	(Unit : Thousand Baht)				
	<u>Construction contracting</u>		<u>Real estate development</u>		<u>Consolidated financial statements</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Sectorial business assets					
- Trade receivables and earned revenues not yet billed	536,490	759,048	3,187	11,335	770,383
- Retention receivable	172,034	117,630	-	-	117,630
- Work in progress	-	-	-	-	-
- Real estate development cost	-	-	731,761	874,698	874,698
- Land awaiting development	-	-	113,385	113,385	113,385
- Investment property	-	-	864,184	1,107,371	1,107,371
- Property, plant and equipment	-	-	-	-	-
- Prepaid leasehold	-	-	-	-	-
Unallocated assets	-	-	-	-	594,543
Total assets	708,524	876,678	1,712,517	2,106,789	3,578,010



### 33. Financial instruments

#### Financial risk management policy

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

#### Risk liquidity

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

#### Foreign currency risk

The Group does not have significant amount of commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

#### Credit risk

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the Group. The risk is controlled by the application of credit approvals and monitoring procedures. The carrying amount of accounts receivable recorded in the consolidated statement of financial position and separate statement of financial position net of allowance for doubtful accounts, represents the maximum exposure to credit risk.

#### Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Group. The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term loans due from loan from financial institutions and liabilities under finance lease contracts.

However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The management considers that the interest rate risk is minimal, hence, the Company has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2019 and 2018, classified by type of interest rates are summarized in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit : Thousand Baht)

Consolidated Financial Statements

December 31, 2019

Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>						
Cash and cash equivalents items	-	-	-	62,113	762	62,875
Short-term investments	-	-	-	1,820	-	1,820
Trade and other receivables	-	-	-	-	59,490	59,490
Earned revenue not yet billed	-	-	-	-	491,566	491,566
Short-term loan and accrued interest	2,466	-	-	-	-	2,466
Retention receivable	-	-	-	-	172,034	172,034
Restricted bank deposits	-	-	-	106,439	-	106,439
<b>Total</b>	<b>2,466</b>	<b>-</b>	<b>-</b>	<b>170,372</b>	<b>727,169</b>	<b>900,007</b>
<b>Financial liabilities</b>						
Short-term loan from financial institution	484,196	-	-	-	-	484,196
Trade and other payables	-	-	-	-	201,280	201,280
Retention payable to contractors	-	-	-	-	133,164	133,364
Unbilled construction cost payables	-	-	-	-	32,621	32,621
Short-term loans and accrued interest	53,595	-	-	-	5,368	58,963
Long-term loans from financial institutions	-	-	-	1,292	-	1,292
Liabilities under finance lease contracts	2,562	11,235	-	-	-	13,797
<b>Total</b>	<b>540,353</b>	<b>11,235</b>	<b>-</b>	<b>1,292</b>	<b>372,633</b>	<b>925,513</b>





(Unit : Thousand Baht)

Consolidated Financial Statements

December 31, 2018

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1- 5 years	Over 5 years			
<b>Financial assets</b>						
Cash and cash equivalents items	-	-	-	98,628	1,480	100,108
Short-term investments	-	-	-	5,959	-	5,959
Trade and other receivables	-	-	-	-	224,820	224,820
Earned revenue not yet billed	-	-	-	-	550,195	550,195
Short-term loan and accrued interest	3,913	-	-	-	-	3,913
Retention receivable	-	-	-	-	117,630	117,630
Restricted bank deposits	-	-	-	171,295	-	171,295
<b>Total</b>	<b>3,913</b>	<b>-</b>	<b>-</b>	<b>275,882</b>	<b>894,125</b>	<b>1,173,920</b>
<b>Financial liabilities</b>						
Short-term loan from financial institution	296,530	-	-	-	-	296,530
Trade and other payables	-	-	-	-	302,715	302,715
Retention payable to contractors	-	-	-	-	112,154	112,154
Unbilled construction cost payables	-	-	-	-	336,656	336,656
Short-term loans and accrued interest	131,876	-	-	-	5,368	137,244
Long-term loans from financial institutions	-	-	-	155,404	-	155,404
Liabilities under finance lease contracts	2,480	3,288	-	-	-	5,768
<b>Total</b>	<b>430,886</b>	<b>3,288</b>	<b>-</b>	<b>155,404</b>	<b>756,893</b>	<b>1,346,471</b>

(Unit : Thousand Baht)

Separate Financial Statements

December 31, 2019

Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>						
Cash and cash equivalents items	-	-	-	58,433	693	59,126
Short-term investments	-	-	-	1,482	-	1,482
Earned revenue not yet billed	-	-	-	-	491,566	491,566
Trade and other receivables	-	-	-	-	82,720	82,720
Short-term loans and accrued interest	778,367	-	-	-	53,550	831,917
Retention receivable	-	-	-	-	172,034	172,034
Restricted bank deposits	-	-	-	105,160	-	105,160
<b>Total</b>	<b>778,367</b>	<b>-</b>	<b>-</b>	<b>165,075</b>	<b>800,563</b>	<b>1,744,005</b>
<b>Financial liabilities</b>						
Short-term loan from financial institution	484,196	-	-	-	-	484,196
Trade and other payables	-	-	-	-	181,512	181,512
Unbilled construction cost payables	-	-	-	-	32,621	32,621
Retention payable to contractors	-	-	-	-	129,810	129,810
Short-term loans and accrued interest expenses	51,619	-	-	-	-	51,619
Long-term loans from financial institutions	-	-	-	1,292	-	1,292
Liabilities under finance lease contracts	2,562	11,235	-	-	-	13,797
<b>Total</b>	<b>538,377</b>	<b>11,235</b>	<b>-</b>	<b>1,292</b>	<b>343,943</b>	<b>894,847</b>



(Unit : Thousand Baht)

Separate Financial Statements

December 31, 2018

Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>						
Cash and cash equivalents items	-	-	-	86,025	1,405	87,430
Short-term investments	-	-	-	5,634	-	5,634
Earned revenue not yet billed	-	-	-	-	550,195	550,195
Trade and other receivables	-	-	-	-	232,836	232,836
Short-term loans and accrued interest	760,185	-	-	-	53,550	813,735
Retention receivable	-	-	-	-	117,630	117,630
Restricted bank deposits	-	-	-	169,300	-	169,300
<b>Total</b>	<b>760,185</b>	<b>-</b>	<b>-</b>	<b>260,959</b>	<b>955,616</b>	<b>1,976,760</b>
<b>Financial liabilities</b>						
Short-term loan from financial institution	296,530	-	-	-	-	296,530
Trade and other payables	-	-	-	-	281,337	281,337
Unbilled construction cost payables	-	-	-	-	336,656	336,656
Retention payable to contractors	-	-	-	-	108,265	108,265
Short-term loans and accrued interest expenses	129,899	-	-	-	-	129,899
Long-term loans from financial institutions	-	-	-	155,404	-	155,404
Liabilities under finance lease contracts	2,480	3,288	-	-	-	5,768
<b>Total</b>	<b>428,909</b>	<b>3,288</b>	<b>-</b>	<b>155,404</b>	<b>726,258</b>	<b>1,313,859</b>

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

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

The fair value of cash and cash equivalents, investments in restricted deposits with financial institutions and loans from financial institution: the aggregate carrying values are insignificantly different from their aggregate fair values because these financial assets have floating interest rate or fixed interest rate, which approximate market rate. Most liabilities are for a period not exceeding 3 years.

Liabilities under finance lease contracts, which bear interest at the fixed rates : the aggregate carrying values are insignificantly different from their aggregate fair value because the fixed interest rates approximate market rates. Most liabilities are for a period not exceeding 3 year.

#### 34. Registered provident fund

The Group has contributory provident funds for their employees in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530. Membership to the funds is voluntarily. Contributions are made monthly by the employees and by the Company at 2% and 3% of the employees' basic salaries. The provident funds are managed by a Fund Manager in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

For the years ended December 31, 2019 and 2018, in the consolidated financial statements, the company contributed to the fund amounting to Baht 2.43 million and Baht 2.24 million respectively.

#### 35. Commitments and contingent liabilities

35.1 As at December 31, 2019 and 2018, the Group had commitments under purchase orders of construction materials and subcontractors services totalling Baht 154.11 million and Baht 393.90 million, respectively. (The Company only : Bath 127.30 million and Bath 362.11 million, respectively).

##### 35.2 Commitments under operating leases

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



(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Not later than 1 year	13,970	8,528	8,633	5,285
Later than 1 year and not later than 5 years	19,714	14,327	9,978	4,875
Later than 5 year	145,914	149,641	68,811	69,995
Total	179,598	172,496	87,422	80,155

35.3 The Board of Directors' Meeting No. 2/2018 of February 28, 2018, resolved that the Company signed a counter guarantee between the Company and the major shareholders of SUNKEN EMC Co., Ltd.(Associated company). The objective is to guarantee a loan credit from one of Thai commercial bank of the associated company at the rate of 48% of Baht 400.00 million.

35.4 As at December 31, 2019 and 2018, part of debt obligations in accordance with letter of guarantee agreement in the amount of Baht 7.50 million from the Company enter into guarantee construction works of a subsidiary which have no inter-company remuneration charging.

As at December 31, 2019 and 2018, the Group had outstanding letters of guarantee issued by financial institutions on behalf of the Group in respect as required in the normal course of business. The Group had outstanding letters of guarantee of Baht 520.32 million and Baht 644.79 million respectively. (Separate : Baht 499.58 million and Baht 642.33 million respectively). The letters of guarantee are guaranteed by real estate development cost, and deposits with financial institutions of the Company and a former shareholder of subsidiary and condominium of the Company, as discussed in Notes 9, 11, 15 and 16 and joint by director and the right to receive the transfer of project costs to the bank as collaterals.

35.5 As at December 31, 2019 and 2018, the Group had lawsuits in accordance with the consolidated financial statements total 11 cases and 4 cases in respectively (Separate : total 8 cases and 3 cases respectively). The counterparty appealed to claim damages in accordance with the consolidated financial statements amount of Baht 112.39 million and Baht 32.55 million respectively, (Separate : Baht 110.68 million and Baht 32.36 million respectively).

### 36. Reclassifications

The certain accounts in the 2018 financial statements have been reclassified for corresponding with the presentation in the financial statements for the year 2019 as follows :

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>Before</u> <u>reclassify</u>	<u>Reclassify</u>	<u>After</u> <u>reclassify</u>	<u>Before</u> <u>reclassify</u>	<u>Reclassify</u>	<u>After</u> <u>reclassify</u>
<u>Statements of financial position</u>						
<u>as at December 31, 2018</u>						
Investment property	201,574	905,797	1,107,371	186,365	648,538	834,903
Property, plant and equipment	921,518	(765,191)	156,327	663,401	(507,932)	155,469
Prepaid land leasehold	140,606	(140,606)	-	140,606	(140,606)	-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>Before</u> <u>reclassify</u>	<u>Reclassify</u>	<u>After</u> <u>reclassify</u>	<u>Before</u> <u>reclassify</u>	<u>Reclassify</u>	<u>After</u> <u>reclassify</u>
<u>Statements of financial position</u>						
<u>as at January 1, 2018</u>						
Investment property	-	934,323	934,323	-	667,687	667,687
Property, plant and equipment	947,073	(788,603)	158,470	679,217	(521,967)	157,250
Prepaid land leasehold	145,720	(145,720)	-	145,720	(145,720)	-

### 37. Approval of the financial statements

These financial statements have been approved for issuance by the Company's Board of directors on February 26, 2020.





EMC PUBLIC COMPANY LIMITED



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