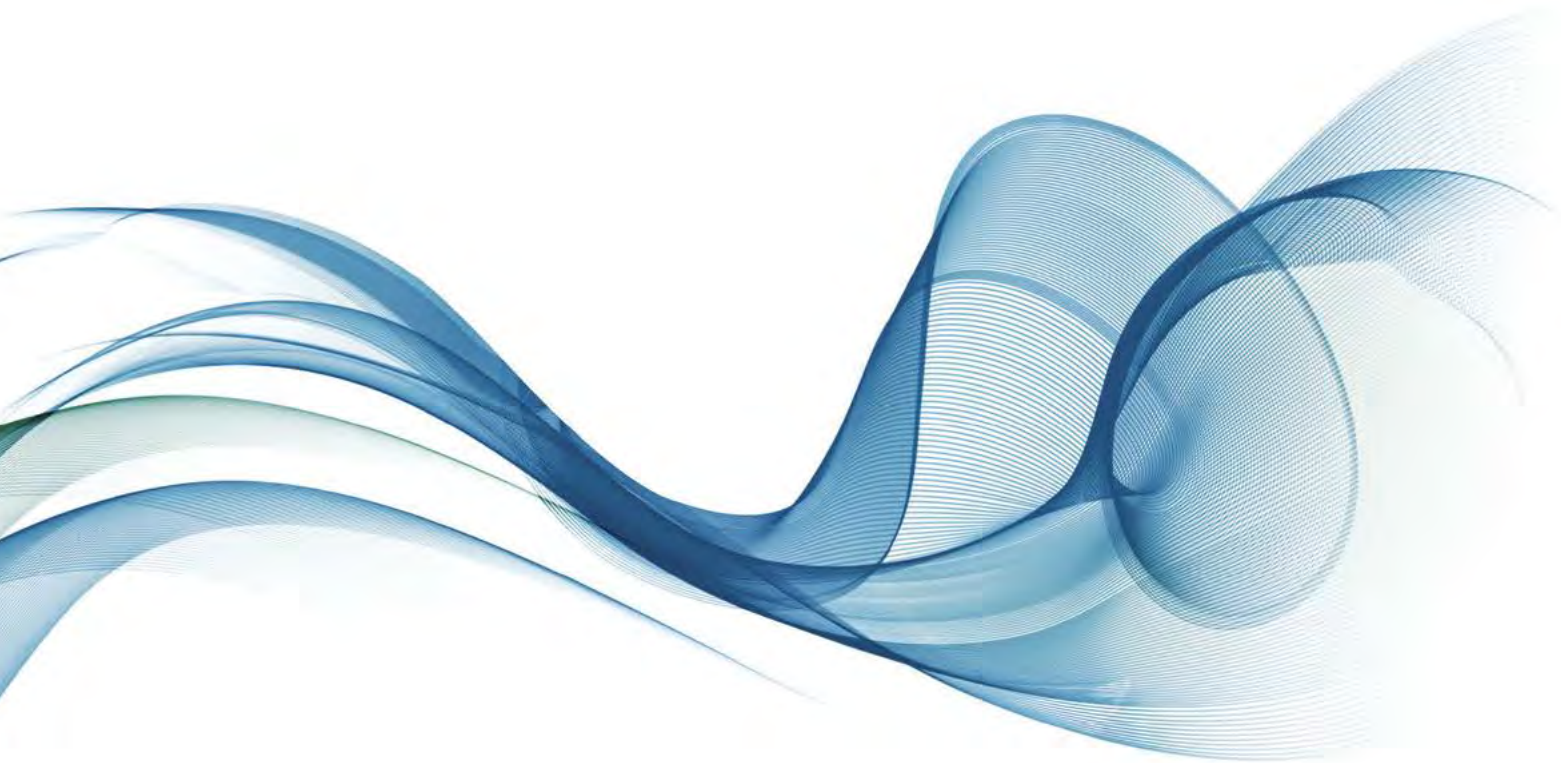




NAVA NAKORN
PUBLIC COMPANY LIMITED

ANNUAL REPORT 2016



Moving forward
on a solid basis



Thai people were lucky to have the King
who ruled the land with the ten virtues and his glory
to make the country peaceful throughout the time.
He also dedicated his intellect to work hard for finding the way to develop
and help Thai people to live a better life.
His competence and his full grace were witnesses by people all over the world.

Nava Nakorn Public Company Limited
is ready to follow Him in order to develop Thai society
to be sustainable according to the royal guidance.
We will follow the royal wish further.





The light of the candle was going to extinguish.
The farewell song sounded slowly.
The king went to heaven.
Even though he was far from our eyesight,
We could see him in our mind.
We promise to pay respect to all of his teachings
And to hold them as the principles in behaving prudently.
Wherever his people suffered,
The king went to alleviate them
With his kindness and concern on his people.
Wherever his people were,
The king went to see them
And to help the people
Who suffered in the distant places.
The distance could not obstruct him.
The king was determined to go.
Although he was perspired,
The king's heart was pleased.
Wherever the king went,
Whether it was distant, barren, or hard to reach,
He had never given up going.
His greatest heart was for his people.
And all of Thai people's heart was truly for him.
No matter how many years passed by,
Our loyalty to him still remains.
He will be in our heart stably and forever.

Thai people will remember the royal grace of his majesty King Bhumibol Adulyadej forever.

We are the board of directors, the executives, and the employees of
Nava Nakorn Public Company Limited







The King was the idol of the nation.

He was the spiritual anchor.

All of Thai people paid homage under his feet.

He was the shelter protecting Thailand in stable position.

He reigned over the country with his divine grace stably.

We were all loyal to him.

He was our beloved King.

He was on the throne with his virtues.

Please the god saved and protected him.

His honor would be maintained forever.

Long Live the King

May it please your Majesty.

We are the Board of Directors, the executives, and the employees of
Nava Nakorn Public Company Limited





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MESSAGE OF THE CHAIRMAN



THE GLOBAL ECONOMIC SLOWDOWN IN THE PAST YEAR CHALLENGED THE INTENSE COMPETITION, WHILE THE COMPANY MANAGED TO CARRY ON THE OPERATION AS TO BUILD CONFIDENCE AMONG INVESTORS. MANY CHANGES WERE MADE TO GENERATE HIGHEST BENEFIT TO THE COMPANY AND INVESTORS.

Year 2016 marked another significant increasing revenue Navanakorn PL. For instance, the Navanakorn Power Plant - the joint venture between Ratchaburi Holding PLC and Global Power Synergy Co., Ltd. (PTT subsidiary) started COD in June 2016, generating profit in where the Company earned 32.48 million THB. On the other hand, NNCL generated 127.31 million THB net profit from its own business. Total comprehensive income in 2016 recorded 157.35 million THB.

The global economic slowdown in the past year challenged the intense competition, while the Company managed to carry on the operation as to build confidence among investors. Many changes were made to generate highest benefit to the Company and investors.

Taking into account the sustainable business and being active in quality society, NNCL has issued the Anti-Corruption Policy in written form in order to implement code of conduct for all departments and to raise efficiency in work to become a public company that takes corporate and social responsibility.

This is also to ensure the understanding and to raise awareness on responsibility among all stakeholders, to mark the beginning of sustainability as well as to improve our personnel to be qualified and recognize the social responsibility.

I can assure all shareholders that the Board of Directors and executives are working with full dedication and effort in order to lead the growth of NNCL. Whether the obstacles are minor or significant, we all well recognize the importance to carry on the sustainable growth and satisfied income to the shareholders.

I would like to thank all shareholders for your continual trust and support our business operation. My gratitude also goes to all companies for your confidence to invest and to expand your investment within Navanakorn Industrial Promotion Zone. And to the Board of Directors, advisors, Management and all staff, I am grateful for your being the major force and your commitment devoted for the success of NNCL in the past years.

General Akaradej Sasriprapha
Chairman of the Board

FINANCIAL HIGHLIGHTS

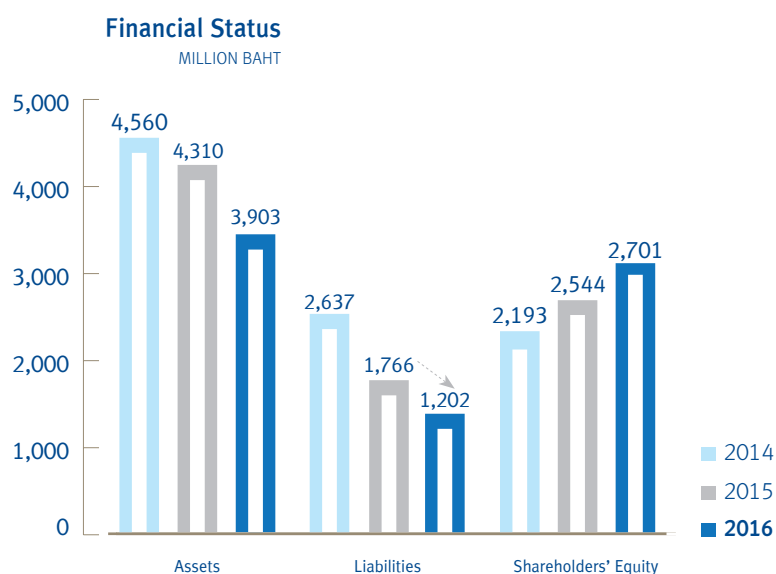
unit : Million baht

FINANCIAL HIGHLIGHTS	2014	2015	2016
Total Assets	4,560	4,310	3,903
Total Liabilities	2,367	1,766	1,202
Total Shareholders' Equity	2,193	2,544	2,701
Revenue from sale of real estate development projects, rendering of services, Rental income	615	1,025	666
Total Revenues	660	1,096	752
Gross Profit	171	314	304
EBITDA*	78	269	304
Net Profit (Loss)	(445)	(144)	160

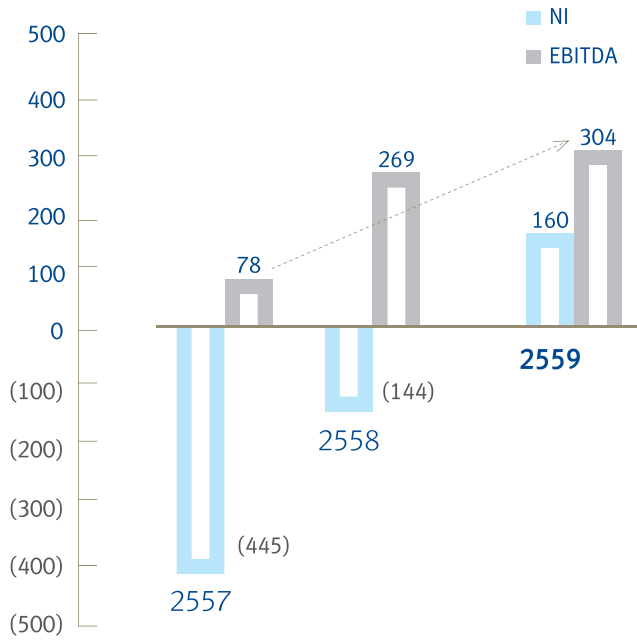
Note : *EBITDA , impairment loss, Share of loss of investment
Transfer deferred income from government grants to income and one time items

FINANCIAL RATIOS	2014	2015	2016
Net Profit Margin to total revenues (%)	(67.37)	(13.13)	21.28
Return on equity (%)	(17.88)	(6.07)	5.92
Return on assets (%)	(9.72)	(3.24)	4.10
Net Profit (Loss) per share (Baht)	(0.29)	(0.09)	0.08
Dividend per Share (Baht)	0.1	0	0
Net Book Value per share (Baht)	1.41	1.60	1.32**

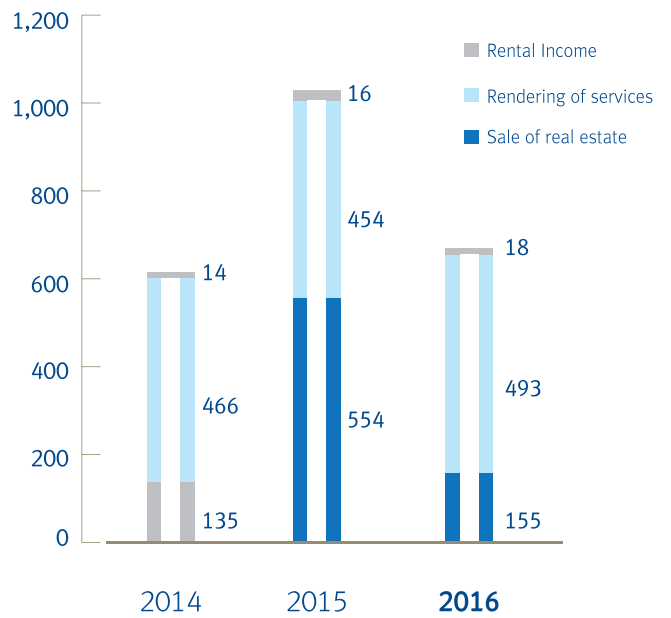
Note : **excluded no. of share from the last exercise of Proceeds from exercised warrants on 29 December 2015 of 456.66 Million Share. In case of including such shares, Net Book Value per share will be 1.24 Baht / Share.



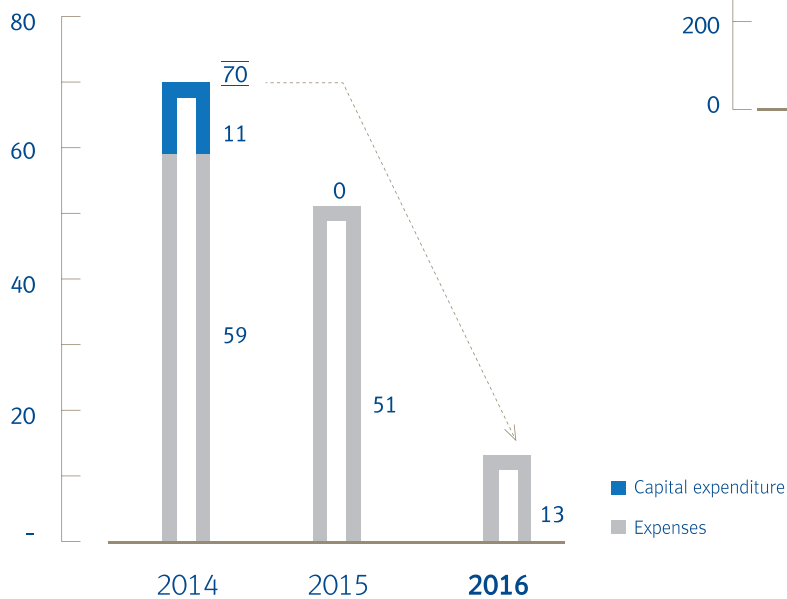
NI, EBITDA
MILLION BAHT



Revenue
MILLION BAHT



Finance costs
MILLION BAHT



BOARD OF DIRECTORS



General Akaradej Sasriprapha

Chairman of the Board

76 years

Education

- Bachelor of Science Degree
Chulachomklao Royal Military Academy
- Completed the Ranger Airborne Program
Fort Benning, Georgia, USA
- Graduated from the National Defence College of Thailand

Experiences

- 2010 - Present : Chairman of the Board
Navanakorn Electricity Generating Co., Ltd.
- 2001 - Present : Chairman of the Board
Navanakorn Public Co., Ltd.
and NEP Realty and Industry Public Co., Ltd.

Percentage of Shareholding : 0.77%

Relationship with Company's Executive(s) : None



Police General Somchai Vanichsenee

Vice Chairman of the Board and Chairman of the Nominating and Remaneration Committee

75 years

Education

- Master Degree in Public Administration, Chulalongkorn University
- Complete the Directors Certification Program (DCP), Thai Institute of Directors (IOD)
- Complete the Corporate Governance for Capital Market Intermediaries Program (CGI), Thai Institute of Directors (IOD)

Percentage of Shareholding : None

Relationship with Company’s Executive(s) : None

Experiences

- Sep 15, 2016 - Present : Chairman of the Nominating and Remuneration Committee of Nava Nakorn Public Co., Ltd.
- 2010 - Present : Directors of Navanakorn Electricity Generating Co., Ltd.
- 2010 - Present : Chairman of Remuneration Committee of Nava Nakorn Public Co., Ltd.
- 2009 - Present : Vice Chairman of the Board Nava Nakorn Public Co., Ltd.
- 2002 - Present : Directors of Board Nava Nakorn Public Co., Ltd.



Air Chief Marshal Dr. Nopporn Chandawanich

Directors and Vice Chairman of the Board

74 years

Education

- Doctor of Philosophy Degree in Engineering Mechanics, Michigan State University, USA
- Graduated from the Thai National Defense College of Thailand
- Complete the Directors Certification Program (DCP), Thai Institute of Directors (IOD)

Percentage of Shareholding : 0.09%

Relationship with Company's Executive(s) :

Spouse of Mrs. Suvalai Chandawanich
 Father of Mrs. Perayaluk Tangsunawan
 Mr. Suthiporn Chandawanich
 and Mr. Popporn Chandawanich

Experiences

- July 1, 2016 - Present : Vice Chairman of the Board
Nava Nakorn Public Co., Ltd.
- 2015 - April 2016 : Vice Chairman of the Executive Board
Nava Nakorn Public Co., Ltd.
- 2010 - Present : Directors Nava Nakorn Electricity
Generating Co., Ltd.
- 2009 - Present : Directors Nava Nakorn Public Co., Ltd.
- 2001 - Present : Directors Nava Nakorn Internationalguarding
security guard Co.,Ltd.
- 1992 - 2009 : Director of the Executive Board
Nava Nakorn Public Co., Ltd.



Mr. Nipit Arunvongse Na Ayudhya

Directors and Chief Executive Officer

57 years

Education

- Bachelor Degree in Architecture, Chulalongkorn University
- Bachelor Degree in Architecture, The University of Minnesota, USA
- Complete the Directors Certification Program (DCP), Thai Institute of Directors (IOD)

Percentage of Shareholding : 0.07%

Relationship with Company's Executive(s) : None

Experiences

- | | | |
|----------------|---|--|
| 2010 - Present | : | Directors
Navanakorn Electricity Generating Co., Ltd. |
| 2002 - Present | : | Directors
ACH Construction Cost Consultant Co., Ltd. |
| 2001 - Present | : | Director and Chief Executive Officer
Nava Nakorn Public Co., Ltd. |
| 2001 - Present | : | Directors
Navanakorn Distribution Center Co., Ltd. |
| 1991 - Present | : | Directors
NEP Realty and Industry Public Co., Ltd. |
| 1991 - Present | : | Directors
CASA Development Co., Ltd. |



Mrs. Leena Charernsri

Independent Directors and Chairman of the Audit Committee

71 years

Education

- Bachelor Degree in Accountancy, Thammasart University
- MINI MBA for Development of Executive from Ministry of Finance Class 1
- Chief Executive Officer (CEO), Office of the Civil Service Commission, Class of 19
- Diploma in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute, Class of 6
- Complete the Directors Certification Program (DCP), Thai Institute of Directors (IOD)

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- | | | |
|----------------|---|--|
| 2008 - Present | : | Independent Director and Chairman of Committee Nava Nakorn Public Co., Ltd. |
| 2013 - 2015 | : | Member of Audit Committee of National Broadcastings and Telecommunication Commission |
| 2002 - 2008 | : | Director and Director of remuneration of Committee Nava Nakorn Public Co., Ltd. |



General Sommai Wichaworn

Directors Nominating and Remuneration Committee

76 years

Education

- Bachelor of Science Degree,
Chulachomkhalo Royal Military Academy
- Graduates from the National Defense College of Thailand
- Master of Arts Degree in Political Science,
Ramkhamhaeng University
- Complete the Directors Certification Program (DCP),
Thai Institute of Directors (IOD)

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- Sep 15, 2016 - Present : Directors of the Nominating Committee
Nava Nakorn Public Co., Ltd.
- 2014 - Present : Advisory of the Board,
Navanakorn Electricity Generating Co., Ltd.
- 2010 - Present : Directors and Remuneration Committee
Nava Nakorn Public Co., Ltd.
- 2012 - 2016 : Executive Board, NEP Realty and Industry
Public Co., Ltd.



Mrs. Suvalai Chandawanich

Directors Nominating and Remuneration Committee

70 years

Education

- Bachelor Degree in Accounting, Thammasart University

Percentage of Shareholding : 0.23%

Relationship with Company's Executive(s) :

- Spouse of Air Chief Marshal Dr. Nopporn Chandawanich
Mother of Mrs. Perayaluk Tangsunawan
Mr. Suthiporn Chandawanich and Mr. Phopporn Chandawanich

Experiences

- Sep 15, 2016 - Present : Directors of the Nominating Committee
Nava Nakorn Public Co., Ltd.
- 2008 - Present : Directors and Remuneration Committee
Nava Nakorn Public Co., Ltd.
- 1971 - 2008 : Directors Nava Nakorn Public Co., Ltd.



Mrs. Sudjit Divari

Independent Directors and Audit Committee

69 years

Education

- MBA State University of California at Fresno, USA
- MBA Business Administration Faculty of Accountancy, Thammasat University
- Bachelor Degree in Accounting, Chulalongkorn University
- Certificates from Institution of Directors Accreditation Program (DAP) Directors Certificate Program (DCP) and Audit Committee Program (ACP)

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- May 10, 2016 - Mar 8, 2017 : Independent director and Audit Committee Nava Nakorn PUBLIC Co., Ltd.
- 2006 - Present : Independent director and Audit Committee SIAMGASAND PETROCHEMICALS PUBLIC Co., Ltd.
- 2008 - Present : Independent director and Audit Committee Lynn Phillips Mortgage Credit Foncier PUBLIC Co., Ltd.
- 2008 - Present : Independent director and Audit Committee Unique Gas and Petrochemicals PUBLIC Co., Ltd.



General Somdhat Attanand

Independent Directors and Audit Committee

72 years

Education

- Bachelor of Science Degree, Chulachomklao Royal Military Academy
- Certificates from Institution of Directors Accreditation Program DAP 53/2006, FND 29/2006, ACP 14/2006, DCP 90/2007, MIR 1/2007, RCP 20/2008

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- May 10, 2016 - Present : Independent director and Audit Committee Nava Nakorn Public Co., Ltd.
- 2012 - Present : Chairman of the Advisory PENA HOUSE Public Co., Ltd.
- Feb 24, 2015 - Present : Chairman of Independent director and Audit Committee Salee Colour Public Co., Ltd.
- 2012 - May 10, 2016 : Advisory of the Board Nava Nakorn Public Co., Ltd.
- 2012 - Feb 23, 2015 : Independent director and Audit Committee Salee Colour Public Co., Ltd.



Professor Dr. Thapana Boonlar

Independent Directors

62 years

Education

- Professor of Logistics Management from Intercultural Open University, Netherlands
- Doctor of Leadership Management form Pacific Western University, USA
- Doctor of Social Sciences from Magadh University, India
- Master of Public Administration from National Institute of Development Administration
- Bachelor of Business Administration (Accounting) from Krirk University

Percentage of Shareholding : None

Relationship with Company’s Executive(s) : None

Experiences

- May 10, 2016 - Present : Independent director
Nava Nakorn Public Co., Ltd.
- 2016 - Present : Senior Advisor BQ Group Co., Ltd.
- 2016 - Present : Advisory Board Land Transportation Federation
- 2016 - Present : Senior Member Council Committee
Nakornsriathamraj Rajabhat University
- 2016 - Present : Advisor Senate Committee of Logistics Studies
- 2016 - Present : Advisor Senate Committee of Religion,
Arts, Cultures and Tourism
- 2016 - Present : Head of Working Committee National Law
of Government
- 2015 - Present : Chairman BBRC Group Co., Ltd.
- 2013 - Present : Advisory Board, University Promotion Committee
Chandrakasem Rajabhat University
- 2013 - Present : Advisory Board of Committee,
Interdisciplinary Network of the Royal Institute
- 2007 - Present : Chairman Asian Institute of Logistics Foundation
- 2013 - 2016 : Senior Member Council Committee
Pranakorn Rajabhat University



Mrs. Nualphan Lamsam

Independent Board of Directors

50 years

Education

- Master Degree in Education Management,
Boston University, USA

Percentage of Shareholding : None

Relationship with Company’s Executive(s) : None

Experiences

- 2009 - Present : Independent Directors
Nava Nakorn Public Co., Ltd.
Managing Director Muang Thai Insurance PCL.
- 2006 - 2009 : Executive Nava Nakorn Public Co., Ltd.



Mrs. Perayaluk Tangsunawan

Directors Executive Vice President and Chief Marketing Officer

42 years

Education

- Master Degree of Business Management, New Hampshire Collage, USA

Percentage of Shareholding : 1.10 %

Relationship with Company's Executive(s) :

Daughter of Mrs. Suvalai Chandawanich and Air Chief Marshal Dr. Nopporn Chandawanich
Old sister of Mr. Suthiporn Chandawanich and Mr. Phopporn Chandawanich

Experiences

2015 - Present : Director Nava Nakorn Public Co., Ltd.
2011 - Present : Executive Vice President
Chief Marketing Officer
Nava Nakorn Public Co., Ltd.
2008 - 2015 : Directors NEP Realty
and Industry Public Co., Ltd.



Ms. Warangkana Devahastin Na Ayudhya

Directors

45 years

Education

- Bachelor Degree Business Administration
International Hotel & Tourism Industry Mgmt. School
Hawaii Pacific University
- Master Degree in Maketing,
Sasin Graduate Institute of Business Administration of
Chulalongkorn University

Percentage of Shareholding : 0.13 %

Relationship with Company's Executive(s) :

Niece of Mrs. Suvalai Chandawanich

Experiences

2006 - Present : Directors
Nava Nakorn Public Co., Ltd.
1996 - 2013 : Managing Director
Navanakorn Medical Co., Ltd.

NAVA NAKORN'S EXECUTIVE



Mr. Nipit Arunvongse Na Ayudhya

Directors and Chief Executive Officer

57 years

Education

- Bachelor Degree in Architecture, Chulalongkorn University
- Bachelor Degree in Architecture, The University of Minnesota, USA
- Complete the Directors Certification Program (DCP), Thai Institute of Directors (IOD)

Percentage of Shareholding : 0.07%

Relationship with Company's Executive(s) : None

Experiences

- 2010 - Present : Directors
Navanakorn Electricity Generating Co., Ltd.
- 2002 - Present : Directors
ACH Construction Cost Consultant Co., Ltd.
- 2001 - Present : Director and Chief Executive Officer
Nava Nakorn Public Co., Ltd.
- 2001 - Present : Directors
Navanakorn Distribution Center Co., Ltd.
- 1991 - Present : Directors
NEP Realty and Industry Public Co., Ltd.



Mrs. Monluedee Sookpatarat

Executive Vice President and Chief Financial Officer

52 years

Education

- Bachelor's Degree in Accounting with 2nd class honors, and major in accounting, Thammasat university
- Master Degree in Accounting, Thammasat University
- Graduate Diploma in Auditing, Thammasat University
- Directors Diploma for the Directors Certification Program with Reference to Fellow Member 11/2003
- The Certificate of Completion for the Directors Certification Program Class 31/2003
- Certified Public Accountant (CPA), Thailand license no.4020
- Director Certification Program (DCP 31/2003)
- Director Accreditation Program (DAP 34/2005)
- Audit Committee Program (ACP 23/2008)
- Executive Vice President and Chief Financial Officer
- Fundamental course for more comprehensive understanding of new auditor reporting, Securities and Exchange Commission.
- The UK Experience from Implementing the Enhanced Auditor Reporting, Securities and Exchange Commission/The Stock Exchange of Thailand /Federation of Accounting Professions.
- Civil and Criminal liability for director and management : alternative for director and management (CG Forum 2/2016), The Stock Exchange of Thailand.
- Enterprise fraud : management control and prevention (CG Forum 3/2016), The Stock Exchange of Thailand.
- Public hearing and comment: draft of TFRS 15 Revenue from Contracts with Customers, Federation of Accounting Professions.
- Public hearing and comment : draft of Thai Financial Reporting Standards of Pack 5 group (revised 2016), Federation of Accounting Professions.

- Seminar with Faculty of Commerce and Accountancy, Thammasat University : how to read and write new auditor report, Faculty of Commerce and Accountancy Thammasat University.
- Seminar with Faculty of Commerce and Accountancy, Thammasat University : updated Thai Financial Reporting Standards for SMEs VS Tax guideline, Faculty of Commerce and Accountancy Thammasat University.

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- | | | |
|----------------|---|--|
| 2015 - Present | : | Vice President
Nava Nakorn Electricity Generating Co., Ltd.
: Independent Director and Audit Committee,
ASN Broker Public Co., Ltd. |
| 2014 - Present | : | Chief Financial Officer
Nava Nakorn Public Co., Ltd. |
| 2013 - Present | : | Independent Director
and Audit Committee Member,
Plan B Media public Co., Ltd. |
| 2007 - Present | : | Independent Director
and Audit Committee Member,
Asiasoft Corporation public Co., Ltd. |
| 2000 - Present | : | Visiting Lecturer, Faculty of Accountancy,
Bangkok University |
| 1992 - Present | : | Visiting Lecturer, Faculty of Commerce
and Accountancy, Thammasat University |
| 1997 - 2011 | : | Director and Chief Financial Officer, group of
Wave Entertainment Public Co., Ltd. |
| 1987 - 1996 | : | Audit manager, EY office limited |



Mrs. Perayaluk Tangsunawan

Directors Executive Vice President and Chief Marketing Officer

42 years

Education

- Master Degree of Business Management,
New Hampshire Collage, USA

Percentage of Shareholding : 1.10 %

Relationship with Company's Executive(s) :

Daughter of Mrs. Suvalai Chandawanich and Air Chief Marshal
Dr. Nopporn Chandawanich
Old sister of Mr. Suthiporn Chandawanich and
Mr. Phopporn Chandawanich

Experiences

- 2015 - Present : Director Nava Nakorn Public Co., Ltd.
- 2011 - Present : Executive Vice President
Chief Marketing Officer
Nava Nakorn Public Co., Ltd.
- 2008 - 2015 : Directors
NEP Realty and Industry Public Co., Ltd.



Mr. Suthiporn Chandawanich

Executive Vice President and Chief Operating Officer
Acting President - Industrial Water Processing Department

42 years

Education

- Bachelor Degree in Mechanical Engineering, Washington University, USA
- Bachelor Degree in Mathematics, Maryville University, USA
- Master Degree in Finance Webster University, USA
- MBA Webster University, USA
- Training course in Effective Budgeting

Percentage of Shareholding : 1.06 %

Relationship with Company's Executive(s) :

Son of Mrs. Suvalai Chandawanich
and Air Chief Marshal Dr. Nopporn Chandawanich
Brother of Mrs. Perayaluk Tangsunawan
Old brother of Mr. Phopporn Chandawanich

Experiences

- Sep 2016 - Present : Executive Vice President Chief Operating Officer and Acting President - Industrial Water Processing Department
Nava Nakorn Public Co., Ltd.
- 2009 - Aug 2016 : President - Business Development
Nava Nakorn Public Co., Ltd.
- 2010 - 2013 : Deputy Managing Director
NEP Realty and Industry Public Co., Ltd.
- 2003 - 2009 : President - Maintenance Department
Nava Nakorn Public Co., Ltd.



Mr. Piyabuth Chuwung

President - Legal Office Department

52 years

Education

- Bachelor Degree (Law), Ramkhamhaeng University
- Master Degree (Law), Dhurakij Pundit University
- Training Course in Effective Budgeting

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- 2003 - Present : President - Legal Office Department
Nava Nakorn Public Co., Ltd.
- 1989 - 2002 : Assistant Manager
Nava Nakorn Public Co., Ltd.



Mr. Narongrit Sammanuch

President - Administration Department

51 years

Education

- Bachelor Degree in Laws, Ramkhamhaeng University
- MBA from the University of Thai Chamber of Commerce
- Training course in Human Resource for Non-Human Resource
- Training course in Effective Budgeting

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- Sep 2016 - Present : President - Administration Department
Nava Nakorn Public Co., Ltd.
- 2003 - Aug 2016 : President - Purchasing Department
Nava Nakorn Public Co., Ltd.
- 1996 - 2002 : Assistant Manager Administrative Department
Nava Nakorn Public Co., Ltd.



Mr. Nutnarut Suriyapanuwat

President - Sales and Marketing Department

47 years

Education

- Bachelor Degree in Mechanical Engineering
RMIT & Industrial Engineering Monash University
- Training course in Effective Budgeting
- Training course Project Feasibility Study
and Cash Flow For Real estates

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- 2005 - Present : President - Sales and Marketing Department
Nava Nakorn Public Co., Ltd.
- 2000 - 2004 : Sales and Marketing Manager
Kabinburi Industrial Zone limited



Acting Sub Lieutenant Pravit Kruttayuenyong

President - Information Technology Department

42 years

Education

- Bachelor Degree in Computer Sciences,
Chandrakasem Rajabhat University
- MBA (Information Technology), Mahanakorn University
- Training course in Safety Standard ISO/IEC 27000
- Training course in Basic of Information Technology
for Accounting
- Training course in Going from Good to Great
in IT Governance and Outsourcing
- Workshop Training Data Analytics with Pentaho BI, R,
Weka Hadoop From Business Intelligence to Data Science

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- 2003 - Present : President - Information Technology
Department Nava Nakorn Public Co., Ltd.



Ms. Anocha Sasriprapha

President - Investor Relations Department

43 years

Education

- Master Degree of Science in Economics with reference to the Asia Pacific Region at SOAS, University of London (The School of Oriental and African Studies), UK
- Training course in “Company Secretary Program” (CPS), Class of 42/2011, Thai Institute of Director (IOD)
- Training course in “ Financial Statements for Directors” (FSD) Class of 13/2011, Institute of Director (IOD)

Percentage of Shareholding : None

Relationship with Company’s Executive(s) :

Daughter of General Akaradej Sasriprapha

Experiences

- 2004 - Present : President - Investor Relations Department
Nava Nakorn Public Co., Ltd.
- 2004 : Manager - Investor Relations Department
Nava Nakorn Public Co., Ltd.



Mr. Surasee Hangsrisuwan

President - Nava Nakorn - Nakhonratchasima Project

55 years

Education

- Bachelor Degree in Business Administration (BBA) California University (CUFCE), USA
- Honorary Director Faculty of Management Science Nakhon Ratchasima Rajabhat University
- Adviser Na Klang Sub District Administration Organization, Nakhon Ratchasima
- Training course in Basic Japanese Language
- Training course in Effective Budgeting
- Training course in Modern Adaptation for Thai Procurers
- Training course in Work Place Environment and Safety Standard

Percentage of Shareholding : 0.04 %

Relationship with Company’s Executive(s) : None

Experiences

- 2005 - Present : President
Nava Nakorn - Nakhonratchasima Project
Nava Nakorn Public Co., Ltd.



Mr. Veerachai Chutimakor

President - Environment Department

52 years

Education

- Bachelor Degree in Education, Prince of Songkla University
- Master degree in Engineering Management, Rajamangala University of Technology Thanyaburi
- Training course in Supervision Wastewater Treatment Sludge # 2
- Training course in Mini MBA form University of the Thai Chamber of Commerce # 1
- Training course in Solid waste management and hazardous waste
- Training course in Environmental Manager of Industrial Works
- Training course in Effective Budgeting
- Training course in The Water Footprint Assessment
- Training course in CSR for Corporate Sustainability

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- 2005 - Present : President - Environment Department
Nava Nakorn Public Co., Ltd.
- 2004 - 2005 : Manager - Maintenance Department
Nava Nakorn Public Co., Ltd.
- 2000 - 2003 : Chief - Maintenance Department
Nava Nakorn Public Co., Ltd.



Mrs. Sureerat Rangsikosai

President - Internal Audit Department

62 years

Education

- Bachelor Degree in Business Administration, Bangkok University
- Vocational Certificate, Institute of Internal Auditors of Thailand
- Training course in CSR for Corporate Sustainability
- Training course in Strategic CSR Management
- Training course in Going from Good to Great in IT Governance and Outsourcing
- Training course in Foundation for Provident Fund Committee
- Training course in Retirement Planning

Percentage of Shareholding : 0.0001 %

Relationship with Company's Executive(s) : None

Experiences

- 2007 - Present : President - Internal Audit Department
Nava Nakorn Public Co., Ltd.



Mr. Vaurapope Charusorn

President - Business Development Department

38 years

Education

- Bachelor Degree International Business, Valdosta State University, USA
- Training course in The safety officer in management level
- Training course in Effective Budgeting
- Training course in Awareness to IMS for ISO9001:2008 & ISO14001:2004
- Training course in Professional QMR/EMR role & Reponsibility
- Training course in Management for Labour Law

Percentage of Shareholding : 0.65%

Relationship with Company's Executive(s) : None

Experiences

- Sep 2016 - Present : President
Business Development Department
Nava Nakorn Public Co., Ltd.
- 2015 - Aug 2016 : Acting President
Administrative Department
Nava Nakorn Public Co., Ltd.
- 2014 - Aug 2016 : President
Human Resource Department
Nava Nakorn Public Co., Ltd.
- 2011 - 2015 : Sales Section Manager (Europe)
Nava Nakorn Public Co., Ltd.



Mrs. Onanong Naowaratkoolchai

President - Finance and Accounting Department

43 years

Education

- Bachelor Degree in Accounting, Thammasat University
- Master Degree (MBA), Kasetsart University
- Certified Public Accountant (CPA), Thailand, registered no. 6310

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

- 2015 - Present : President
Finance and Accounting Department
Nava Nakorn Public Co., Ltd.
- 2014 - 2015 : Senior Accounting Department Manager
Metrosystems Corporation Public Co., Ltd.
- 2002 - 2003 : Assistant CFO, and Company secretary
WAVE Entertainment Public Co., Ltd.
- 1996 - 1999 : Assistant Auditor
Price water house Coopers ABAS Limited



Mr. Phopporn Chandawanich

President - Public Works Department

40 years

Education

- Bachelor Degree Music Business Management, Berklee College of Music, USA

Percentage of Shareholding : 0.58%

Relationship with Company's Executive(s) :

Son of Mrs. Suvalai Chandawanich
and Air Chief Marshal Dr. Nopporn Chandawanich
Brother of Mrs. Perayaluk Tangsunawan
Young brother of Mr. Suthiporn Chandawanich

Experiences

2009 - Present : President
for the Public Works Department
Nava Nakorn Public Co., Ltd.



Ms. Thanawan Ramangkul

Company Secretary

33 years

Education

- Bachelor Degree in Humanities English Program, Bangkok University
- Master Degree in Marketing Management, Dhurakij Pundit University
- Training course in Company Secretary Program (CPS), Class of 43/2011, Thai Institute of Director (IOD)
- Training course in Effective Minute Taking (EMT) Class of 23/2012, Thai Institute of Director (IOD)

Percentage of Shareholding : None

Relationship with Company's Executive(s) : None

Experiences

2011 - Present : Company Secretary
Secretary to Chairman
Nava Nakorn Public Co., Ltd.

2012 - Present : Board Secretary of Navanakorn Electricity
Generating Co., Ltd.



Basic Qualifications Needed for Everyone

“...Basic qualifications needed for everyone are mainly knowing what is morally good and what is morally bad, being ashamed of vices and fear of sin, being honest both in thinking and acting, being unselfish, not exploiting the others, not being careless, and not being rude.

Another specially important thing is the diligence....”

Royal guidance of His Majesty King Bhumibol Adulyadej
in the graduation ceremony of Srinakharinwirot University
at Royal Amporn Garden,
on Friday 22nd June, 1979



ANTI-CORRUPTION POLICY

Nava Nakorn Public Limited Company is committed to conducting business with integrity, transparency and fairness, adhering to the good corporate governance. In 2016, NNCL has joined the “Private Sector Collective Action against Corruption” to show our distinctive intention and determination against all kinds of corruptions.

To emphasize that NNCL is strongly against corruption, to ensure that all decisions and business transactions will be executed with transparency and to be guideline to all directors and employees, the Company has arranged a written guideline called ‘Anti-Corruption Policy’ to serve as an apparent guideline in performing business.

Definition

Corruption means any types of bribery; an offering, giving, promising, giving, accepting or demanding inappropriate benefits as an incentive (money, gift, loan, reward, incentive, banquet or other benefits etc.) in order that a particular person will commit an illegal action or against the morality; the abusive use of power based on position, duties and/or the use of information received from performing one’s duty in any approach that bring about benefit to oneself and/or other person in order to acquire money, assets, other inappropriate benefits or advantages directly and indirectly; any actions that are in conflict or against morality. Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

Anti-Corruption Policy

Directors, Management Team, and NNCL employees are prohibited from operating or accepting every type of corruption both in direct or indirect manner covering every business and related department. The Anti-corruption Policy is needed to be reviewed regularly, including with a possible revision of such policy and strict implementation provision in order to accord with business changes, regulation, standard, and laws.

Scope and Responsibilities

1. The Board of Directors is responsible for determining the policy, monitoring, and forming an effective system supporting Anti-corruption act in order to affirm that the Management Team intensively concerns, emphasizes, and cultivates Anti-corruption mindset as the company’s culture.
2. The Audit Committee is responsible for revision of financial and accounting reports in line with accounting standard

- and to ensure the efficient and appropriate internal control system.
3. Managing Director, Management Team are responsible for determining Anti-corruption system, promoting, and encouraging Anti-corruption manner conveyed to all staff and related parties. This also includes reconsideration on system or regulation in order to best adjust with business changes, regulation, standard, and laws
4. Internal Audit Director is responsible for auditing in business transactions whether they are accurate and complied with policy, and internal control system, complying to the law and regulations of the Approval Authority in order to assure that the internal controls are sufficient and suitable for probable risk in corruption. This shall be directly reported to the Audit Committee.

Guidelines

1. The Board of Directors, Management Team and all employees must follow the Anti-Corruption Policy and NNCL Code of Conduct by avoiding involving with any course of corruption in direct or indirect manner.
2. NNCL staff shall not be negligent in any corruption conditions involved directly with NNCL. All staff must notify such act to supervisors or responsible person, including collaborate with investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the NNCL Code of Conduct compliance provided in particular channels.
3. The Company shall provide fairness and safeguard staff who denies or informs corruption cases relating to NNCL by applying Protection Policy for appellant or persons who incorporate with Anti-corruption information as stated in the Whistleblower Policy.
4. NNCL concerns the importance of dissemination, knowledge sharing, and communications with other people who involve or affect NNCL so that those parties shall conform effectively to the Anti-corruption guideline.
5. This Anti-corruption Policy covers to Human Resource Management process starting from recruitment, promotion, training, evaluation, and benefits provided to staff. Every supervisor in every level must communicate to staff for clear understanding.
6. To stress the attention on processes which incur a high risk in corruption, the Board of Directors, the Management Team, and the NNCL staff must conform carefully in the following courses of action.

- 6.1 Gifts, banquet, giving, delivering or accepting gifts must be complied with the NNCL Code of Conduct.
- 6.2 Granting contribution or receiving the aid must be transparent and in accordance with stipulated laws by confirming that such transaction shall not be claimed as a bribery act.
- 6.3 Business Relation All types of bribery or illegal payments are prohibited in all business transactions. Such implementation must be proceeded transparently and in alignment with related laws and regulations.

Dissemination of Anti-Corruption Policy

1. The Company shall post the Anti-corruption Policy at all of the bulletin boards of NNCL.
2. The Anti-Corruption Policy is published through communication channels of the Company such as website, Annual Statement (form 56-1) and Annual Report (56-2).
3. The Anti-Corruption Policy is included in the employee's handbook.
4. All employees are required to sign in the form and affirm that they have acknowledged the content of the NNCL Code of Conduct and the Anti-Corruption Policy. The said form, upon being signed, is a confirmation that they have read the document and agreed to comply to regulations therein. An employee cannot claim that they have not read the content or signed in the acknowledgement form as a reason not to comply to the regulations.
5. The revocation of one of the articles in the NNCL Code of Conduct or Anti-Corruption Policy shall be approved by the Board of Directors and disclosed immediately.

Political Contribution Policy

NNCL remains neutral in politics, non-alignment movement and not providing fund or other support to any particular political party directly and indirectly. Political Contributions means provision of financial support or in-kind such as giving goods or services, advertising or promoting political party, buying tickets to the event with purpose to funding or to donating money to an organization that having close relation to a political party, representing a company to participate in political campaign etc. The Company supports politics under democratic system and deems that employees have right and duty as a Thai citizen as stipulated by law, and that they may participate or support political activities individually. All employees are prohibited to use their position in the Company or bring the Company's asset to contribute or proceed in any activities.

1. Charitable donation

The charitable donation in monetary or asset must be disclosed, and proceeded with transparency, and accuracy in line with law. Such donation shall not be referred to as a bribery. Charitable donations must be made on behalf of the Company and being approved by authorized person. The donations must be made to an organization or agency such as foundations, public organizations, temples, educational institutions, clinics etc. for social, educational or public benefit, having no reciprocity, with a tracking scheme in place to ensure the reliability and accountability.

2. Sponsorships

Sponsorships means a money paid to or received from customers, trading partners and business partners based on reasonable ground, with objective of business, brand or corporate reputation. Such Sponsorship is beneficial to the goodwill, public relations, business relation and opportunity. Sponsorship must be made openly, transparently and legally, with tracking scheme that with a tracking scheme in place to ensure that requesting person has actually implemented the projects as proposed, that the sponsorship is a part of project success, that the project bring about benefit to society or that the sponsorship is in accordance with CSR objective. Sponsorships must be made in request form, specifying name of receiving party, purpose of sponsorship, with all required documents which shall be submitted to an authorized person of the Company for approval in accordance with procedures specified.

3. Gifts/hospitality fee and other expenses

With well aware that building good relation with business alliances is a crucial factor leading to continual success, the Company has formulated the policy to prohibit directors and staff to accept, directly or indirectly, any gifts from stakeholders of the fields under their responsibility, such as government officers, government agency, private agency and business partners in order to gain inappropriate benefits and to lead to omission of their own duties. Exception shall be applied in case of giving or receiving gifts by appropriate occasion or opportunity such as giving gift in local or traditional custom, trading custom where the value of such gift shall not exceed the certain amount or exceed the amount as acceptable by the government officer. Expenses for banquet and other expenses relating to compliance to business contract is permitted but to the appropriate and reasonable extend and scope and shall be auditable.

Remarks : For more information, please visit www.navanakorn.co.th

POLICIES AND OVERALL IMAGE OF THE BUSINESS OPERATION

1. Policy and Overall Business

NNCL operation consists of 3 major businesses which are;

1. Land and real estate development
2. Utility investment
3. Our services investment

Nava Nakorn Industrial Estate, Pathum Thani

Land Development Most of the land development for industrial use are all sold out. On the other hand, we receive purchasing request of new lands from customers regularly. In proportion, the new purchases were mostly from existing customers who would like to expand their factories, indicating the positive growth of our customers. However, due to the political or economic situations, most of our new customers postponed to make decision on investment.

In the past year, the Company purchased some more plots of land for rapid development. For instance, the 90 rai adjunct to Phahonyothin road will be developed for commercial and residential purpose as previously informed to shareholders. Unfortunately, we have to postpone the project due the significant reasons below.

1. The negotiation on the extension of Red Line that will reach Navanakorn Station
2. Economic slowdown

Once the said issues are improved, the Company will start the development project.

Utility

As for utility, the construction of a 125 MW NNEG (a joint venture between Navanakorn PLC and Ratchaburi Holding PLC and GPSC



(PTT subsidiary) has been completed and started supplying power to EGAT and tenants in Navanakorn Pathumthani Industrial Estate since June 2016. NNEG generated a satisfactory profit since the first month of operation. In addition, income of NNEG were increasing as we received more and more inquiry from factories within the Industrial Estate regarding supplying power and steam for industrial use. The capacity is now almost reach the maximum point. With positive growth and feedback, NNEG formulated the policy and proceed the application to establish the second power plant to support the power and steam demand for companies in Navanakorn Industrial Estate Pathumthani. We also recorded the increase of revenue in other



utilities such as water supply and water treatment plants as a result of increasing demand. After the technology improvement and management of cost of production in 2017, it is expected that the Company will make a significant profit. In addition, as we are now undergoing the feasibility study of telecommunication utility, if all are in line with the plan, the project will be commenced in the end of 2017, yielding another major income for the Company.

Our Services Investment

NNCL services which include cleaning, waste management have been improved. The problem of remaining garbage was solved while the Company earned more income. As a result, the scenery and health of residents in Navanakorn Industrial Estate have been leveraged as a whole. The Company carried on developments to communities and the public as to upgrade the well-being standard within.

Navanakorn Industrial Estate, Nakhon Ratchasima

Land Development

As previously informed about the completion of the 600 rai of land in Phase 3, in which the sale has been started, now, parts of the land are sold for factories more and more. On the other hand, our existing customers purchased more land to expand their production and to construct new factories. Overall, the situation is similar as in Navanakorn Pathumthani. The project receive contacts and visits from prospective customers, but none of them postponed to make a decision due to the same reason as aforesaid. Nevertheless, the Company carried on seeking different approach for land development. For instance, the land adjunct to Mittraparp road is now under the survey and negotiation as to build resting point for drivers. Additionally, the resting point may have petrol stations, accommodations, restaurants and souvenirs shops etc.

Utility

As for public utility, the main issue in Nakhon Ratchasima is water resource. Navanakorn Nakhon Ratchasima has already prepared large 4 water reservoirs, with total capacity over 1,700,000 million cubic meters which exceeds demand for production in each year. However, due to drought crisis in 2016, the Company is aware of the risks that may occur in the future. Hence, the Company planned to expand the construct more water reservoir, launch campaigns among factories on water-

saving and recycle in order to ease the risk of water scarcity. Furthermore, the Company planned to facilitate the convenient transportation with the Industrial Zone in response to the increasing number of staff.

The large PTT pipelining project to Nakhon Ratchasima is almost completed, and the Company has projected to construct a power plant in Navanakorn Industrial Estate, Nakhon Ratchasima in the future.

NNCL believes that the new ongoing projects, and the developments in the future will lead to the prosperity and growing profit. All of these are contributed by dedication and cooperation of the Management, Board of Directors and

2. Background and important improvement

Navanakorn Public Company Limited was established on March 26th, 1971, with the Navanakorn industrial promotion zone, Nakhon Ratchasima Province as the first zone, to operate the business of real estate development in the form of an industrial promotion zone along with the facilities system in the initial project area of approximately 5,000 Rai, with the Crown Property Bureau and the Jarusorn family as the major shareholders. Later in 1991, NEP Realty and Industry Public Company Limited became a shareholder in the company at the rate of 53.35% of the paid-up capital, by buying the shares from the Crown Property Bureau, Commonwealth Development Corporation, and Elder Finance Asia Company Limited, to become the major shareholder of the company. In 1996, the company purchased lands in the north of the project at the number of 208 Rai to be the location of a new wastewater treatment plant construction to support the wastewater system in the project and the development for sale. Later in 2002, the company registered the transformation into a public company, and in early 2003 the company purchased lands in the north-west of the project at the number of 137 Rai to be developed into the Free-Zone (FZ). Later in 2004, the company increased the capital and sold the shares to the general public and brought the company to the registration as a registered company to be used as the location of a new wastewater treatment plant construction to be able to support the wastewater system within the project and the development for sale later in the Stock Exchange of Thailand.

In 2005, the company expanded the investment in a new industrial promotion zone to be a new source of income, by purchasing a land of 1,903 Rai to invest as the development for a new industrial promotion zone in Soong Nern District, Nakhon Ratchasima Province, under the name of “Navanakorn Industrial Promotion Zone (Nakhon Ratchasima)” in this province, there are groups of entrepreneurs and investors who are interested in investing in north-eastern region in the highest number. Most of the investment is concerned with the electronic industry, metal parts, machines, and transport equipments as there are factors to attract investment as well as the capable location in the central north-east enabling an advantage of transportation by car all over the region and other regions. Also, there is a way to Eastern Sea Board and other gates to Indochina in the future, which will be able to link to Danang Port of Vietnam. This enables international continual investments.

3. Past important improvement

Navanakorn Electricity Generating Company Limited

In 2009, the company has become a business alliance in the power plant project as a small power producer with Ratchaburi Electricity Generating Holding Public Company Limited and PTT Public Company Limited.

In January 2010, the company registered the establishment of Navanakorn Electricity Generating Company Limited (NNEG).

In December 2010, The Shareholder Agreement for the joint venture of Navanakorn Electricity Generating Company Limited (NNEG) with PTT Public Company Limited and Ratchaburi Electricity Generating Holding Public Company Limited in the shareholding rate at 30% and 40% respectively. However,

In 2011, Navanakorn Electricity Generating Company Limited had the start-up authorized capital at 2,000,000 Baht as divided into 200,000 ordinary shares of 10 Baht per share on December 31st, 2013. The company paid the shares of 120,600,000 Baht, with the paid-up capital of 402,000,000 Baht as divided into 40,200,000 shares of 10 Baht per share.

On December 31st, 2013, the company has paid the shares of 120,600,000 Baht, with the paid-up capital of 402,000,000 Baht as divided into 40,200,000 shares of 10 Baht per share.

On December 31st, 2014, the company has paid the shares of 300,538,000 Baht, with the paid-up capital of 1,002,000,000 Baht as divided into 1,002,000,000 shares of 10 Baht per share.

On December 31st, 2015, the company has paid the shares of 300,538,000 Baht, with the paid-up capital of 1,002,000,000 Baht as divided into 1,002,000,000 shares of 10 Baht per share.

On December 31st, 2016, the company has paid the shares of 457,438,000 Baht, with the paid-up capital of 1,525,000,000 Baht as divided into 152,500,000 shares of 10 Baht per share.

Navanakorn Electricity Generating Company Limited to start the commercial operation on 3 June 2016.



4. Overall image of the company's business operation

the subsidiaries, joint companies and associated companies of Navanakorn Public Company Limited has operated the business of real estate development which aims to improve the projects in the industrial promotion zone, being a subsidiary of NEP Realty and Industry Public Company Limited which conducts the production and sale business of packed manufactured of jute and plastic. At present, the company holds the internal share of 220,950,000 shares, calculated as 10.78% of the paid-up capital. Nowadays, the company has no investment in the subsidiaries or joint companies, but the investment in associated companies most of which conduct a business related to the support of services to habitants and entrepreneurs within the company's industrial promotion zone, with the following detail of business operation:

4.1 Navanakorn International Guarding Securityguard Company Limited

Established in October 2001, the company carries out the business of security protection within the area of Navanakorn industrial promotion zone. At present, the paid-up capital is at 6.3 million Baht; by the end of the year 2002, the company held the shares of 100.00% of the paid-up capital, but in March 2003 the company decided to sell the investment of Navanakorn International Guard Company Limited at the number of 40,500 shares, or calculated as 81.00% of the paid-up capital to outsiders at that time because such company always had turnover loss; plus the company had no sufficient expertise in operating such business, resulting in the fact that at present the company remains the shareholding in such company of 15.08% of the paid-up capital

4.2 Sumiso Global Logistics (Thailand) Company Limited

Formerly Navanakorn Distribution Center Company Limited, established in 1989, to conduct the business of cargo service to companies located in the area of Navanakorn industrial promotion zone. At present, the company has the paid-up capital of 180.00 million Baht, holding the shares of 1.71% of the paidup capital.

4.3 Navanakorn Electricity Generating Company Limited (NNEG)

NNEG is a small power producer (SPP) which uses the production process of electricity and steam by ways of natural gas as fuel, with the production power of approximately 125 megawatts and the production power of steam at 30 tons per hour; the client according to the contract being the Electricity Generating Authority of Thailand and the clients from industrial factories within Navanakorn industrial promotion zone in Pathumthani Province. Navanakorn Electricity Generating Company Limited to start the commercial operation on 3 June 2016. At present, the company has the paid-up capital of 1,525,000,000 Baht, holding the shares of 29.99% of the paid-up capital , that is the total sum of 457 million Baht.





To Use the Resources Wisely

“... Nowadays, Thailand has abundant resources both natural resources and human resources which we can use them for enhancing the fertility and stability of the country well.

The important matter is that we must know how to use the resources wisely,
not to waste them nor use them unworthily.

But we have to use them prudently with the logical, rational, and accurate consideration focusing on the real benefits to the nation both at present and in the future....”

Royal speech of His Majesty King Bhumibol Adulyadej
in the attendance of meeting in the Celebration of His Majesty the King's Birthday Anniversary, 1986.
Friday 5th December, 1986



NATURE OF BUSINESS

Income structure

The total income structure of Navanakorn Public Company Limited for the years of 2014-2016 can be divided according to the characteristics of operation as follows:



Unit : Million Baht

Detail	2016		2015		2014	
	Income	%	Income	%	Income	%
Income from land sale	155.11	20.62	554.19	49.36	134.61	20.39
- Income from land sale of Navanakorn Pathumthani Project	140.11	18.63	49.50	4.41	31.00	4.70
- Income from land sale of Free Zone	-	-	-	-	-	-
- Income from land sale of Premium Zone	15.00	1.99	477.67	42.54	-	-
- Income from land sale of Navanakorn Korat Project	-	-	27.02	2.41	103.61	15.69
Income from sale of resident buildings	-	-	-	-	-	-
Income from services	493.32	65.59	454.46	40.47	466.34	70.64
Income from rent*	17.64	2.35	16.09	1.43	13.94	2.11
Other incomes **	86.11	11.44	98.16	8.74	45.28	6.86
Total income	752.18	100.00	1,122.90	100.00	660.17	100.00

Remark : The main income of the company is composed of the income as incurred from the sale of land at the average of 33.65% of the total income; the income as incurred from the service provision at the average of 56.38% of the total income, and the other incomes at the average of 8.07% of the total income.

* The income from rent is that incurred from the rent of lands and locations.

** Other incomes = income interest, dividend income from associated companies, loss income from impairment.

In 2014, other revenue includes revenue from government grants 28.45 Million Baht.

In 2015, other revenues consist of the main Income is government subsidies to 39.82 Million Baht loss from impairment. - Real estate development 27.19 Million Baht and 8.2 Million Baht bad debt recoveries.

In 2016, other revenues consist of the main Income is government subsidies to 39.82 Million Baht Compensation income registration of the servitude 10.5 Million Baht and Revenue from providing infrastructure to 14.95 Million Baht

Additional information

During the past 3 years, income from sale of land was unstable. In a year when the large plot of land was sold or when the Company received payment of land purchase, the income from sale of land recognized would be higher than normal. In addition, investors would take long time in making decision to buy a land since each investment require high amount of fund. According to all these factors, the Company is unable to predict or estimate income from sale of land which may occur in the future and this may affect the business operation of the Company. In a year when the income from sale of land is recognized at high amount, it means that the Company's profit from business operation is high as well. In contrast, the in a year when the income recognition from sale of land is low, the Company's profit in the same year is subsequently low. However, the Company has improved performance of sale team to be more effective in marketing as well as supervised Marketing Department to calculate annual income and targets from sale of land. If sale volume reached the target, the sale team will be rewarded commission as an incentive to stimulate work performance. In the future, the Company will have another source of income from sale of land in Nava Nakorn Nakhon Ratchasima. All these factors will reduce the uncertain income from sale of land at some part.



NAVA NAKORN INDUSTRIAL ESTATE (PATHUMTHANI)

1. Nava Nakorn Industrial Estate (Pathumthani)

Nava Nakorn Industrial Estate Pathumthani has the total land area of 6,485 rais which is divided into Industrial area of 4,148 rais and unsold area of 168 rais. The company aims to develop land for sale consistently and improve its management to meet the requirement of the investors and government agency under TIS/ISO 9001:2008 for development land and services in infrastructures and facilities from Management System Certification Institute (Thailand), MASCI and national accreditation system of The national Accreditation Council of Thailand in 2002.

1.1 The Estate is developed into 4 zones

1) Industrial Zone:

The general industrial zone covers approximately 4,148 rais and accounts for 60.0% of total estate area with more than 186 plants. At present, there are approximately 294 rais available for sale in this zone.

2) Commercial and residential Zone:

The Company allocated areas to develop into the commercial and residential zones on the approximate area of 641 rais which accounts for 10% of the total estate area. At present, there are 5,000 residents and about 92 rais available for sale.



3) Free Zone:

The Company has designated an area about 137 rais which accounts for 4% of the estate area on the Northeastern part of the Pathumthani Estate as FreeZone (FZ). Those who are investing in this Free Zone can receive special tax privileges. At present, all the land for sale was sold out.

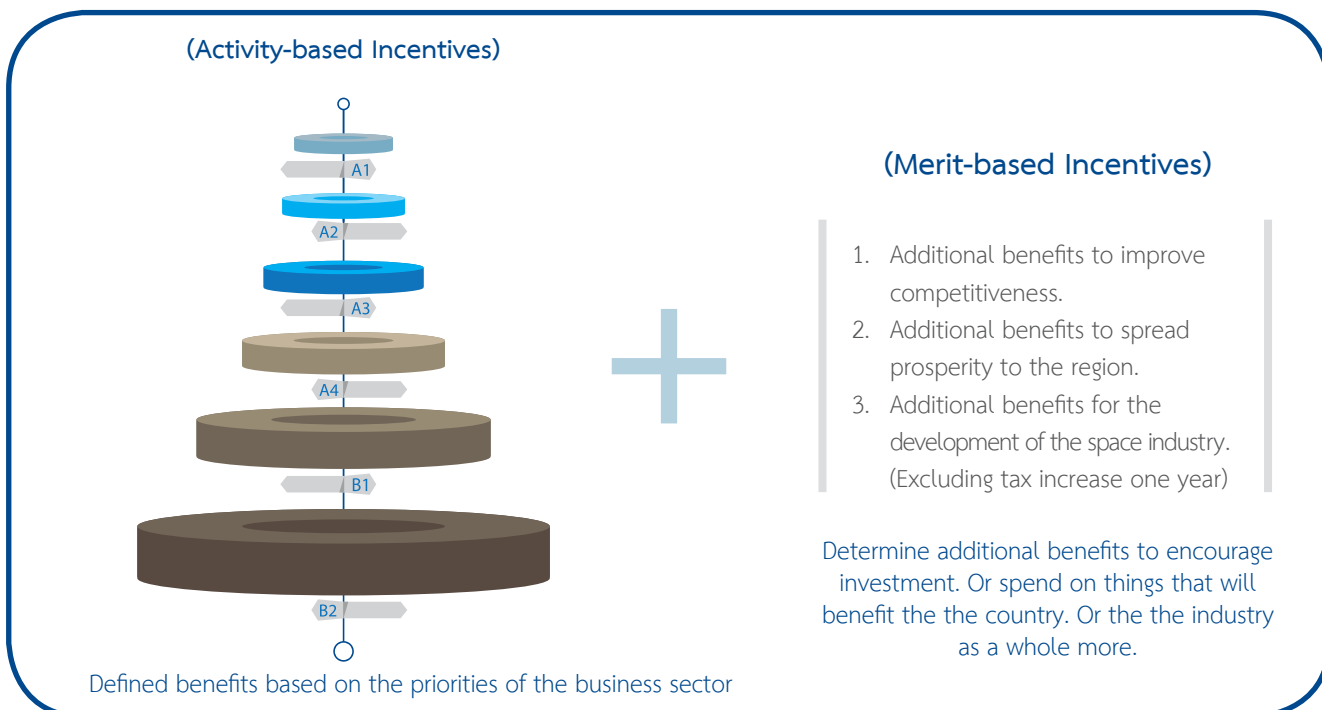
4) Infrastructure and green Zone:

The area of infrastructure and green zone of 2,279 rais which accounts for 35% of total estate area was sold out. Conclusion of the Special Privileges under Nava Nakorn Industrial Estate (Pathumthani).



1.2 Special Privileges from BOI (Zone 1)

Providing benefits under the new strategy (BOI)



GROUP	Corporate income tax exemption	Duty exemption on machinery	Duty exemption on raw materials Production for export	Non-tax
A1	8 years (not cap financial amount) + Merit	✓	✓	✓
A2	8 years	✓	✓	✓
A3	5 years + Merit	✓	✓	✓
A4	3 years + Merit	✓	✓	✓
B1	-	✓	✓	✓
B2	-	-	✓	✓

Under BOI # 5097 (2)/ 2012

Approved date : October 14, 2012
BOI date : December 14, 2012
Period of BOI : October 2012-2019
Years of Privileges : 8 years

This BOI is to certify that a company has authorized for water manufacturing under the class 7.1 the infrastructure and basic facility.

Details for the Special Privileges of BOI

1. Corporate income tax exemption for 8 years from the start recognition revenue to October 2019
2. Tax exemption for a dividend through the BOI period.
3. Tax exemption of import duty on machinery under BOI authorization before June 14, 2015

Under BOI # 5171 (2)/ 2012

Approved date : June 17, 2012
BOI date : August 21, 2012
Period of BOI : June 2012-2020
Years of Privileges : 8 years

This BOI is to certify that a company has authorized for water manufacturing under the class 7.1 the infrastructure and basic facility.

Details for the Special Privileges of BOI

1. Corporate income tax exemption for 8 years from the start recognition revenue to June 2020
2. Tax exemption for a dividend through the BOI period.
3. Tax exemption of import duty on machinery under BOI authorization before February 21, 2016

Under BOI # 5170 (2)/ 2012

Approved date : June 17, 2012
BOI date : August 21, 2012
Period of BOI : June 2012-2020
Years of Privileges : 8 years

This BOI is to certify that a company has authorized for water manufacturing under the class 7.8 the Business Development Measures to promote investment recovery after the flood.

Details for the Special Privileges of BOI

1. Corporate income tax exemption for 8 years from the start recognition revenue to June 2020
2. Tax exemption for a dividend through the BOI period
3. Tax exemption of import duty on machinery under BOI authorization before February 21, 2016

Under BOI # 5172 (2)/ 2012

Approved date : May 27, 2012
BOI date : August 21, 2012
Period of BOI : May 2012-2020
Years of Privileges : 8 years

This BOI is to certify that a company has authorized for wastewater treatment services under the class of 7.26 disposal of industrial waste or toxic materials.

Details for the Special Privileges of BOI

1. Corporate income tax exemption for 8 years from the start recognition revenue to May 2020
2. Tax exemption for a dividend through the BOI period.
3. Tax exemption of import duty on machinery under BOI authorization before February 21, 2016

To consult for the environmental and issue a documentary for wastewater treatment agreement for setting up the industrial plant, extending the operation license and a plant expansion.

1.3 Free Zone (Pathumthani)

Special Privileges from the Custom Department

- 1) Import duty exemption on imported merchandise, moved into or manufactured in a Free Zone for the following cases:
 - 1.1) Machinery, equipment, tools and parts that are necessary in industrial, commercial, or other businesses that are beneficial to the nation's economy.
 - 1.2) Imported merchandises that moved into the Free Zone for manufacturing, commercialize, or other business that are beneficial to the nation's economy.
- 2) Import duty exemption on raw materials for manufacturing products for re-exports .
- 3) Export duty exemption on those merchandises that are exempted duty in "Free Zone" for re-exports.
- 4) Exemption of Value Added Tax (VAT)
- 5) Exemption on excise tax.
- 6) There is a relief from quality control requirements for export.

2. Facilities and Infrastructure

2.1 Roads

Roads can be divided into 11 types according to the width ranging from 9-32 meters. The roadways are connected making a network of roads on Phaholyothin road at 46 th kilometers. The roads, either asphalt concrete or steel reinforced concrete was repaired after damaging from the last year flooding as shown details below.

2.2 Rainfall Drainage

Rainfall systems in Nava Nakorn Industrial Estate is made of concrete under V-drain and U-drain system along the road with a length of 45 kilometers and capacity of 400,000 cubic meters. This helped connect as a network and convey water to the canal inside the estate.

2.3 Wastewater Treatment Systems

Nava Nakorn Industrial Estate (Pathumthani) improved wastewater treatment system by construction the new facility which was extended from previous wastewater treatment plant. The new phase was operated in April 2009 and received a permit from the Department of Industrial Works, Ministry of Industry, to build the central wastewater treatment plant, and be classified as the 101-plant number. The plant is intended to collect wastewater from industrial and commercial zones to be treated until the quality of the wastewater meets the standards set by Ministry of Industry. The previous wastewater treatment system was the "Conventional Aeration Activated Sludge". Meanwhile, the extended phase was set as Oxidation Ditch Activated Sludge system. Both work around the clock, 24 hours a day.

This should help handle a maximum capacity of 46,000 cubic meters of wastewater per day. At present, there are 25,423 cubic meters of wastewater flowing into a waste water system or about 55.27% of the maximum capacity.

2.4 Wastewater Discharge System

Wastewater discharge systems in Nava Nakorn Industrial Estate is a closed system where it is separated from rainwater drainage system, which is an opened U-drain system. The width of wastewater discharge pipes varies from 150, 200, 250, 300, 400, 600, 800, and up to 1,000 millimeters, which can discharge and accommodate wastewater from various activities in the Estate from industrial, residential, and commercial areas. The waste water discharge system is composed of polishing pond and 51 wastewater pump substations around the Estate. These substations will pump wastewater into the Nava Nakorn central wastewater treatment plant.

2.5 Flood Prevention Systems

Nava Nakorn Industrial Estate has the following flood prevention systems:

- 1) **Flood protection wall** : with 20.6 Kilometers long of wall protection which piling with corrugated concrete sheet pile (CCSP) 1 meter wide and 6-15.5 meters long and elevating the Navanakorn 5 road to the same level of CCSP, this should help protect the possible flooding in the future.
- 2) **Drainage Canal** : Inside Nava Nakorn Industrial Estate, there is a man-made canal in the area of 300 rais, which can accommodate about 1,200,000 cubic meters of water. In the rainy season, it can hold rainfall sufficiently. Water will be later taken and released outside the Estate by the many flood prevention-water pump substations.
- 3) **Flood Prevention-Water Pump Stations** : Pumping water out of the Company's stations, pumping stations, consisting of five pumping stations 1 and 5 at the north end of the project. And second and third pumping station at the south end of the project. And pumping station at the west end of the four projects are also temporary pumps to prevent flooding. Efficient pumps includes 1,497,120 cubic meters / day.



Upgraded	Before upgrade		Upgraded	
	Number of pumps	Capacity (m ³ / hr.)	Number of pumps	Capacity (m ³ / hr.)
1	7	7,700	7	17,500
2	5	5,500	5	12,500
3	5	5,500	5	12,500
4	0	0	2	5,000
5	3	3,900	3	7,500
Total	20	22,600 (542,400 m³/day)	22	55,000 (1,320,000 m³/day)

2.6 Industrial Water Systems

The industrial water processing plant started providing service since June 2007. It is located on about 39 rais of land inside Nava Nakorn Industrial Estate Pathumthani. Water from this plant is for industrial purpose and provides to the industrial zone. The plant gets water from Chao Praya River at Song Phi Nong Temple through a 900-millimeter HDPE water pipe, stretching 8 kilometers to the water processing plant that located inside Nava Nakorn Industrial Estate Pathumthani. Here, experienced engineers in water processing systems produce clean water that meets TIS standards, The water processing plant undergoes quality testing with effective and modern tools and equipment in the plant's laboratory every three hours.

- 1) The industrial water processing plant by the Company to serve all needs of the investors with a capacity of 75,000 cubic meter per day.
- 2) Water from the Provincial Waterworks Authority or PWA connecting pipes from the main PWA water pipe to transport water throughout the estate.

In 2016, The average clients' demand was at 1,183,182.42 cubic meters per month or 39,439.41 per day which accounts for 52.58% of the total capacity. As a result, the water processing plant has no limitation off stretched capacity as there is more room to cope with expansion of the existing and any future factories.

2.7 Water Systems

Water is from the Provincial Waterworks Authority or PWA. Nava Nakorn had made a buy/sell contract with PWA to resell water to residential and commercial zones inside the Nava Nakorn Industrial Estate Pathumthani. The main PWA water pipe passes through NavaNakorn Route 1 and Route 5 Roads. Nava Nakorn laid out connecting pipes from the main PWA water pipe to transport water throughout the residential and commercial zones Currently, the water system services in the estate comes from 2 sources;



Water quality

Water quality index Month/Year	pH (Standard 6.5-8.5)	Corlor (Standard <5) Plt-Cblt	Taste	Odor	Turbidity (Standard <5) NTU
Jan/2016	7.97	2.35	NO	NO	1.10
Feb/2016	7.93	3.85	NO	NO	0.50
Mar/2016	8.01	0.31	NO	NO	0.32
Apr/2016	8.08	1.72	NO	NO	0.41
May/2016	7.92	2.33	NO	NO	0.34
Jun/2016	8.14	2.86	NO	NO	0.30
Jul/2016	7.91	4.37	NO	NO	0.24
Aug/2016	7.59	4.83	NO	NO	0.40
Sep/2016	7.68	3.06	NO	NO	0.46
Oct/2016	7.82	4.04	NO	NO	0.27
Nov/2016	7.72	4.56	NO	NO	0.28
Dec/2016	7.46	4.29	NO	NO	0.55

2.8 General Waste Management Systems

Nava Nakorn Industrial Estate, composing of residential houses, dormitories, shops, and factories, is required to have general waste management systems in compliance with the Factory Act B.E. 2535 (No. 2) of the Department of Industrial Works, Ministry of Industry, Re: Disposal of Wastes or Unusable Materials B.E. 2548. For non-hazardous waste or unusable materials from office, residential housing, and canteen areas in the factories inside Nava Nakorn Industrial Estates, the Company assigned J. Rattakan Company Limited and JPN Recycling Partnership to manage and eliminate waste or unusable materials systematically

The disposal fee is depending on the amount of the wasted which is multiply with the service rate per container (size 200 liters). Meanwhile, the disposal fee in residential area is 100 baht per a container. (size 200 liters).

2.9 Electrical Systems

- 1) There are four power substations of Provincial Electricity Authority (PEA) and one power substation of Electricity Generating Authority of Thailand (EGAT) in Nava Nakorn Industrial Estate. The high voltage distribution feeder circuits systems are designed with complete load distribution and designed to be able to connect to Bang Pa-in Power Substation in case of electromotive force is unstable or power failure.
- 2) The improvement of group circuit in the estate should allow the power distribution and transmission system to serve specific needs of various customers efficiently. In addition, the electrical interruption in one area should not impact others thanks to a specific circuit plan that helps locate the default area and allow a company to fix the problem quickly.
- 3) Under the department of Alternative Energy Development and Efficiency, the registration of the clients based on the quantity of use such as the big firms which require more utilities should help control and use energy efficiently.

- 4) We will improve the system of street lighting. By turning to LED lighting to reduce energy consumption and save electricity.
- 5) Installation of the generator number five stations pumping for emergency power backup in case of power failure. And to prevent flooding in the area. (Finished)

2.10 Telecommunication Systems inside Nava Nakorn

Industrial Estate (Pathumthani) The telecommunication network system is set to serve strong demand in various services such as telecommunication system, hi-speed internet and fiber cable optic as shown detail below,

- 1) The telephone network is serviced by TOT Public Company Limited and True Corporation Public Company Limited.
- 2) The mobile network under 3G and 4G by True Corporation PCL, Advance Info Services and Total Access Communication Public Company Limited.
- 3) Fiber Optic Cable by CAT Telecom Public Company Limited and United Information Highway Company Limited.
- 4) High speed internet by True Corporation PCL and Triple T internet Company Limited (3BB), and TOT Public Company Limited.

All the services provider accommodate a quality of services as follows:

- 1) Accommodate the determined Quality of Services.
- 2) Has monitoring system which will alert clients if there is problem in order to timely resolving any issue.
- 3) Specific team is assigned in providing analysis and problem solving to customers.

2.11 Security Systems

Inside the Estate, there are closed circuits TV (CCTV) in 64 locations. To control security, the Company hired Nava Nakorn International Guard Company Limited (affiliated company) to provide security of the project. The Nava Nakorn International Guard Company Limited oversees and maintains security as well as manages and supplies security guards to provide 24 hours security services. At present, there are approximately 148 security guards. The Company oversees, control, and performs quality check of the security service effectively.

2.12 Natural Gas Systems

The Company, in cooperation with PTT Public Company Limited, laid out pipelines to supply natural gas to industrial customers inside the Nava Nakorn Industrial Estate. Natural gas is a cheap and clean source of energy which has no impact on the environment. It is therefore a major factor for those who operate in the industrial estates and also a major factor in attracting customers into the estate. At present, PTT Plc. is servicing natural gas supply to requested factories. The Company also earns a pro rata on the volume usage according to the rate negotiated. Furthermore, the Company also earns rental revenue from renting out area for testing systems and gas distribution stations.

3. Key strength of Nava Nakorn Industrial Estate

3.1 Located near the hub of local and international transportation

- 1) 46 km. away from Bangkok
- 2) 20 km. and 60 km. away from Don Muang and Suvarnabhumi International Airport
- 3) 60 km. away from Khlong Toei Sea Port
- 4) 160 km. away from Laemchabang Sea Port

3.2 Connected with the strategic industrial areas in the North and Northeast Thailand

- 1) Phaholyothin Road (Highway No.1)
- 2) Mittaphap Road (Highway No.2)

3.3 Full services of logistic and transportation

- 1) Location is Phaholyothin Road and Standard highway of 10 lanes
- 2) Near Don Muang and Suvarnabhumi International Airport
- 3) Near the outer ring road
- 4) Navanakorn Interchange Construction Project

3.4 Permanent Flood Protection System

- 1) The total construction distance of the Permanent Flood Protection System is 20.6 Kilometers. And 5.5 meters above sea level.
- 2) 5 stations, pumping stations and water reserves.
- 3) Emergency entrance

3.5 Special Privileges from BOI

4. The Nava Privacy Project

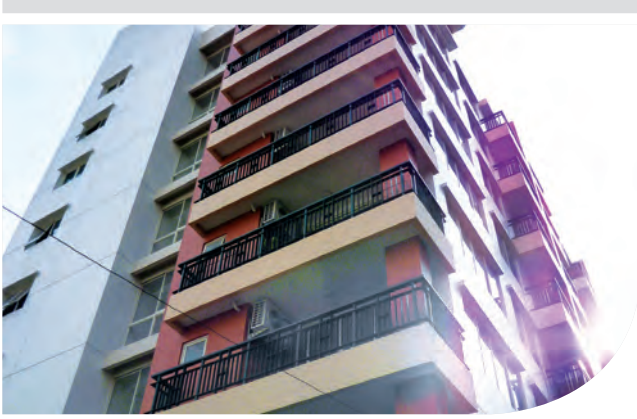
The Company developed the Nava Privacy project as another means of real estate development business which helps provide quality of life residence to both clients inside and outside Nava Nakorn Industrial Estate Pathumthani as well as those in the close vicinity. The project targets clients who just start out their working life and those who wish to be close to their work place. The project and condominiums are sized at 30-31 square meters and with an average price of Baht 25,000-27,000 per square meter or an average price of Baht 775,000-850,000 per unit. These units provide good quality of life, with complete facilities and security for its residents. The target group is those people at their start of their working age; most have Baht 15,000-20,000 income and have budgets for housing expense of Baht 3,500-5,000 per month. The project is located near their workplace and helps reduce commuting expenses in these present days of volatile oil price. This group of

customers is working in the 5 kilometer radius of the project. They are a group with a high demand for residences. Therefore, the Company developed the Nava Privacy project for those who are in the early part of their working and family lives so as to provide them with their first quality residence and become their starting point for a developing warm family.

The Nava Privacy project is the property development inside Nava Nakorn Industrial Promotion Zone, Pathumthani for commercial purposes. The project is comprised of a modern shopping center and residential buildings for rent and for sale. It emphasizes the creation of a social community both residences and a shopping complex in the same area. It is located on Thai-thani road within Nava Nakorn Industrial Promotion Zone, in the heart of community which is the most densely populated area. With regard to the current status of the residential building development - "The Nava Privacy Condominium", the Company has applied for address numbering for the building A-03 under the juristic person's name of "The Nava Privacy 1 Condominium". The condominium itself is numbered 87 and the residential units within the building are numbered 87/1 - 87/88 in order.

The Nava Privacy Condominium is a 8-floor residential building. Each residential unit measures 31 square meters which is more spacious compared to other residential projects. Each unit is designed to provide comfort and suitable space allocation that respond to the needs of the clients. Each unit features bedroom, living area, dining area, kitchen equipped with a full set of quality built-in furniture, balcony, and bathroom with separate wet and dry spaces. The target customers of this project are the people who work within the Nava Nakorn Industrial Promotion Zone, Pathumthani and the vicinity.

Moreover, The Nava Privacy provides a greater comfort and convenience for residents than its competitors. The project offers, for example, shady Public Park, safe and spacious parking lot for cars and bikes, full range of international standard infrastructures, security system with security guards and entrance/ exit of the building controlled by keycard. The Nava Privacy is constructed in compliance with the relevant



legislations e.g. Environmental Quality Protection and Promotion Act, Environment Impact Assessment (EIA) that set the requirement for 16 meters-wide main street, 12 meters-wide building's surrounding streets, fire prevention system, fire extinguishers, installation of solid ladders for fire escape in appropriate spots. Thus, beside the comfort and convenience that residents will experience while living in this property, they are also ensured of the safety of their lives and properties. This is in line with the concept emphasized by this project, which is "Be your privacy @ Nava Privacy Condominium".

Construction Progress of the Nava Privacy

- **First Class Department Store (Privacy Mall)**
As for, the 3-storey-department store (Building A), PAE (Thailand) Public Co., Ltd. has installed airconditioning system in all 3 floors and 2 lifts which is now can be used normally. Currently, Privacy Mall has available space for rent in the first floor, including the open space surrounding the building for launch of exhibition, activities, banquet, fair, expo with aim to serve resident in Nava Nakorn Industrial Zone, Pathumthani.
- **2 building of one-storey commercial building (B/C)**
At present, there are total 27 shops opening in the one-storey commercial building (Building B) (in the south), which selling food and beverage; 69 shops opening in the one-storey commercial building (Building C) (in the north), which selling fashion clothes

gift shops and Super Market (All D) total 96 shops. The project also removed the wall, extended the shops within the building to improve aesthetic, and better overall image of the shops and facilitate the convenient shopping experience.

- **Ten 8-floor residential buildings**
- **8-floor residential building No.1: Building A-03**
Building A-03-Overall progress of the project is 100 percentage of completion which currently, 3 rooms No. 87/22, 87/27 and 87/50) have been transferred ownership to customers already. The Company registered condominium juristic person at the Land Department, Pathum Thani province of which subsequently referred to as "The Nava Privacy Juristic Person Condominium". Now the person stays in 61 rooms in total, 70% of the building. The project has provided public utility system and rapidly built up concrete road and T shape road surrounding the building to facilitate convenient living of resident. The value of road construction and public utility system which jointly proceed with PAE (Thailand) Public Co., Ltd. was 6,850,000 million THB in total. At present the project is completed.



In Achieving the Goal

“...In achieving the goal, we have to use the intelligence, competence, and carefulness from the beginning to the end. Initially, we have to consider seeking the right and the most suitable way. Upon reaching the crossroads where we can walk on two or three ways, we have to use the knowledge and wisdom to decide which way to go in order to achieve the goal conveniently and safely...”

Royal guidance of His Majesty King Bhumibol Adulyadej
in the graduation ceremony of Thammasat University
at Thammasat University
Thursday 25th July, 1985



NAVA NAKORN INDUSTRIAL ZONE (NAKHORN RATCHASIMA)

1. Nava Nakorn Industrial Zone (Nakhorn Ratchasima)

In 2002, the Company expanded into a new industrial zone in order to secure a new source of revenue and provide more options to the investors who decided to situate their factories in the Company's industrial zone to gain benefit from the Board of Investment (BOI). The Company acquired the land in Soong-ner district, Nakhorn Ratchasima province, to develop into a new industrial zone, named "Nava Nakorn Industrial Zone (Nakhornratchasima)". The project is located in the BOI zone 3, where the maximum privilege is given. The area has a high potential, as it is located at the center of the North-eastern logistics and well-equipped with basic infrastructure, i.e. road, electricity, telephone (fiber optic cable), and production materials (labor and agricultural products). The size of the project was initially 1,175 rai and, with the additional 728 rai bought in 2003-05, increased to 1,904 rai in 2005, with the salable area of 1,322 rai. Nava Nakorn Industrial Zone, Nakhon Ratchasima is announced the industrial estate zone as per notification of the Ministry of Industry (2005) dated 20 June 2005, as a new industrial zone which property management and public utility system is in accordance with ISO 9001:2008 and ISO 14001:2004. A wastewater



treatment and industrial water supply system for the plant. And attention to quality of life and the environment in a radius of 5 km. The strengths of Nava Nakorn Industrial Zone, Nakhon Ratchasima managed with care and attention to quality check thoroughly. The policy of the executive of Nava Nakorn Public Company Limited has set a target. Promote the Nava Nakorn Industrial Estate is an investment in the industrial zone level. Of industrial investment in the Nakorn Industrial Zone joined the Green industry Project and has been certified by the Ministry of Industry as Green Industry Level 3 (Green System). With systematic environmental management, regular assessment and review for improvement, the Company received Certificate of Green Factory: Silver Level from the Office of the Permanent Secretary, Ministry of Natural Resource and Environment. In July 59, the project was awarded the CRS-DIW AWARD 2016 from the Department of Industry. Such reward and certificates reflects determination of the Company to conduct its business in line with policy of quality and environment which has been set as "customers satisfaction and care to environment are our priority".

1.1 Nava Nakorn (Nakhorn Ratchasima)

1) Industrial zone

The industrial zone covers the area of 1,206-3-12.6 rai, or 63% of the total area.

2) Commercial zone

The commercial zone covers the area of 116-0-29 rai, or 6% of the total area.

3) Infrastructure and green zone

The Infrastructure and green zone covers the area of 580 rai, or 31% of the total area. The public utility system in Nava Nakorn Industrial Zone, Nakhon Ratchasima has been completed the system in all 3 phases and ready for entities within the projects to use. The Company sees business trend in industrial estates which starts to recover while up-coming AEC in 2015 will draw attention from investors, especially in northeastern region. Therefore, the Company has prepared its readiness to support domestic and international investors as well as to meet the market demand.



1.2 Summary of the privilege granted for land owners in Nava Nakorn industrial zone (Nakhorn Ratchasima)

BOI certificate no.1740 (2) / 2012 Phase 2

Approval date	: February 28, 2012
Certificate date	: June 12, 2012
Effective date	: February 2012 - February 2020
Tax exemption period	: 8 years

BOI certificate no.2764 (2) / 2013 Phase 3

Approval date	: October 15, 2013
Certificate date	: December 23, 2013
Effective date	: October 2013 - October 2021
Tax exemption period	: 8 years



**Criteria for the rights and benefits The Board of Investment of 2/2014.
Under the strategic investment period of 7 years (2015–2022).**

Group	Corporate income tax exemption	Duty exemption on machinery	Duty exemption on raw materials Production for export	Non-Tax
Group A ,of businesses to get tax benefits Construction Materials and Non-Tax.				
A1	8 years (not cap financial amount) + Merit	✓	✓	✓
A2	8 years + Merit	✓	✓	✓
A3	5 years + Merit	✓	✓	✓
A4	3 years + Merit	✓	✓	✓
Group B, which will be facilitated. The benefits of agricultural raw materials and Non-Tax.				
B1	Merit (some of)	✓	✓	✓
B2	Merit (some of)	-		✓

2. Infrastructure

2.1 Road network in Nava Nakorn (Nakhorn Ratchasima)

Main road is connected to Mittaphab road km.231. The main road in the industrial zone is 4-lane road with road marks at 40 m. and 30 m. The secondary road is 2-lane road with road marks at 30 m. and 26 m., which is reinforced concrete with 2-meter asphaltic concrete shoulders.

2.2 Water drainage and flood prevention system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima) will construct soil dams surrounding the project area to protect the flood from outside. Also, the industrial zone will post the project territory and set up the water drainage system, i.e. drainpipe, reservoir, and gutter along both sides of the road, to collect rain and 4 water pumping stations around the project to drain the water to the public canal outside the project.

2.3 Wastewater treatment system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima) has placed wastewater collection pipes, made from HDPE (PN.4), 1.5-3.0m deep seated along both sides of the road and one 1.6m x 1.6m wastewater reservoirs at every 40 meters to collect all the wastewater from the factories in the industrial zone. Since wastewater released in different factories in the Industrial Zone are different content, therefore, the Company has supervised that wastewater released from factories must be in accordance with the regulations set forth and informed companies since the beginning of factory construction. In case the wastewater intensity exceeding the limit specified, the factory must conduct its own primary wastewater treatment prior releasing to the central wastewater treatment systems as per notification of the Ministry of Industry. In case where the quality of wastewater is not passed the control criteria, the factory must retain the wastewater until the examination and remedy will be completed. The Nava Nakorn Nakhon Ratchasima has conducted the test on underground water, surface water, noise quality in the building and air quality within scope of 5 kilometer. Monitoring report is conducted and submit to Office of Natural Resources and Environmental Policy and Department of Industrial Works every 6 month.

2.4 Industrial water processing system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima) has prepared one 1mn cubic meter reservoir on the 60 rai area and one 500K cubic meter reservoir on 42 rai area for collecting raw water and set up a raw water pumping station to pump water from Lamtaklong Dam via the project's 13.5 km water pipe to the project's raw water reservoir to be processed into industrial water for use in the project. At the completion of 3 phases, the full capacity of the industrial water processing system will be at 20K cubic meter per day. However, at present, the system is running at only 5K cubic meter per day, with the water quality in line with the Metropolitan Waterworks Authority's standard.

2.5 Waste disposal system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima) chooses the logistics services and the industrial and hazardous waste disposal services from the companies approved by the Ministry of Industry (factory type 101 and 105). Moreover, the project is in cooperation with companies specializing in separating the industrial waste (factory type 106) for recycling in order to maximize the usage of natural resources and reduce waste. The project has set aside the area of over 1K sqm for waste seating room.

2.6 Electric system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima), by Provincial Electricity Authority (PEA), set up a 2x50MVA power sub-station in the project to provide both 22KV and 115KV electricity. At present, the total electricity demand in the industrial zone is about 14-15 MW per day, adequately served by the plant.

2.7 Communication system in Nava Nakorn (Nakhorn Ratchasima)

Communication system in Nava Nakorn (Nakhorn Ratchasima) is provided by 3BB and TT&T, with the various forms of services as follows:

- 1) TT&T provides telephone and fax services
- 2) 3BB provides telephone, fax, high-speed internet, and high-speed data with leased line services
- 3) Communication network in the industrial zone is linked by fiber optic cables in order to provide high-speed telephone and communication services
- 4) The system is compatible to various types of networks, such as IP-VPN (3BB leased line to connect data among branches) and data communication through internet services (3BB internet leased line), with various speed of communication from 64K bps to 100M bps
- 5) The system makes it possible for an intra-organization communication
- 6) Service quality guaranteed by 3BB
- 7) The monitoring system will alert the customers should any anomaly arise in that the customers can resolve the problem on a timely manner
- 8) System specialists are available for analyze and resolve any problem that may arise
- 9) The system also provides CAT internet broadband, intranet, CCTV system, and other telecommunication services
- 10) The system provides internet access via UIH, fiber optic cable, and leased wireless
- 11) TOT broadband telecommunications system Enterprise Systems Data communication system, CCTV system. And other telecommunication services
- 12) Sympony operated fiber optic. Leased line service, wireless and services internet.
- 13) TRUE Universal's operated fiber optic. Leased line service, wireless
- 14) AIS's operates a fiber optic Leased line service, wireless

2.8 Security system in Nava Nakorn (Nakhorn Ratchasima)

Nava Nakorn (Nakhorn Ratchasima) provides 24-hour security service and 24-hour CCTV to maintain high security standard in the project. Also, fire extinguishers are available along the road, surrounding the project, at every 150 m distant.



3. Summary of key attributes of Nava Nakorn (Nakhorn Ratchasima)

- 1) Maximum privilege from BOI zone 3.
- 2) Locating near the business center the Both domestically and abroad, and are ready to AEC.
- 3) Skilled labor abundance.
- 4) Minimal construction costs given that the area is rock-based.
- 5) 5-year 10% discount granted for electricity usage.
- 6) Convenient transportation.
- 7) Infrastructure availability, i.e. power sub-station, industrial water, telecommunication services, roads, flood prevention system, waste treatment system, and security system.
- 8) 2 mn cubic meter raw water reservoir.

Risk Factors

Risks from business operation concerns procurement of land for new projects and property development for sale.

One of the Company's main business is development, sale and rent of land for industry and commerce purpose. It is crucial that the Company will find new plots of land to replace the sold units. To operate the business, the Company has determined policy as follows:

With an area of 6,500 rai and more than 200 plants in the situated, Nava Nakorn Industrial Zone, Pathum Thani becomes a large city with at least 250,000 residents. The communities around the estate has been developed while the area becomes crowded. As expansion of urbanization and infrastructure which spread to Pathum Thani, and on-going project of Red-Line Sky Train and Toll Way which is expected to reach Nava Nakorn in the near future, there is not much empty space available, yet the price has become high. In addition, the Company's existing land is approximately of 300 rai which mostly are located in prime and expensive area, not optimal to develop into industrial projects. Hence, the Company has considered to develop the existing lands for commercial or residential purpose which returns higher profit and generates constant income to the Company.

In regard to industrial land, the Company sees opportunity to expand the business, but with higher cost. Therefore, it is essential to select factories which return high profit in respect to consumption of public utility in a long term.

As for Nava Nakorn Industrial Zone, Nakhon Ratchasima, the area available for sale is approximately more than 600 rai which there are also opportunities to sell and make a profit in the future.

As for expansion to another areas, the decision thereof will be based on appropriateness of the area in term of transportation and public utility, including supporting policy from government such as promotion of small industrial estate (clusters) rather than large industrial estate (mixed used) where the business does not require high cost of investment.

In addition, the need to give more importance is the issue of drought or flood disaster. The company has partnered with the provinces, irrigation, relevant government departments. And other agencies To find ways to cope and well . It has called a meeting of all plants within the Nava Nakorn Industrial Estate, Pathum Thani and Nakhon Ratchasima to clarify the company's response plan was completed. Meanwhile, operators have cooperated well in coping with drought. In terms of water quality and economical use of water for consumption and production.

General Information

General Information

Company	Nava Nakorn Public Company Limited
Symbol	NNCL
Website	www.navanakorn.co.th
Register No.	0107545000322
Authorized Capital	2,048,254,862 Baht
Paid-up Capital	2,048,254,862 Baht
Nature of Business	Property & Construction

Head Office	999 Moo 13, Phaholyothin Road, Klong Nueng, Klong Luang, Pathumthani 12120
Tel.	66-(0) 2529-0031-5, 66-(0)2529-0131-5
Fax.	0-2529-2176

Nakorn Ratchasima Office	999/1 Mittaphap Road, Km.231 Tambol Naklang, Amphur Soongnuen, Nakorn Ratchasima 30170
Tel.	66-(0) 4400-0111-5, 66-(0) 4400-0999
Fax.	66-(0) 4429-1723

The Nava Privacy Project	999 Moo 13, Phaholyothin Road, Klong Nueng, Klong Luang, Pathumthani 12120
Tel.	66-(0) 2529-2203, 66-(0) 2529-2746, 66-(0) 2529-0600
Fax.	66-(0) 2529-1889
E-Mail :	thenavaprivacy@navanakorn.co.th

Associated Company	
Nava Nakorn Electricity Generating Company Limited	
Industry	Small Power Plant
Shareholder	Nava Nakorn Pcl. Hold 29.99%
Head office	111 Moo 20, Phaholyothin Road, Klong Nueng, Klong Luang, Pathumthani 12120
Tel.	66-(0) 2024-8804
Fax.	-
Authorized Capital	1,550,000,000 Baht
Paid-up Capite	1,525,000,000 Baht
Nature of Business	Small Power Plant

The Securities Registrar	
Company	Thailand Securities Depository Co., Ltd.
Head Office	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Tel.	66-(0) 2009-9000
Fax.	66-(0) 2009-9991
SET Contact Center	66-(0) 2009-9999

The Auditor	
Auditor'Name	Vipavan Pattavanvivek, Certified Public Accountant Registration No. 4795
Company Office	KPMG Phoomchai Audit Limited 50-51 Empire Tower 195 South Sathorn Road, Bangkok 10120
Tel.	66-(0) 2667-2000
Fax.	66-(0) 2667-2222

Capital Structure

1. Company's Asset Share capital Capital

As of January 31, 2017, the Company reported its authorized share capital of Baht 2,048,254,862 composing of 2,048,254,862 common shares at a par of one Baht and registered 2,048,254,862 issued and paid-up share capital at a par of one Baht.

The Company's paid-up share capital changed during the last five year as shown below.

Year	Increased share capital (Million Baht)	After the capital increase (Million Baht)	Reason	Ratio and Exercise price
2011	71.36	1,521.41 (Jan 10, 2012)	Working capital	The holders of NNCL-W2 and ESOP-W1 exercised their right to buy a common share for the period of 1-4 at one Baht per share
2012	13.00	1,522.71 (Jan 10, 2013)	Working capital	The holders of NNCL- W2 exercised their right to buy a common share for the period of 5-8 at one Baht per share
2013	23.07	1,545.78 (Jan 8, 2014)	Working capital	The holders of NNCL- W2 exercised their right to buy a common share for the period of 9-12 at one Baht per share
2014	13.59	1,559.37 (Jan 8, 2015)	Working capital	The holders of NNCL- W2 exercised their right to buy a common share for the period of 13-16 at one Baht per share
2015	488.88	1,559.35 (Jan 7, 2016)	Working capital	The holders of NNCL- W2 exercised their right to buy a common share for the period of 17-20(the last exercise) at one Baht per share

2. Shareholders

The Company's Top 15 Shareholders as of the latest closing of registrar on January 31, 2017 as follows

NO.	Name	Shareholding	
		Number of share	%
1.	Mr.Taweecat Julangkul	476,372,100	23.257
2.	NEP Realty and Industry Public Company Limited	220,950,000	10.787
3.	Miss Srangluck Chandawanich	144,803,805	7.070
4.	Miss Rattanaporn Chandawanich	101,723,505	4.966
5.	Mr. Veerachai Dejamornthan	88,545,600	4.323
6.	Thai NVDR Company Limited	79,661,500	3.889
7.	Mr. Nattaphol Jurangkul	57,431,400	2.804
8.	Mr. Waranyu Devahastin Na Ayudhya	50,621,420	2.471
9.	Mr. Pordej Chandawanich	33,363,655	1.629
10.	Rangsit Industrial Estate Limited	31,100,000	1.518
11.	National Housing Authority	30,000,000	1.465
12.	Mrs. Perayaluk Tangsunawan	22,553,805	1.101
13.	Mr. Suthiporn Chandawanich	21,799,055	1.064
14.	Mr. Krit Orsirivigorn	19,894,400	0.971
15.	Mr. Suwit Rungjanfah	18,471,000	0.902
	รวม	1,397,291,245	68.217

Dividend Policy

Navanakorn Public Company Limited has a dividend policy of at least 50.0% of net profit after tax. However, the payment should be obligated under the condition that there is no impact for the Company's operation. In addition, the payment should not consider as a priority if there are more significant issues such as a big investment.

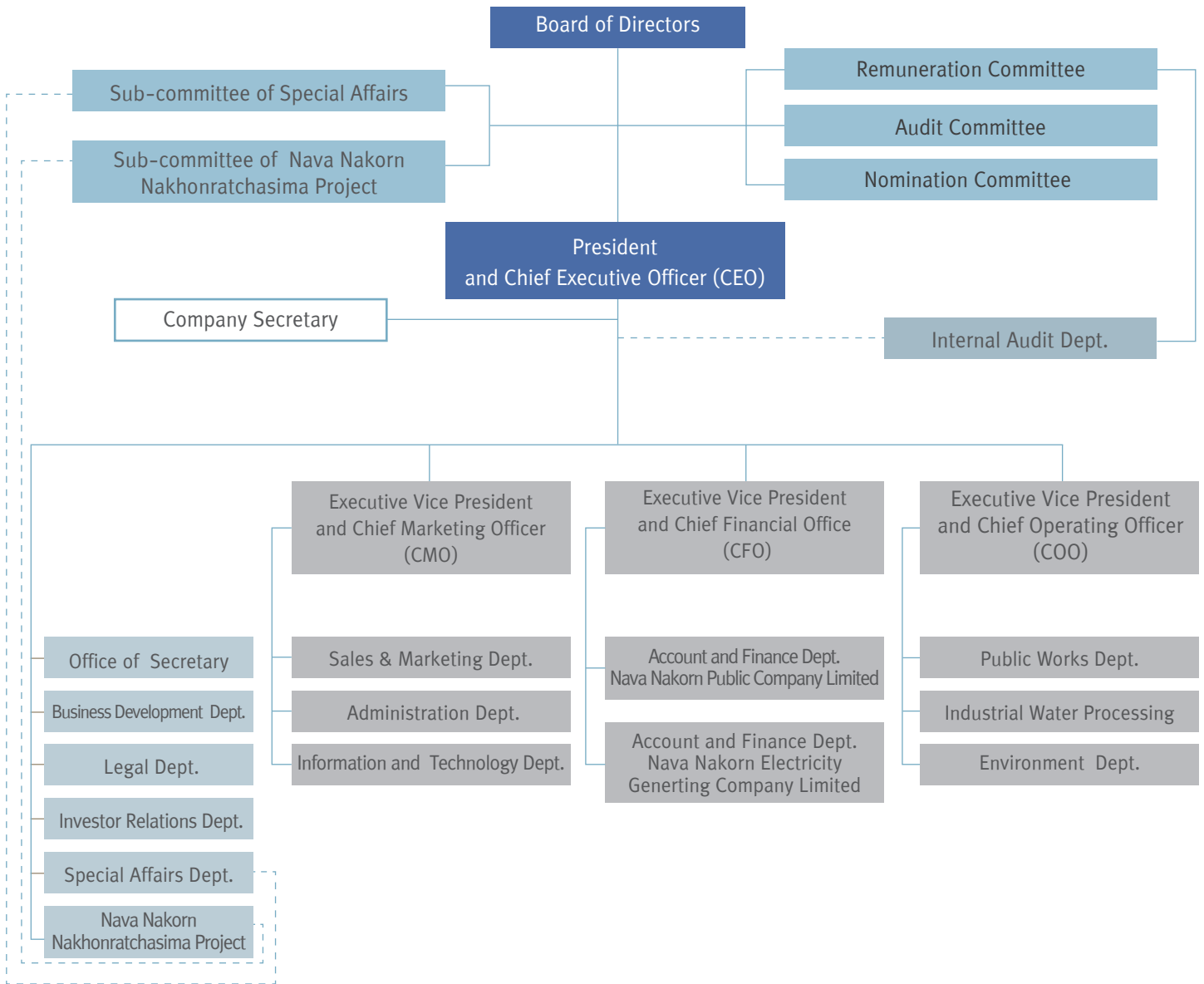
The Company paid dividend during the last 4 years as follows;

Unit : million Baht			
2017	2016	2015	2014
75	- 0 -	- 0 -	155.12

Remark : - During 2014, the Company paid a dividend for the fiscal year 2013 at Baht 0.10 per share or Baht 155.12 million
- During 2015, the Company has no dividend payment for the fiscal year 2014
- During 2016, the Company has no dividend payment for the fiscal year 2015
- During 2017, the Company paid a dividend for the fiscal year 2016 at Baht 0.037 per share or Baht 75 million (The right to receive such dividend is uncertain it depends on the approval of the Shareholders meeting on Thursday, April 27, 2017)

Organization Structure

Organization Structure of Nava Nakorn Public Company Limited at December 31, 2016



Corporate Governance

The company recognizes the significant of good governance to ensure credible and standardized governance system.

It has conducted written guidelines for good governance concerning organization structure, roles and responsibilities, and practices of the company's board by focusing on risk management, transparency, accountability so that the board, management, and employees can follow accordingly. Key substances of the guidelines are:

1. Corporate Governance Policy

The board practices good governance following guidelines set by the Stock Exchange of Thailand. It lays out clear duties and responsibilities with constant supervision and monitoring. Moreover, it also stipulates constant improvement of its business procedures and human resources development.

2. Rights and equitable treatment of shareholders

The board allows each shareholder to express their opinions, recommendations, and vote freely. Shareholders can also exercise their rights to vote for board members and receive transparent information. In addition, the board also prepares financial statements and annual report to propose to the shareholders' meeting and relevant authorities. The Audit Committee will supervise the preparation of these reports to ensure that they meet acceptable standard and the committee can access each management directly as it deems appropriate.

3. Rights of stakeholders

The board supervises and lays out management system in respect of rights and fairness to all stakeholders including shareholders, employees, trading partners, clients, and creditors.

4. Shareholders' meeting

The board holds an annual shareholders' meeting within four months after the end of each accounting period but it may call for an extraordinary shareholders' meeting anytime. The invitation letters will include meeting agenda as well as clear details and opinions of the board. At the shareholders' meeting, shareholders will be allowed to express their opinions freely and fairly.

5. Leadership and vision

The board is due to set vision, mission, and competitive business policy. It is responsible for business security to ensure balanced and sustainable benefits for all stakeholders as well as to constantly create additional value to shareholders.

6. Conflicts of interest

The board emphasizes on elimination of conflicts of interest among relevant parties, with transparency and fairness as well as full disclosures of the matter. It is also stipulated that any concerned parties, who may have any conflicts of interest, be barred from attending the meeting or abstain from voting.

7. Business ethics

The board promotes business ethics among employees as well as to encourage them to be good citizens and contribute to the public. The executives are to set good examples for the rest of the staffs while the company also aims to encourage employees to strictly follow rules and regulations to ensure business excellence, transparency, and merit.

8. Balance of non-management board

The company sets a proper portion of board's elements including representatives from shareholders, internal management, and a third from independent directors.

9. The merger and separation of positions

The company stipulated that the Chairman of the board and Managing Director are different persons and clearly specified duties and responsibilities of the Managing Director. It selects management with transparency without any influence from major shareholders.

10. Remuneration of the board and management

The company pays remuneration to the board in cash and fringe benefits, compatible with remuneration paid in the same industry and subject to approval from shareholders. Such remuneration is disclosed in the annual report.

11. Board meetings

The board holds at least 11 meetings each year and sets prior meeting agenda throughout the year. The board of directors will have sufficient information seven days ahead of the meeting, allowing them adequate time to consider and provide discreet opinions on the agenda. Moreover, the management will also attend the meeting to provide information and suggestions. The secretary office will conduct a draft of the meeting, leaving out the board's decision, one day ahead of the meeting. On the meeting date, the secretary office will take minutes of the meeting, indicating the board's decision, suggestion, and arguments of all

members in written statement while recording voices during the meeting for later verification. After the meeting ends, the secretary office will prepare the minutes and verify decision on each agenda of the meeting. It will take 1-2 day to complete the minutes and will propose to the board for ratification at the following meeting. The board may seek amendment in parts of the minutes of the previous meeting. The management will then file the minutes as well as keeping it in the form of CD, which can be examined by the board or relevant parties.



Board list		Numbers of attendance			Taking office
		2016 ³	2015 ²	2014 ¹	
1. Gen. Akaradej	Sasiprapha	11	11	11	Apr 2001
2. Gen. Chainarong	Noonpakdee*	3	11	10	Mar 2001
3. Pol. Gen. Somchai	Vanichsenee	11	11	10	Sep 2002
4. Mr. Nipit	Arunvongse Na Ayudhya	11	10	10	Jan 2001
5. Mrs. Suvalai	Chandawanich	8	10	9	Jun 1971
6. Khunying Supanapa	Attanand*	3	7	10	Jun 2002
7. Mrs. Leena	Charernsri	11	10	10	Dec 2002
8. Mrs. Chuanpis	Chaimueanwong*	3	11	9	May 2005
9. Lt. Gen. Seekrin	Singhaphan*	3	10	11	Nov 2005
10. Ms. Warangkana	Devahastin Na Ayudhya	8	11	8	Feb 2006
11. Gen. Sommai	Wichaworn	9	11	11	Sep 2002
12. Khunying Nathanon	Thavisin*	3	8	10	Nov 2007
13. Mrs. Nualphan	Lamsam	8	8	8	Apr 2009
14. ACM. Dr. Nopporn	Chandawanich	10	11	11	Dec 2009
15. Gen. Somdhat	Attanand **	7	-	-	10 May 2016
16. Professor Dr.Thapana	Boonlar **	7	-	-	10 May 2016
17. Mrs. Sudjit	Divari **	6	-	-	10 May 2016
18. Mrs. Perayaluk	Tangsunawan	11	8	-	17 Mar 2015

Remark	¹	In 2014, 11 board meetings were held	
	²	In 2015, 11 board meetings were held	
	³	In 2016, 11 board meeting were held	
	*	Gen. Chainarong Noonpakdee	(Resigned on April 27, 2016)
		Khunying Supanapa Attanand	(Resigned on April 27, 2016)
		Mrs. Chuanpis Chaimueanwong	(Resigned on May 1, 2016)
		Lt. Gen. Seekrin Singhaphan	(Resigned on May 1, 2016)
		Khunying Nathanon Thavisin	(Resigned on May 1, 2016)
	**	Gen. Somdhat Attanand	(Appointment on May 10, 2016)
	Professor Dr.Thapana Boonlar	(Appointment on May 10, 2016)	
	Mrs. Sudjit Divari	(Appointment on May 10, 2016)	

12. Subcommittee

Subcommittees on specific issues will help study details and screen works as necessary. The subcommittees, including the Audit Committee Remuneration Committee and Nomination Committee, are obliged to report their performance to the Board within the specified timeline and each member of the committees will hold a 3-year and 1-year term respectively.

in the company’s performance as well as to promote good corporate image as a listed company with good governance and a board that runs business effectively for the utmost benefit of shareholders. It also clarifies any queries from outsiders, including investors, analysts, local and foreign shareholders, to ensure complete, accurate, and equitable information.

13. Internal control and internal audit

The company promotes an efficient internal control and audit system while maintaining operation flexibility with systematic risk management method.

To communicate with investors, the company provides its data and information to all stakeholders through financial statements and other reports filed to the Stock Exchange of Thailand via its website www.navanakorn.co.th

14. Reports by the Board

The board prepares Statements of financial position and Statement of comprehensive income at the end of accounting period in the form of an annual report and proposes to shareholders at a meeting as stipulated by law. Moreover, it also conducts a report explaining the financial statements along with report by the auditor in the annual report. The board has assigned the Audit Committee to supervise and improve the company’s financial statements to ensure that they are up to date and meet generally accepted accounting standard.



15. Relationship with shareholders

Nava Nakorn PCL emphasizes the promotion of knowledge, understanding, and maintaining good relationship with investors, shareholders, analysts, and other relevant institutions both domestically and abroad. The company’s Investor Relation Department acts as a center to disclose accurate, transparent, and up to date financial and business information to all stakeholders. It aims to bolster confidence

Contact our Investor Relation at

<http://nncl.listedcompany.com/home.html>

Tel : 66 - (0) 529-0031 ext. 227 and 302

Fax : 66 - (0) 529-2176

E-mail : ird@navanakorn.co.th

Remark : The company has sent interested board members to attend the “Director Certification Program of the Thai Institute of Directors” to ensure they understand their roles, duties, and responsibilities as a board member. At present, seven board members have completed the training program.

Corporate Social Responsibilities : CSR

As the company is a company which invests in the land development and emphasizes on the investment concerning facilities, the company's committee has a policy to operate the business and the subsidiaries to be responsible for interested persons in all sectors, as well as for the society and environment as it can be seen from the treatment to the communities around Navanakorn industrial promotion zone.

Policies and overall image

The company places importance on the social responsibilities and the interested persons in all sectors, by observing the laws and having the responsibility under the effective business operation, and building the turnover to be good for the interested persons. From the operation of responsibilities towards the interested persons to the sustainable development according to the 8 principles as practiced in the main process of business operation:

1. Operation with fairness
2. Opposition to corruption
3. Respect of human rights
4. Treatment to labor with fairness
5. Responsibility towards consumers
6. Environmental care
7. Co-development of community or society
8. Having and spreading innovations as a result of the operation with responsibilities towards the society, environment and interested persons.

Operation with fairness

The company charges facilities fee from habitants and entrepreneurs within Navanakorn industrial promotion zone at the price as fair to both sides; and it is a way for the interested persons to file a claim to the company's officers and report to the executive immediately.

Regarding the respect of right in the others' asset, the company has conducted the business with fairness as with equal price agreement approved by both sides. Also, the company strictly performs under the commercial terms and conditions, and never makes use of the customers' information for our own profit or the associated persons'.

The company has a policy to select customers with fairness and clearness, with the process in writing; the practice of purchase and employment has the price comparison and bidding as well as the clear determination of authorized power,

the assignment of bidding committee and employment inspection committee, for the fairness to all parties.

Opposition to corruption

The Board of Directors Meeting No. 9/2016 on October 20, 2016 has considered and approved the policy against corrupt corruption. Policy and Procedure on Political Assistance Donation to charity Funding Paying for gifts Welcome fees and expenses and Complainant Protection Policy Or report clues About corruption, illegal corruption And ethics. The company operates with transparency. Cultivate executives and employees to comply with applicable laws and regulations. To guide the business. (For more information, visit www.navanakorn.co.th)

Respect of human rights

The company respects the human rights and the treatment to employees, trading partners, and other persons equally. Also, the company promotes and takes care of the employees' living in terms of health, industrial hygiene, work safety, receipt of compensation and indemnity, personnel development and retirement.

Treatment to labor with fairness

The company is always aware of the fact that each employee is the company's valuable resource, a factor for success to reach the company's goal; therefore, the company takes care and treats them with fairness regarding opportunity, reward, designation, displacement, and welfare as fair and appropriate in different aspects such as:

Regarding the management of wage, reward, and welfare

it is based on the principle of convincing the employees to perform their work with full effort, fairness and observance of laws and regulations as the same standard. There is an assessment and update of work value to match the levels of responsibility in line with the business operation, and to be in the level capable of competition or to be equal to the compensation rate of other companies in the same business. In 2016, there has been an accident insurance to employees from the existing welfare. The money invested in the fund was changed to Pool Fund so that employees have a choice on their own.

Regarding the development of employees' capacity, the company places importance on the development of knowledge, capability, competency and management skill

through the process of training, seminar, and study activities by using the personnel development principles based on 2 competencies: core competency, management competency and functional competency. Also, the company aims to build the development framework in order to increase the ability of employees in all levels in a continual manner.

Regarding the employment, operation, career advancement , the company has determined a clear policy to be the standard on the principle of no discrimination and in line with related laws, by providing an opportunity to everyone equally, in terms of proportion in gender, race, nationality, religion, hometown, age, disability, social and economic status, qualification, education, or different political view.

The entry and exit of employees

unit : person

Year	branch	Entry			Exit		
		Total	male	Female	Total	male	Female
2016	PathumThani	6	4	2	17	10	7
	Nakhon Ratchasima	8	7	1	9	9	0

Regarding the safety and sanitation in the workplace,

the company concerns about life and health of all employees, therefore the management of safety and environment in working does not only comply with the standard as specified by the law, but also the company supports and promotes safety activities continually, as well as to always survey and improve safety and environment conditions, and to assign a committee of environment and occupational health to control the observance of ISO 14001 Standard. The company has a project to upgrade the lighting in the work environment. By changing the bulbs are LED lamps for office buildings, which will reduce the use of electricity. Costs about reduced.

Responsibility towards customers

The company conducts the business of land development and facilities services, therefore the company underlines the safety and improvement of facilities to the customers continually, such as road improvement, to match the standard of the Highways Department, allocation of security guards for the safety of the habitants within the industrial promotion zone, including the confidentiality of customers and their business not to be used for own profit or the associated persons’.

Environmental care

The company is aware of the problem in protection and reduction of pollution effect from the industrial factories within Navanakorn industrial promotion zone, which must be under the Enhancement and Conservation of National Environmental

Act B.E.2535, which is strictly investigated by the company; for example the control of wastewater drainage with standard value as specified in the Notification of the Ministry of Science, Technology and Environment No.3 (B.E.2539) regarding the specification of standard to control the drainage from sources of industrial factories and industrial estates, with the approval from the Notification of the Department of Industrial Works regarding the criteria of approve factories with the drainage system to install special or additional tools or devices B.E.2550 along with the measurement of BOD and COD value from a government’s laboratory or a private laboratory registered with the Department of Industrial Works. From the drainage of the factories within Navanakorn industrial promotion zone to different canals, there is no abnormality found in the value as specified by the law, and no complains found from the surrounding communities. The company also improved the capacity of drainage by building the efficient and modern wastewater treatment system. The central wastewater treatment system will work 24 hours a day and be able to support the highest quantity of wastewater at 46,000 cubic meters per day, while at present the quantity of wastewater into the treatment system is only 21,254 cubic meters. At the same time, for certainty of quality insurance regarding wastewater through the central treatment, the company has provided a polishing pond to support the wastewater through the treatment prior to draining it to the public water source or common environment, which is considered as one of the standards in environmental care.

Water consumption and wastewater into the public treatment system central Navanakorn of 2016

Month/Year	The amount of water production and water supply. Sold m ³	Wastewater into the treatment system.central Navanakorn m ³
Jan/2016	1,019,949	762,025
Feb/2016	1,182,277	779,206
Mar/2016	1,124,614	747,297
Apr/2016	1,159,042	689,421
May/2016	1,224,680	696,433
Jun/2016	1,234,269	740,033
Jul/2016	1,178,651	746,551
Aug/2016	1,196,488	789,178
Sep/2016	1,217,057	828,628
Oct/2016	1,269,091	766,282
Nov/2016	1,200,294	788,839
Dec-2016	1,191,777	707,149
total	14,198,189	9,041,042

Besides, the company has installed the online monitoring systems to send out the signal of the wastewater quality already treated to the Department of Industrial Works continually 24 hours a day.

Co-development of community and society:

the company emphasizes on the importance of the communities around Navanakorn industrial promotion zone in a continual manner; for instance the drainage to public water sources has the legal treatment. Also, the company holds to the principle of happy and sustainable coexistence.]

Having and spreading innovation

as a result of the business operation with responsibility towards the society, environment and interested persons. As the company conducts the business in terms of land development and facilities services, there is no new innovation to be distributed.

Operation with stakeholders, both internal and external. With the growth and equitable share in the joint venture and work together. Creating a good relationship between the operator informs satisfaction surveys. Needs and expectations of customers. The data were adjusted for the future.

Nava Nakorn Industrial Estate (Pathumthani) has been operating for more than 44 years, together with the local community. Promote the area and surrounding communities. Company to focus on business growth and returns are fairly common. With stakeholders Along with social responsibility and community. Communicated to the community Radio community and get to know the needs of the community, the company has turned the route. Access to the community around. To provide easy access And secure Improvements within the area of health promotion. To build a facility to serve the public. Causing a common experience.

Nava Nakorn Industrial Zone (Nakhornratchasima) has joined industry a social responsibility And shared with the community in a sustainable manner. The Department of Industry Coordinating and training the participants. The project has provided community information in a radius of 5 kilometers on the community / village / school or other measured characteristics of the community as a group of people in the community. local product And prepare topics The plant will feature activities to share with the community. To achieve concrete And sustainable

Remark : For more information, visit Form 56-1 or www.navanakorn.co.th



The Unity is for the Sake of the country

“...The unity is for the sake of the country.

We must help in all means to strengthen the country
with sympathy for one another and work with honesty.

We must promote but not destroy the works of one another.

When having any dispute, we have to compromise with one another.

Do not leave it on anyone’s business.

We should also work straightforwardly and think mainly about the public benefits...”

Royal speech of His Majesty King Bhumibol Adulyadej
given in the ceremony to pin medals to the police of General rank
at Chitralada Villa Royal Residence
Thursday 15th January, 1976



Internal Control



At the 2/2017 board meeting on February 21, 2017, the Chairman of Audit Committee and two other Audit Committee members have joined the meeting. The meeting has considered the evaluation of the internal control adequacy. The evaluation process involved questioning and exchange of views between the management and the Audit Committee and it found that the company's practices and procedures demonstrated sufficient and fair internal control in any transactions involving major shareholders, board, management, and relevant parties. Furthermore, the Audit Committee and the company's auditor, MS.Vipavan Pattavanivek from KPMG Phoomchai Audit Ltd., haven't found any significant flaws in internal control system from auditing and evaluating the company's accounting reports for the year 2016.

Part 1 Organization and circumstances

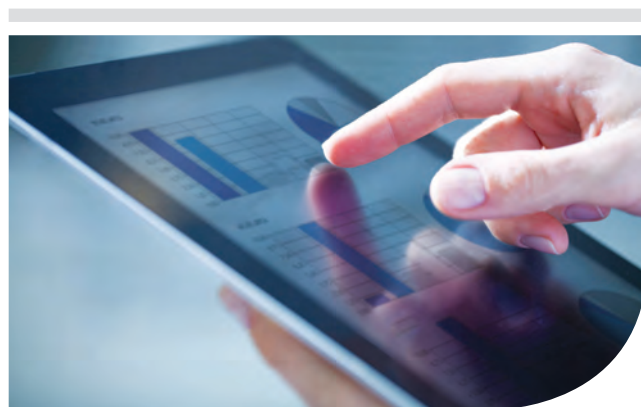
The company arranged a good organization structure and circumstances, with clear division of roles and responsibilities. It also prepared concise written regulations in financial, procurement, and general administration to prevent any malpractices and be fair with its trading partners.

Part 2 Risk Management

The company assigned each division to evaluate risk factors that might affect the company's operation risk. Should any divisions find any risks that could damage the company; it would instantly inform the board. Moreover, the company also set measures to track and manage risks in the operational level to inform its staff and roll out the measures so that the company is alerted of any potential risk in a timely manner.

Part 3 Management's operation control

The company clearly set duties, responsibilities, procedures, and ceiling of budget approval for each level of board and management. It clearly separated duties and responsibilities, with accounting department responsible for booking account while the financial department responsible for revenue collection. The roles of issuing invoice and collection of revenues are clearly divided so as the roles of debt collection, filing of land deeds and the improvement of land information system, and the booking of effect from differences in land sales income and utilities income. In addition, the company also has clear and concise procedures in dealing with transactions that involve major shareholders, board, management or related persons. These procedures are in accordance with regulations of relevant authorities.



Part 4 Information Technology and Communication Systems

To propose an agenda for the board's consideration, the company will submit an invitation letters along with meeting agenda and related documents to the board members at an average of no less than 7 days prior to the meeting date. The company takes minutes on any notes or opinions mentioned by the board in any agenda and file all accounting and related documents in order. The management applied generally accepted accounting standard that suits types of the company's business. The company also invested to develop information technology in relation to the accounting system so that the Accounting Department can conclude accounting data and quickly report to the management.

Part 5 Monitoring system

The company assigned management in various departments to join management meetings to constantly update progress in their departments and inform reasons that the fail to meet specified targets or budgets. Moreover, the company also has Internal Audit department to conduct internal auditing practices of each department and report to the Audit Committee and the company's board periodically and track progresses in fixing any flaws.

In auditing the company's financial statements ended December 31, 2016, MS. Vipavan Pattavanvivek, an auditor at KPMG Poomchai Audit Ltd., has provided her opinion on the auditing report without any conditions.

Internal Audit Director

During 7/2007 meeting dated 8 August 2007, the Audit Committee had appointed Ms. Sureerat Soisoontorn as the Internal Audit Director to be active on 1 September 2007, due to her prior 10 years experience as an Internal Auditor for listed companies and received training certificates for Internal Audit training from Thailand Internal Audit Association and Fundamental Provident Fund from Provident Fund Association and CSR for Corporate Sustainability and posses the general understanding in the Company's affairs.

Moreover, nomination, appointment, or dismissal of the Company's Internal Audit Director must pass the approval of (or agreeable by) the Audit Committee, regardless of the qualification of the Internal Audit Director.



Report of the Audit Committee

Dear Shareholders of Nava Nakorn Public Company Limited

The Audit Committee of Nava Nakorn Public Company Limited consists of three independence directors. All of whom shall be non-executive directors, employees, or advisors of the Company, namely Mrs. Leena Charoensri, as Chairman of the Audit Committee, General Somdhat Attanand and Mrs. Sudjit Divari, as Member of the Audit Committee, and Ms. Sureerat Rangikosai, serves as the Secretary of the Audit Committee.

The Audit Committee has performed its duties within the scope of responsibilities stipulated in the charter of the Audit Committee which delegated by the Board of Directors and in accordance with the regulations of the Stock Exchange of Thailand. In the fiscal year of 2016, the Audit Committee has held 5 meetings and in 2017 has an

additional one meetings, totaling 6 meetings until the reporting date. All members of the Audit Committee is required to attend the Meeting with senior management, auditors, and internal auditors as appropriate, details of which can be summarized as follows;

- Reviewed the quarterly and annually financial statements, of the year 2016 the Audit Committee has asked and listened to the explanation from the management and external auditors for the accuracy and completeness of financial statements, and the adequacy of disclosure, which the Audit Committee had the same opinion as the external auditors that such financial statements are accurate, as appropriate in accordance with generally accepted accounting standards.
- Reviewed disclosure of information with accurately, completeness and reliable. In addition, the Audit Committee has evaluated the internal control in compliance with the regulations of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as, is of the opinion that the Company's operations system was adequate, appropriate and effective.
- Considered the mission, scope of work, duties and responsibilities, independency, manpower and budget of the Internal Audit Division, as well as reviewed the amendment of the Internal Audit Charter to be appropriate, up to date and comply with the internal audit practice manual of the Stock Exchange of Thailand, and approved the audit plans each year.
- In 2016, the Company has considered hiring KPMG Phoomchai Audit Ltd., to be the auditors of the Company. The Audit Committee has considered and opined that the proposed audit firm and auditors have qualifications according to the guideline of the Stock Exchange of Thailand, also as the auditors of the Company in 2015. The accounting and financial systems are accurate and reliable.
- Reviewed the selection and remuneration of auditors for the year 2017, the Company has considered hiring KPMG Phoomchai Audit Ltd., to propose the Board of Directors agreed to propose the Annual General Meeting of Shareholders for the year 2016 for approval. The Audit Committee has selected the Company's auditors by considering their performance, their independence, sufficiency of resources, and their suitable remuneration, it is Appropriate to propose the appointment follow :

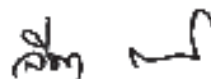
1. Ms. Vannaporn Jongperdechanon, Certified Public Accountant No. 4098, or
2. Mr. Charoen Phosamritlert, Certified Public Accountant No. 4068, or
3. Ms. Marisa Tharathornbunpakul, Certified Public Accountant No. 5752
(Never sign the financial statements of the company)
4. Ms. Vipavan Pattavanvivek, Certified Public Accountant No. 4795
(Signer in the company financial statements for 2016)

In all four cases, the auditor may not be able to operate KPMG Phoomchai Audit Ltd. provision Certified Public Accountant of KPMG Phoomchai Audit Ltd. Review and audit opinion on the financial statements of the Company.

And with the remuneration in the amount of Baht 2,100,000 and add monitoring of compliance with conditions of six BOI license and Other costs 7% of the annual audit.

- In the previous year, the Company has connected transaction. Types of business support with regular programs there are no transactions that may lead to conflict of interest in compliance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

In summary, the Audit Committee has performed its duties and responsibilities as stipulated in the Audit Committee Charter, is of the opinion that the Company disclosed financial and operation information correctly, had appropriate and effective internal control systems, complied with laws, disclosed the connected transactions correctly, performed duties in compliance with the Good Corporate Governance principles with adequacy, transparency and reliability.



Mrs. Leena Charensri)
Chairman of the Audit Committee
17 February 2017

Connected Transaction

Nava Nakorn (PCL) had connected transactions with companies or individuals that may generate conflicts of interest during 2015 and 2016 as detailed below:

Transaction	Counter party	Relationship	Transaction Size (million THB)		Rationality
			2016	2015	
Revenues from utilities services	NEP Realty and Industry PCL	A major shareholder owning 10.79% and share board of directors	0.71	0.62	Market price
Revenues from utilities services	Nava Nakorn Electricity Generating Co.,Ltd.	A connected firm which the company owns 29.99%	22.07	4.89	Market price
Revenue from use the infrastructure			14.95	-	As agreed upon
Management income			-	-	
Rental income			3.60	4.22	As agreed upon
Rental income			-	0.21	As agreed upon
Rental income	Nava Nakorn International	A connected firm which the company	0.36	0.36	As agreed upon
Security fee	Guarding Security guard Co.,Ltd.	owns 15.08%	29.21	29.76	As agreed upon
Revenues from utilities services	Sumicho Global Logistics (Thailand) Co.,Ltd.	Share board of directors and 1.71% owned by NNCL	0.66	0.72	Market price
Dividend income			0.44	0.50	By declared
Buy Real Estate Development Projects	Nava Nakorn Service (1982) Co.,Ltd.	Share board of directors	0.98	-	Cost estimate

The company has outstanding balance from trading and other transactions with connected firms as appeared in the 2016 financial statements below:

Details	Types of transactions	Counter parties	Size (million THB)
Unpaid service fee	Rental income	Nava Nakorn International Guarding Security guard Co.,Ltd	1.20
	Revenues from utilities services	Nava Nakorn Electricity Generating Co.,Ltd.	0.35
Total			1.55
Account Payable	The security services	Nava Nakorn International Guarding Security guard Co.,Ltd	2.64
	Improve debt reduction service income.	Nava Nakorn Electricity Generating Co.,Ltd.	1.06
Total			3.70
Deferred income	Revenue from providing use the infrastructure based on contract term of 25 years.	Nava Nakorn Electricity Generating Co.,Ltd.	224.63

Details	Types of transactions	Counter parties	Size (million THB)
Account Receivable	Revenues from utilities services	NEP Realty and Industry PCL	0.06
		Sumicho Global Logistics (Thailand) Co.,Ltd. (formerly Nava Nakorn Distribution Center Co.,Ltd.)	0.06
		Nava Nakorn Electricity Generating Co.,Ltd.	3.18
		Total	3.30
Advances	Cost of organizing the New Year	NEP Realty and Industry PCL	0.11
		Nava Nakorn Electricity Generating Co.,Ltd.	0.04
		Nava Nakorn International Guarding Security guard Co.,Ltd.	0.01
		Total	0.16

Summary of the Audit Committee's opinion on connected transactions

The Audit Committee has examined connected transactions between the company and connected companies or connected persons in 2016 and came up with an opinion that the financial aid item was considered to be reasonable, fair, and not causing any damages to the company. Should the company need to engage in future connected transactions; the Audit Committee will examine and provide opinion on the reasonability of engaging in such transactions as well as fairness of pricing and conditions. It will also ensure

- 1) The corporate secretary will take care of transactions with persons which might generate conflicts of interest and will suggest practical guidelines to comply with relevant rules, regulations, and announcement and inform the Audit Committee and Independent directors soon as the transaction take place.
- 2) The engagement in any connected transaction must go through approval process in hierarchy order, complying with rules and announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand on information disclosure and operation of listed companies concerning connected transactions BE 2003 and relevant announcement.
- 3) To seek opinion from external experts on the rationality and fair price (if necessary).
- 4) The transaction must be examined by the Internal Audit Department and the Audit Committee, who will consider proper procedures in seeking approvals and relevant regulations while ensuring disclosure and provide complete

that connected persons must not take part in the decision making process to engage in such transactions and strictly follow relevant rules, announcement and laws.

Policies and guidelines on future connected transactions

Nava Nakorn (PCL) has no policy to engage in connected transaction. But should there be any necessity and that the transaction generates utmost benefits to the company, it will concisely consider the reasonability as well as fairness of pricing and conditions indifference to engaging in transactions with external parties. The company has set procedures for connected transactions as follow:

- and accurate opinion on the transactions and propose to the board for further consideration.
- 5) To consider the connected transaction with any board member, the member with potential conflicts of interest must not take part in the consideration and/or approve the transaction. Managing Director and the board has no authority to approve the connected transaction and/or gain and disposal of assets as stipulated in regulations of the Stock Exchange of Thailand.
- 6) Follow procedures and steps required before engaging in the connected transaction.
- 7) The Corporate Secretary will take care of the transaction to ensure it is conducted as being approved.
- 8) The Audit Committee will take care and randomly audit the approval of connected transactions to ensure it follows resolutions of the board and/or shareholders' meeting. It will also have to disclose the result of the random audit in the Audit Committee's Corporate Governance report.

Management Discussion and Analysis

Management Discussion and Analysis

a) Operation Result

Business Overview

Nava Nakorn PLC engages in property development of Nava Nakorn Industrial Zone Pathum Thani and Nava Nakorn Industrial Zone Nakhon Ratchasima. Main incomes are from 2 sources which are income from sales of land and income from services provided within the Company's projects.

In 2015 income from sales of land portioned 21% of total income, while income from services and rent portioned 68% of total income. Service income is stable and consistent and has been growing accordingly to the area sold, number of companies, employees and project residents. For this reason, the Company focuses on generating more income from service provision on public utility. Details of changes and major factors that affect the Company's business operation recently are: government's measures which aim to stimulate economy and support investment such as reduction on real estate tax and fee of land transfer; measures which aim to support investment among medium and small size entrepreneurs; low interest rate which encourages more investment and consumption; economic continually grows creating confidence among local and international investors to extend their production and investment. Furthermore, the Company has improved its internal management within the industrial estate and received Certification of Quality Management from the Thai Industrial Standards Institute/ISO 9001:2000 for property development and fundamental public utility in Industrial Estate Zone from the National Accreditation Council which creates more creditability in the Company's management system.

1.1 Income from sale of land

Incomes from sale of land during year 2014-2016 areas follows:

Income from sale of land	2016		2015		2014	
	Million THB	Increase (Decrease) %	Million THB	Increase (Decrease) %	Million THB	Increase (Decrease) %
Total	155.11	(72.02)	554.18	311.71	134.61	(53.54)
Large customer ¹	128.4		335		103.00	

All the mentioned factors support the Company's capability to generate profit to shareholders for all these years.

This year, the Company is still affected by the overall economic situation, political issue, flat investment environment while the income from sale of land remains unstable, for example, in a year when the income from sale is high, the annual profit will be high as well. Furthermore, the Company has expanded its investment to Nakhon Ratchasima project as to generate another source of income from sale of land, which is expected to stabilize the income from sale of land toward the future.

Overall operation business of the Company is described as follows:

The Company reported the operating results for the year ended December 31, 2016 with the net profit of the Company of Baht 160.0 Million which operating profit results increased by Baht 303.9 million or 211 % compared with the year 2015 which generated the net loss of the Company of Baht (143.9) million with the major reasons as follows:

1. Revenue from sale of real estate development projects, Revenue from rendering of services, Rental income and other income

The Company had revenue from sale of real estate development projects, Revenue from rendering of services and Rental income for the year ended December 31, 2016 of Baht 666.1 million, compared with the year 2015 amounting to Baht 1,024.7 million which decreased by (35 %) or Baht (358.6) million which mainly resulted from the downtrend of sale of real estate development projects that being negative affected by overall economic situations and the investment sentiment.

Remarks : ¹ In 2014 income from sale of land to CP Ram Co., Ltd. was 72.0 million THB and PVTM Co.,Ltd. was 31.00 million THB.
 In 2015 income from sale of land to Better Food Co.,Ltd. Was 274.7 million THB, Siam Kubota Corporation Co.,Ltd. was 80.6 million THB, Accretech Adamas (Thailand) Co.,Ltd. was 62.2 million THB, Social Security Office was 49.5 million THB and G.B. Packers Co.,Ltd. was 41.3 million THB.
 In 2016 income from sale of land to Hachiban Ramen Co.,Ltd. Was 128.4 million THB, Super Products Co.,Ltd. was 11.7 million THB and General Hospital Products Co.,Ltd. was 15 million THB.

1.2 Income from service

The Company's service income comes from services provided within the Nava Nakorn Industrial Zone Pathum Thani and Nakhon Ratchasima which consists of water supply for industrial use, service charge for wastewater treatment, community service fee and waste disposal fee etc. Most of the incomes approximately 62% were from water supply for industrial use while another 19% was from service charge for wastewater treatment. Details of service income during 2014-2016 are as follows:

	2016		2015		2014	
	Million THB	Increase (Decrease) %	Million THB	Increase (Decrease) %	Million THB	Increase (Decrease) %
Income from service	493.32	8.59	454.46	(2.55)	466.34	0.84

2. Supporting fund from government

In 2016 the Company recognized income from supporting fund from government at amount of 40.01 million THB, increased 0.19 million THB or 0.47% from year 2015. Such supporting fund is provided in support of ongoing project of Flood Prevention from the Ministry of Industry, which the income is recorded as deferred supporting fund from government and written off to recognize income by straight line method.

3. Other income

For the year 2016, other income had shown of Baht 46.1 million, compare with the year 2015 amounting to Baht 31.1 million which increase by 48% or Baht 15 million mainly from income of right of way for area and other utilities usage of Baht 10.5 million and also income from income of transmission line, pipeline and infrastructure utilization agreement, with joint venture (Nava Nakorn Electricity Generating Company Limited), of Baht 1.92 million per month for the period of 25 years according to the term of the agreement. The agreement will be effective on 1 August 2016. The agreement was effective in June 2016. Totally, during 2016, income of transmission line, pipeline and infrastructure and income of infrastructure utilization was Baht 14.95 million.

1.3 Rent

Income from rent in 2016 accounted at 17.6 million THB, a increase by 1.55 million THB or 9.6%. Because there are new tenants during the year.

4. Cost of sales and service

During the year ended December 31, 2016 the Company had cost of sale of real estate development projects and Cost of rendering of services of Baht 362.1 million together with gross profit of Baht 304 million whereas the year 2015, the Company had cost of sale of real estate development projects and Cost of rendering of services of Baht 710.6 million together with gross profit of Baht 314.1 million. Gross profit decreased Baht (10.1) million compared to the previous year.

5. Gross profit

These decreasing directions were in the same downtrend direction as Revenue from sale of real estate development projects as mentioned above.

However, gross profit margin increased from 31% to 46% compared to the previous year due to cost of land sale, acquired for long time , was quite lower than the currently pricing.

Details of changes in the recent years are as follows:

During year 2014-2016 the Company's average gross profit margin based on source of incomes-sales of land and service.

Gross profit Margin	2016	2015	2014
- Sale of land	88.64	32.58	46.53
- Service and rent	32.58	22.61	22.47
Total	45.64	28.00	27.74

fluctuating due to cost of sale of each plot of land is not equal. Therefore, the increase/decrease of gross profit

margin of sale of land is depend on cost of each land, while gross profit margin of service income in each year is similar.

6. Sale and administrative expenses

Selling expenses for the year 2016 was Baht 18.5 million compared with the year 2015 which was Baht 44.5 million, decreased by Baht (25.9) million or (58%). This decreasing direction was in line with the Revenue from sale of real estate development projects as mentioned above.

Administrative expenses for the year 2016 was Baht 223.9 million compared with the year 2015 which was Baht 220.7 million, increased by Baht 3.2 million or 1%. However the overall managing expenses were continuously proceeded by management team since year 2015.

In 2016, the company has no expenses for research and technological development and innovation (expense R & D), according to the guidelines of the Office of Science and Technology (NSTDA.).

7. Depreciation

For the year ended December 31, 2016, the Company had depreciation expenses of plant & equipments and Investment Properties of Baht 198.4 million compared with the year 2015 which was Baht 215.9 million, decreased by Baht (17.5) million or (8%), mainly due to effect from impairment of assets, recorded in the previous year.

8. The allowance for losses on impairment of assets

During year 2016, the Company had reviewed to determine whether there is any indication of impairment in accordance with TAS No. 36 (Revised B.E.2558) : Impairment of Assets. The Impairment losses were recognized as administrative expenses of year 2016 totaling Baht 7.4 million for assets considered as non cash generating items, compared with year 2015 totaling Baht 203.1 million that were consisted for both of industrial water production project and industrial water treatment project at Nava Nakorn Industrial Estate Project – Nakhon Ratchasima Province, decreased by Baht (195.7) million.

9. Financial cost

For the year 2016, the Company had finance costs of Baht 13.0 million, as finance cost for the whole amount in Statement of comprehensive income, compared with the year 2015 which was Baht 51.3 million, as finance cost for the whole amount in Statement of comprehensive income, decreased of Baht (38.3) million or (75%).

The Company had continuously made its financial restructuring since November 2014 to present by reforming loan from financial institution with high interest rate to issuing Bill of Exchange that had lower interest rate, negotiation to meet lower interest rate and fee and payment for interest bearing debt.

10. Share of profit (loss) of investment in a joint venture

The Company had an investment in a joint venture - Nava Nakorn Electricity Generating Company Limited (NNEG) with Ownership interest at 29.99%. Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. The Company's share of the profit or loss and other comprehensive income of equity-accounted investees are accounted for using the equity method, calculated by net profit(loss)-NNEG with Ownership interest at 29.99% as "Share of profit (loss) of investment in a joint venture" in Financial statements in which the equity method is applied.

NNEG had commenced Commercial Operation Date in June 2016.

For the year 2016, operating profit results were shown of Baht 108.3 million, mainly from significant parts, operating profit during before COD period and after COD period (COD on 3 June 2016) of Baht 128.6 million and other transaction which had not effected to its cash flow consisted of loss from exchange rate generated from its capital expenditure, being the accounting loss, according to IAS 21 : The Effects of Changes in Foreign Exchange Rate, of Baht (20.3) million. Totally, the operating profit results for the year 2016 was shown of Baht 108.3 million as mentioned above.

Similarly to the same period of the previous year, NNEG had operating loss results of Baht (2.0) million, mainly from 2 significant parts, operating expenses during before COD period of Baht (67.9) million and gain from exchange rate generated from its capital expenditure, being the accounting loss, according to IAS 21 : The Effects of Changes in Foreign Exchange Rate which had not effected to its cash flow of Baht 65.9 million. Totally, the operating loss results for the year 2015 was shown of Baht (2.0) million as mentioned above.

According to IFRS 11 : Joint Arrangements, the Company had recorded Share of profit (loss) of investment in a joint venture - NNEG for the year 2016 of Baht 32.5 million (calculated by profit-NNEG 108.3 million X 29.99%) and the same period of previous year of Baht (0.6) million (calculated by loss-NNEG (2.0) million X 29.99%).

11. Net profit

In 2014-2016 the company profits (losses), net (444.74), (143.9) and 160.0 million baht respectively, by the year 2016 the company's turnover is profitable. Since this year the company's net profit from ordinary operations. And the share of profit from joint ventures - NNEG which began commercial operation. In the month of June 2016

Including the recognition of income compensation for the use of transmission pipelines and infrastructure of Baht 1.92 million per month starting August 1, 2016 and the recognition of revenue from amortization of fees paid in advance. Of the Company Agreements on joint use of infrastructure, electricity Nava Nakorn and recognized as income on a straight line basis over the contract period of 25 years. Starting in June 2016

However The company continues to improve its organizational structure and management. Development of utility services to be efficient and streamlined service to customers more comprehensively and continuously. This reduces the cost of operations and increase revenue for the company

12. Return on equity

During year 2014-2016 the Company's return on equity were (17.88)%, (6.07)% and 5.92 respectively. The decline in return on equity of year 2016 was due to loss in operation result as previously mentioned.

b) Liquidity

1. Cash flow

Details of major changes in cash flow of the Company during year 2014-2016 are listed as follows:

Unit : million THB

Item	2016	2015	2014
Net profit (loss)	160.0	(143.87)	(444.74)
Net cash received from (used in) operating activities	375.73	337.76	160.43
Net cash received from (used in) investing activities	(100.91)	(153.38)	(433.50)
Net cash received from (used in) financing activities	(716.85)	207.36	283.98
Cash and cash equivalents increase (decrease)-net	(442.03)	391.75	10.91

Part of cash flow, the Company had cash and cash equivalents at the end of year 2016 in the amount of Baht 4.8 million, decreased by Baht (442.0) million from the ending period of 2015. During the period, the Company used cash received from exercised warrants in December 2015 as well as there were both advance receipt from entering the infrastructure utilization agreement and income from income of transmission line, pipeline and infrastructure utilization agreement with NNEG for repayment interest bearing debt during year 2016.

The Company recorded net cash from operating activities of Baht 375.7 million, increased by Baht 37.9 million compared with the year 2015 of Baht 337.8 million. The Company had net cash from sale of real estate development projects and from rendering of services, advance receipt from entering the infrastructure utilization agreement and income from income of transmission line, pipeline and infrastructure utilization agreement with NNEG which deducted by operating liabilities and managed such cash for investing activities and financing activities; net cash used in investing activities of Baht (100.9) million ; paid for additional investment in a jointly - controlled entity, Nava Nakorn Electricity Generating Co.,Ltd., of Baht 156.9 million by using deposits at banks used as collateral of Baht 114.6 million, thus the Company had net increasing of cash used in such investing of Baht 42.3 million and also paid in capital expenditure of Baht 65.9 million and net cash used in financing activities of Baht (716.8) million ; loan repayment and financial costs.

For year 2016, there was net cash from operating activities of Baht 375.7 million, increased by Baht 37.9 million compared with the year 2015 of Baht 337.8 million, it was noted trend of cash flow from operating activities was continuously improved since the end of year 2014.

In overall, net cash was generated from operating and from exercised warrants during December 2015 as mentioned above to settle interest bearing debts, operating liabilities, to perform financial restructuring by reforming loan from financial institution with high interest rate to issuing Bill of Exchange from financial institution that had lower interest rate and also for additional investment in a jointly - controlled entity, Nava Nakorn Electricity Generating Company Limited, more acquiring land for sale in the period, as mentioned above.

2. Liquidity ratio

As of 31 December 2016 the Company's liquidity ratio and quick liquidity ratio increase to 6.43% and 0.37% respectively.

3 Capital expenditure

Currently, the company has invested in the development of industrial policy is the main one.

In 2559 the Nava Nakorn Industrial Estate Pathumthani a major capital expenditure. The paid up share capital of the Company. Nava Nakorn Electricity Generating Co., Ltd. (NNEG) of 156.9 million baht, the equity ratio of 29.99% in NNEG unchanged.

The Company has a policy of investment in each project before deciding whether to invest in any new projects. The company is studying the possibility of a return worth the investment or not. The financial, social and environmental impact. The decision was correct and more accurate. It will take into account the benefits to be received is the maximum.

c) Financial position

Asset components

As at December 31, 2016, the Company had total assets of Baht 3,903.5 million, decrease by Baht (406.8) million, compared with the December 31, 2015 of Baht 4,310.3 million, mainly caused by

- (1) Cash and cash equivalents, decreased Baht (442.0) million mainly from using cash received from exercised warrants in December 2015 for repayment Bill of Exchange, loan, operating liabilities and used as working capital and also, at the end of June 2016, advance receipt from entering the infrastructure utilization agreement with the joint venture- Nava Nakorn Electricity Generation Company Limited (NNEG). Such advance receipt was Baht 230 million, recorded as deferred income liability in Statement of financial position and also recognized as other income in Statement of comprehensive income over 25 years according to the term of the agreement.

And also income from income of transmission line, pipeline and infrastructure utilization agreement, with joint venture (Nava Nakorn Electricity Generating Company Limited), of Baht 1.92 million per month for the period of 25 years according to the term of the agreement. The agreement will be effective on 1 August 2016

- (2) Current assets, which primarily comprise Real estate projects under development, decreased Baht (3) million mainly from sale of real estate as mentioned above as well as reclassification transactions and additional land acquiring.
- (3) Non-current assets, which primarily comprise the property, plant and equipment and investment properties decreased Baht (59.5) million as a result of its depreciation of Baht 198.4 million as well the additional investment and reclassification transaction year 2016 totally of Baht 138.9 million.

Beside, investment in a jointly-controlled entity increased of Baht 189.4 million as a result of the additional investment, Nava Nakorn Electricity Generating Co.,Ltd., of Baht 156.9 million and recording Share of net profit (loss) of investment in a joint venture for the year 2016 of Baht 32.5 million, according to IFRS 11 : Joint Arrangements.

Asset quality

- Trade receivables

As of 31 December 2016 the Company's net account receivables was 45.95 million THB, increase by 4.47 million THB from the previous year. The average collection period of 35 days. comparing to the previous year. However, the Company continues to monitor debt payment of the customers closely.

The Company has set criteria to set allowance for doubtful account. By analyzing payment histories and their ability to repay in the future.

- Ongoing real estate development project

As of 31 December 2016, the Company's ongoing real estate development project was at 1,148.80 million THB which consists of completed project ready for sale at 1,145.74 million THB net, ongoing development project at 3.06 million THB and ongoing accommodation and department store project at 3.06 million THB. This is down from last year by 2.96 million baht due to the company. Recognition of revenue from land sales this year. Including the purchase of land to sell more this year. and shifting inventory ratio decreased from 0.24 in 2015 to 0.01 due to lower income from sale of land from the previous year.

- Real estate for investment and Property, plant and equipment

As of 31 December 2016 the Company's real estate which primarily comprise the property, plant and equipment and investment properties decreased Baht (59.5) million as a result of its depreciation of Baht 198.4 million as well the additional investment and reclassification transaction year 2016 totally of Baht 138.9 million.

- Investment in a jointly-controlled

Beside, investment in a jointly-controlled entity increased of Baht 189.4 million as a result of the additional investment, Nava Nakorn Electricity Generating Co.,Ltd., of Baht 156.9 million and recording Share of net profit (loss) of investment in a joint venture for the year 2016 of Baht 32.5 million, according to IFRS 11 : Joint Arrangements.

d) Source of fund

The Company's source of fund which received from operating activities, loans from financial institutions as follows:

Debt to Equity ratio

As of 31 December 2016 the Company's debt to equity ratio was 0.4 times, decreased by 0.7 times.

Shareholders' equity

The shareholders' equity had shown of Baht 2,701.2 million, increase by Baht 157.4 million, compared with the December 31, 2015 of Baht 2,543.8 million, mainly caused by net profit for the year of Baht 160 million and other comprehensive loss of Baht (2.4) million.

Liabilities

As at December 31, 2016, the Company had total liabilities of Baht 1,202.4 million, decrease by Baht (564.1) million, compared with the December 31, 2015 of Baht 1,766.5 million, mainly caused by repayment of interest bearing debts and also payment of operating liabilities with cash flow from operations, cash receive from exercised warrants and advance receipt from entering the infrastructure utilization agreement with the joint venture as mentioned above. Thus, debt to equity ratio shown as 0.4 time decreased from previous year at 0.7 time.

e) Factors that may impact the business operation or financial position in the future

Cost of new plot of land may rise in the future The Company was established in 1971 to operate

Businesses in industrial promotion zone, with an initial area of around 5,000 rai. In 2015, the Company is a total area of 6,485 rai and the area 168 rai of land available for sale. As the company gradually acquired new land, each plot has different costs where the land acquired (especially during the beginning of project) earlier would have lower costs than the land acquired later. Therefore, once the Company has sold the land previous acquired, the profit from sale will be reduced as the cost of purchasing new plot of land will cost significantly more. In 2002, the Company acquired 1,175 rai of land in Sunghern district, Nakhon Ratchasima and 728 rai during 2003- 31 December 2005, making a total land of 1,903 rai to be developed at Nava Nakorn (Nakhon Ratchasima) industrial zone.

In each purchase of new plots of land, the Company will conduct a feasibility study before transactions. Key determination factor is the land price, which have to be competitive enough and generate proper return on investment. The Company believes that despite lower gross profit margin in the future, the margin will still be at competitive levels and could constantly generate profit and dividend to shareholders continually.

Project Layout

Nava Nakorn (Pathumthani) industrial promotion zone is Thailand's first industrial estate project that has been well established and being continuously expanded. As the Company has in the past sold some plots of land in the industrial zones to general investors, who develop the plots into commercial and residential area, making the current planning of the project less orderly and could be a constraint in selling some plots to investors. However, the Company has currently set a clear master plan of the project and it will consider the planned usage of land plots before selling to investors to ensure the usage fits the location specified in the master plan.

The project's ground is lower than adjacent area

The location of the Nava Nakorn industrial promotion zone was originally a basin that set on low ground. Therefore, the Company had to build dyke surrounding the project and develop drainage to prevent floods. As the Company purchase more land to develop, it would need to build additional dykes and drainage, making its land development costs and maintenance expenses for the dykes and drainage relatively higher than its competitors, whose location set on higher grounds and don't have to incur such expenses. However, as the company has completed the building of dykes and internal drainage, it will now book only maintenance expenses and additional costs on additional construction along newly acquired land. Each year, it record around 1- 2 million THB in maintenance expenses of the dykes and drainage, accounting for around 1-3% of total expenses which is considered marginal to overall costs. Therefore, the Company believes this factor will not affect the performance.

Land for sale not connected to the project

In the past, the Company let individuals acted as an agent to collect land plots and re-sell to the Company to bring down acquisition cost as land owners usually set higher prices for corporate buyers. The Company gradually purchased small plots of land, not huge plot all at once. In 1987, the Company bought 22-2-16 rai of land worth around THB4.20 million, adjacent to a canal with no connection to road and located 390 meters away from the company's project. Back then, the Company expected to be able to purchase adjacent plots and combine the land into the project. However, it failed to do so and therefore the plot does not connect with the project. The Company will continue to consider buying adjacent plots to connect the plot with the project for further development and will at the meantime try to sell the plot to any interested person to reduce land development constraints.



Virtues that Everyone should Study

“...There are four virtues that everyone should study and put them into practice.

The first one is to maintain the truth, sincerity towards oneself to behave and perform only the useful and fair things.

The second one is to have self-restraint and practice oneself to behave in good faith.

The third one is to have patience and tolerance not to act dishonestly for whichever reason.

The fourth one is to know how to avoid doing bad things, dishonesty, and how to dedicate our own interests for the benefits of the nation...”

Royal speech of His Majesty King Bhumibol Adulyadej
in the royal ceremony to venerate the former kings
at Sanam Luang
Monday 5th April, 1982





Nava Nakorn Public Company Limited

Independent Auditor's Report and Financial Position

Independent Auditor's Report

To the shareholders of Nava Nakorn Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Nava Nakorn Public Company Limited (the “Company”), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2016, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that are relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of investment properties and property, plant and equipment

Refer to Notes 3 (f) (g) (h), 11 and 12

The key audit matter

Investment properties are stated at cost less accumulated depreciation and impairment losses. One of investment properties of the Company which is commercial building for lease with the cost of Baht 212 million and carrying amount of Baht 117 million as at 31 December 2016 has not been fully occupied.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Certain property, plant and equipment of the Company with the cost of Baht 435 million and carrying amount of Baht 116 million as at 31 December 2016 have not operated in full capacity. These factors are considered as impairment indicators.

In considering the impairment of assets, the management is required to make significant judgment in determining the recoverable amount. The Company engaged independent property valuer to assist in valuing these investment properties and property, plant and equipment by using fair value less cost to disposal. This is the area that my audit is concentrated on.

How the matter was addressed in the audit

My audit procedures included:

- Assessing management’s procedures for identify potential impairment and understanding the impairment testing process;
- Evaluating the competency, independence and objectivity of independent property valuer engaged by the Company by considering of professional qualification and read the term of engagement letter between independent property valuer and the Company;
- Considering key assumptions in determining fair value less cost to disposal by comparing them against market and industry data with assistance from external expert engaged by KPMG; and
- Assessing the adequacy of the disclosures in the financial statements according to Thai Financial Reporting Standards.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 in which the equity method is applied and separate financial statements.

As part of an audit in accordance with TSAs, 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 in which the equity method is applied and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate 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 equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. 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 in which the equity method is applied and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2017

Nava Nakorn Public Company Limited

Statement of financial position

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Current assets					
Cash and cash equivalents	5	4,804,151	446,825,105	4,804,151	446,825,105
Deposits at banks pledged as collateral	4	21,661,715	-	21,661,715	-
Trade accounts receivable	6	45,952,273	41,483,354	45,952,273	41,483,354
Unbilled service income		17,049,742	14,312,228	17,049,742	14,312,228
Real estate projects under development	7	1,148,795,730	1,151,755,596	1,148,795,730	1,151,755,596
Other current assets	8	5,536,218	7,428,524	5,536,218	7,428,524
Total current assets		1,243,799,829	1,661,804,807	1,243,799,829	1,661,804,807
Non-current assets					
Deposits at banks pledged as collateral	4	-	136,311,795	-	136,311,795
Investment in joint venture	9	465,153,358	275,769,419	457,438,150	300,538,150
Other long-term investments	10	3,404,319	3,404,319	3,404,319	3,404,319
Investment properties	11	192,108,578	194,626,513	192,108,578	194,626,513
Property, plant and equipment	12	1,948,197,040	2,005,221,502	1,948,197,040	2,005,221,502
Deferred tax assets	13	6,886,755	6,258,012	6,886,755	6,258,012
Revenue department receivable		40,039,455	22,460,379	40,039,455	22,460,379
Other non-current assets		3,960,039	4,442,821	3,960,039	4,442,821
Total non-current assets		2,659,749,544	2,648,494,760	2,652,034,336	2,673,263,491
Total assets		3,903,549,373	4,310,299,567	3,895,834,165	4,335,068,298

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of financial position

Liabilities and equity	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Current liabilities					
Bank overdrafts	14	9,882,196	853,550	9,882,196	853,550
Short-term loans from financial institutions	14	59,361,441	563,385,418	59,361,441	563,385,418
Trade accounts payable	15	31,998,602	23,423,663	31,998,602	23,423,663
Accounts payable - acquisition of equipment		281,550	47,925	281,550	47,925
Current portion of deferred income					
from government grants	12	40,087,985	39,974,125	40,087,985	39,974,125
Current portion of deferred income	4	9,200,000	-	9,200,000	-
Current portion of long-term loans					
from financial institutions	14	-	181,379,000	-	181,379,000
Current portion of finance lease liabilities	14	3,101,017	4,693,179	3,101,017	4,693,179
Other current liabilities	16	39,443,002	111,743,606	39,443,002	111,743,606
Total current liabilities		193,355,793	925,500,466	193,355,793	925,500,466
Non-current liabilities					
Retention payable		4,842,531	6,866,177	4,842,531	6,866,177
Deferred income from government grants	12	378,300,441	417,399,053	378,300,441	417,399,053
Deferred income	4	215,433,334	-	215,433,334	-
Long-term loans from financial institutions	14	349,955,000	363,733,704	349,955,000	363,733,704
Finance lease liabilities	14	3,353,399	5,392,416	3,353,399	5,392,416
Employee benefit obligations	17	18,837,886	14,403,424	18,837,886	14,403,424
Deposits from customers for utilities		35,519,641	33,178,892	35,519,641	33,178,892
Other non-current liabilities		2,776,956	-	2,776,956	-
Total non-current liabilities		1,009,019,188	840,973,666	1,009,019,188	840,973,666
Total liabilities		1,202,374,981	1,766,474,132	1,202,374,981	1,766,474,132
Equity					
Share capital	18				
Authorised share capital		2,048,254,862	2,245,998,295	2,048,254,862	2,245,998,295
Issued and paid-up share capital		2,048,254,862	1,591,592,335	2,048,254,862	1,591,592,335
Proceeds from exercised warrants	18	-	456,662,527	-	456,662,527
Premium on ordinary shares	19	283,563,867	283,563,867	283,563,867	283,563,867
Retained earnings					
Appropriated					
Legal reserve	19	119,906,366	113,540,939	119,906,366	113,540,939
Unappropriated		249,449,297	98,465,767	241,734,089	123,234,498
Total equity		2,701,174,392	2,543,825,435	2,693,459,184	2,568,594,166
Total liabilities and equity		3,903,549,373	4,310,299,567	3,895,834,165	4,335,068,298

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of comprehensive income

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from sale of real estate					
development projects	29	155,106,600	554,185,025	155,106,600	554,185,025
Revenue from rendering of services	29	493,323,313	454,460,746	493,323,313	454,460,746
Rental income		17,639,259	16,094,474	17,639,259	16,094,474
Income from government grants	12	40,008,052	39,822,490	40,008,052	39,822,490
Other income	21	46,099,550	31,146,160	46,099,550	31,146,160
Total income		752,176,774	1,095,708,895	752,176,774	1,095,708,895
Expenses					
Cost of sale of real estate development projects	7	17,614,576	346,434,134	17,614,576	346,434,134
Cost of rendering of services	22	344,466,089	364,139,868	344,466,089	364,139,868
Selling expenses	23	18,526,348	44,500,474	18,526,348	44,500,474
Administrative expenses	24	223,854,106	220,664,376	223,854,106	220,664,376
Impairment losses		7,407,468	203,099,776	7,407,468	203,099,776
Finance costs	27	13,017,500	51,348,879	13,017,500	51,348,879
Total expenses		624,886,087	1,230,187,507	624,886,087	1,230,187,507
Share of gain (loss) of investment in joint venture	9	32,483,939	(592,422)	-	-
Profit (loss) before income tax		159,774,626	(135,071,034)	127,290,687	(134,478,612)
Income tax benefit (expense)	28	17,860	(8,795,641)	17,860	(8,795,641)
Profit (loss) for the year		159,792,486	(143,866,675)	127,308,547	(143,274,253)
Other comprehensive income					
<i>Item that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains (losses)	17	(3,054,412)	5,537,597	(3,054,412)	5,537,597
Income tax on other comprehensive income	28	610,883	-	610,883	-
Other comprehensive income for the year, net of income tax		(2,443,529)	5,537,597	(2,443,529)	5,537,597
Total comprehensive income for the year		157,348,957	(138,329,078)	124,865,018	(137,736,656)
Earnings (loss) per share (in Baht)					
Basic earnings (loss) per share	30	0.08	(0.09)	0.06	(0.09)
Diluted earnings (loss) per share		0.08	(0.08)	0.06	(0.08)

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of changes in equity

	Note	Financial statements in which the equity method is applied						Total equity
		Issued and paid-up share capital	Proceeds from exercised warrants	Premium on ordinary shares	Retained earnings			
					Legal reserve	Unappropriated		
<i>(in Baht)</i>								
For the year ended 31 December 2015								
Balance at 1 January 2015		1,559,350,930	20,000	283,563,867	113,540,939	236,794,845		2,193,270,581
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the Company</i>								
Proceeds from exercised warrants	18	-	488,883,932	-	-	-	-	488,883,932
Increase of new shares from exercised warrants	18	32,241,405	(32,241,405)	-	-	-	-	-
Total contributions by owners of the Company		32,241,405	456,642,527	-	-	-	-	488,883,932
Comprehensive income for the year								
Loss		-	-	-	-	(143,866,675)		(143,866,675)
Other comprehensive income		-	-	-	-	5,537,597		5,537,597
Total comprehensive income for the year		-	-	-	-	(138,329,078)	(138,329,078)	(138,329,078)
Balance at 31 December 2015		1,591,592,335	456,662,527	283,563,867	113,540,939	98,465,767		2,543,825,435

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of changes in equity

	Financial statements in which the equity method is applied						Total equity
	Issued and paid-up share capital	Proceeds from exercised warrants	Premium on ordinary shares	Legal reserve	Unappropriated earnings		
For the year ended 31 December 2016							
Balance at 1 January 2016	1,591,592,335	456,662,527	283,563,867	113,540,939	98,465,767	2,543,825,435	
Transactions with owners, recorded directly in equity							
<i>Contributions by owners of the Company</i>							
Increase of new shares from exercised warrants	456,662,527	(456,662,527)	-	-	-	-	
<i>Total contributions by owners of the Company</i>	456,662,527	(456,662,527)	-	-	-	-	
Comprehensive income for the year							
Profit	-	-	-	-	159,792,486	159,792,486	
Other comprehensive income	-	-	-	-	(2,443,529)	(2,443,529)	
Total comprehensive income for the year	-	-	-	-	157,348,957	157,348,957	
Transfer to legal reserve	-	-	-	6,365,427	(6,365,427)	-	
Balance at 31 December 2016	2,048,254,862	-	283,563,867	119,906,366	249,449,297	2,701,174,392	

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Proceeds from exercised warrants	Premium on ordinary shares	Retained earnings		
					Legal reserve	Unappropriated	
					(in Baht)		
For the year ended 31 December 2015							
Balance at 1 January 2015		1,559,350,930	20,000	283,563,867	113,540,939	260,971,154	2,217,446,890
Transactions with owners, recorded directly in equity							
<i>Contributions by owners of the Company</i>							
Proceeds from exercised warrants	18	-	488,883,932	-	-	-	488,883,932
Increase of new shares from exercised warrants	18	32,241,405	(32,241,405)	-	-	-	-
Total contributions by owners of the Company		32,241,405	456,642,527	-	-	-	488,883,932
Comprehensive income for the year							
Loss		-	-	-	-	(143,274,253)	(143,274,253)
Other comprehensive income		-	-	-	-	5,537,597	5,537,597
Total comprehensive income for the year		-	-	-	-	(137,736,656)	(137,736,656)
Balance at 31 December 2015		1,591,592,335	456,662,527	283,563,867	113,540,939	123,234,498	2,568,594,166

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Proceeds from exercised warrants	Premium on ordinary shares	Retained earnings		
For the year ended 31 December 2016							
Balance at 1 January 2016		1,591,592,335	456,662,527	283,563,867	113,540,939	123,234,498	2,568,594,166
Transactions with owners, recorded directly in equity							
<i>Contributions by owners of the Company</i>							
Increase of new shares from exercised warrants	18	456,662,527	(456,662,527)	-	-	-	-
<i>Total contributions by owners of the Company</i>		456,662,527	(456,662,527)	-	-	-	-
Comprehensive income for the year							
Profit		-	-	-	-	127,308,547	127,308,547
Other comprehensive income		-	-	-	-	(2,443,529)	(2,443,529)
Total comprehensive income for the year		-	-	-	-	124,865,018	124,865,018
Transfer to legal reserve							
Balance at 31 December 2016		2,048,254,862	-	283,563,867	119,906,366	241,734,089	2,693,459,184

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Statement of cash Flows

	Financial statements in which the equity method is applied		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	159,792,486	(143,866,675)	127,308,547	(143,274,253)
Adjustments and services investment				
Depreciation	198,385,368	215,878,708	198,385,368	215,878,708
Interest income	(1,678,724)	(1,988,368)	(1,678,724)	(1,988,368)
Dividend income	(438,087)	(495,558)	(438,087)	(495,558)
Finance costs	13,017,500	51,348,879	13,017,500	51,348,879
Doubtful debt expense (reversal)	620,531	(50,776)	620,531	(50,776)
Losses on decline in value of real estate projects under development	814,618	-	814,618	-
Reversal of losses on decline in value of real estate projects under development	(2,680,613)	(27,192,772)	(2,680,613)	(27,192,772)
Impairment losses on property, plant and equipment	7,407,468	203,099,776	7,407,468	203,099,776
Reversal of impairment losses on investment properties	(359,361)	-	(359,361)	-
Employee benefit obligations	5,825,368	2,693,112	5,825,368	2,693,112
Gain on disposal of property, plant and equipment	(4,174,016)	(3,270,372)	(4,174,016)	(3,270,372)
Losses on write-off equipment	1,063,028	-	1,063,028	-
Recognised deferred income from government grants to income	(40,008,052)	(39,822,490)	(40,008,052)	(39,822,490)
Recognised deferred income to income	(5,366,666)	-	(5,366,666)	-
Share of (profit) loss of investment in joint venture	(32,483,939)	592,422	-	-
Income tax (benefit) expense	(17,860)	8,795,641	(17,860)	8,795,641
	<u>299,719,049</u>	<u>265,721,527</u>	<u>299,719,049</u>	<u>265,721,527</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(5,089,450)	1,115,451	(5,089,450)	1,115,451
Unbilled service income	(2,737,514)	(213,759)	(2,737,514)	(213,759)
Real estate projects under development	(71,803,428)	337,375,044	(71,803,428)	337,375,044
Other current assets	1,124,623	5,055,041	1,124,623	5,055,041
Other non-current assets	482,782	142,622	482,782	142,622
Trade accounts payable	8,574,939	(16,589,296)	8,574,939	(16,589,296)
Employee benefit paid	(4,445,318)	-	(4,445,318)	-
Other current liabilities	(66,634,089)	(248,091,339)	(66,634,089)	(248,091,339)
Retention payable	(2,023,646)	1,777,326	(2,023,646)	1,777,326
Received from government grants	1,023,300	-	1,023,300	-
Received compensation from providing infrastructure utilisation	230,000,000	-	230,000,000	-
Deposits from customers for utilities	2,340,749	5,077,965	2,340,749	5,077,965
Other non-current liabilities	2,776,956	-	2,776,956	-
Cash generated from operating activities	<u>393,308,953</u>	<u>351,370,582</u>	<u>393,308,953</u>	<u>351,370,582</u>
Income tax paid	(17,579,076)	(13,610,611)	(17,579,076)	(13,610,611)
Net cash from operating activities	<u>375,729,877</u>	<u>337,759,971</u>	<u>375,729,877</u>	<u>337,759,971</u>

The accompanying notes are an integral part of financial statements

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2016	2015	2016	2015
Cash flows from investing activities		<i>(in Baht)</i>			
Interest received		2,446,407	1,304,932	2,446,407	1,304,932
Dividends received		438,087	495,558	438,087	495,558
(Increase) decrease in deposits at banks pledged as collateral		114,650,080	(62,777,593)	114,650,080	(62,777,593)
Purchase of investment in joint venture		(156,900,000)	-	(156,900,000)	-
Proceeds from loans to related party		-	10,000,000	-	10,000,000
Purchases of property, plant and equipment		(65,917,298)	(97,886,440)	(65,917,298)	(97,886,440)
Sale of equipment		4,377,626	3,293,446	4,377,626	3,293,446
Net cash used in investing activities		(100,905,098)	(145,570,097)	(100,905,098)	(145,570,097)
Cash flows from financing activities					
Finance costs paid		(18,684,015)	(47,414,105)	(18,684,015)	(47,414,105)
Increase (decrease) in bank overdrafts		9,028,646	(2,608,762)	9,028,646	(2,608,762)
Repayment of finance lease liabilities		(8,008,683)	(6,573,828)	(8,008,683)	(6,573,828)
Proceeds from loans from financial institutions		514,249,266	1,235,596,696	514,249,266	1,235,596,696
Repayment of loans from financial institutions		(1,213,430,947)	(1,468,327,068)	(1,213,430,947)	(1,468,327,068)
Proceeds from exercised warrants		-	488,883,932	-	488,883,932
Net cash from (used in) financing activities		(716,845,733)	199,556,865	(716,845,733)	199,556,865
Net increase (decrease) in cash and cash equivalents		(442,020,954)	391,746,739	(442,020,954)	391,746,739
Cash and cash equivalents at 1 January		446,825,105	55,078,366	446,825,105	55,078,366
Cash and cash equivalents at 31 December	5	4,804,151	446,825,105	4,804,151	446,825,105
Non-cash transactions					
Equipment purchased under finance lease liabilities		4,377,504	7,807,098	4,377,504	7,807,098
Acquisition of equipment for which payment has not been made		281,550	47,925	281,550	47,925
Transfer real estate projects under development to investment properties		867,319	-	867,319	-
Transfer real estate projects under development to property, plant and equipment		82,265,718	-	82,265,718	-
Transfer property, plant and equipment to investment properties		2,241,799	-	2,241,799	-

The accompanying notes are an integral part of financial statements

Nava Nakorn Public Company Limited

Financial Statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2017.

1 General information

Nava Nakorn Public Company Limited, the “Company”, is incorporated in Thailand and has its registered head office and branch office as follows:

Head office : 999 Moo 13, Phaholyothin Road, Tambol Klong Nueng, Amphur Klong Luang, Phatumthani 12120, Thailand

Branch office : 999/1 Mittraphap Road (Km. 231) Moo 1, Tambol Naklang, Amphur Soongnuen, Nakhon Ratchasima 30380, Thailand

The Company was listed on the Stock Exchange of Thailand on 18 May 2004.

As at 31 December 2016, the Company’s major shareholders were Mr. Taweechat Jurangkool owned 23.26% shareholding and NEP Realty and Industry Public Company Limited, incorporated in Thailand, owned 10.79% shareholding (31 December 2015: 21.20% and 19.05%, respectively).

The principal businesses of the Company are the property development and industrial promotion zone projects for trading and leasing, and providing utilities and other facilities services in the industrial promotion zone.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Accounting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The application of these new and revised TFRS has resulted in changes in certain of the Company's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 34.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following item.

<i>Item</i>	<i>Measurement base</i>
Defined benefit liability	Present value of the defined benefit obligation, as explained in Note 3 (i)

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 9	Classification of the joint arrangement
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(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Notes 7, 11, 12	Impairment test: key assumptions underlying recoverable amounts;
Note 13	Recognition of deferred tax assets : availability of future taxable profit against which tax losses carried forward can be used; and
Note 17	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

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

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

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

Significant valuation issues are reported to the Company Audit Committee.

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

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

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

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

3 Significant accounting policies

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

(a) *Basis of financial statements in which the equity method is applied*

The financial statements in which the equity method is applied relate to the Company and the Company's interests in joint venture.

Interests in equity-accounted investees

The Company's interests in equity-accounted investees comprise interests in a joint venture.

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

Interests in joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

Transactions eliminated on financial statements in which the equity method is applied

Unrealised gains arising from transactions with joint venture are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) *Trade and other accounts receivable*

Trade and other accounts 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.

(d) *Real estate projects under development*

Real estate projects under development are projects for the development of properties with the intention of sale in the ordinary course of business. They are measured at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate projects under development are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

(e) *Investments*

Investment in joint venture

Investment in joint venture in the separate financial statements of the Company is accounted for using the cost method. Investment in joint venture in financial statements in which the equity method is applied is accounted for using the equity method.

Investments in equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(f) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment properties	5, 10 and 33 years
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(g) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at carrying amount.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of buildings and equipment. The estimated useful lives are as follows:

Buildings	5, 20 and 25 years
Commercial buildings	5 and 33 years
Water production for industry system	5, 10 and 25 years
Utilities systems and flood protection system	5, 10, 20 and 25 years
Machinery and equipment	5 and 10 years
Furniture, fixtures and office equipment	3 and 5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

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

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 amortisation, if no impairment loss had been recognised.

(i) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(j) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is regularly performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Deferred income from government grants

Deferred income from government grants represented grants for flood protection construction project from the Ministry of Industry and government grants for machine development for energy conservation from the Department of Alternative Energy Development and Efficiency. The Company recorded the grants as deferred income from government grants in the statement of financial position and recognised as income by a straight-line basis over the useful lives of the related assets of 4-25 years. Income from government grants presented separately in profit or loss.

(m) Deferred income

Deferred income represented compensation in advance from joint venture (Nava Nakorn Electricity Generating Company Limited) according to an agreement of infrastructure utilisation in Nava Nakorn Industrial Promotion Zone in Phatumthani province. The Company recorded as deferred income in the statement of financial position and recognised as income by a straight-line basis over 25 years according to the term of the agreement and presented as other income in profit or loss.

(n) Revenue

Revenue excludes value added taxes or other tax sales and is arrived at after deduction of trade discounts.

Revenue from sale of real estate development projects

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rendering of services

Revenue from rendering of services is recognised as services are provided.

Investments

Revenue from investments comprises rental income from investment properties, dividend and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(o) Finance costs

Interest expense and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(p) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(q) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

and differences relating to investment in joint venture entity to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options.

(s) *Segment reporting*

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management and related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
NEP Realty and Industry Public Company Limited	Thailand	Major shareholder, 10.79% shareholding, and common directors
Nava Nakorn Electricity Generating Company Limited	Thailand	Joint venture, the Company invests 29.99% shareholding and common directors
Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.)	Thailand	Related party, the Company invests 15.08% shareholding and common directors
Sumisho Global Logistics (Thailand) Co., Ltd.	Thailand	Related party, the Company invests 1.71% shareholding and common directors
Nava Nakorn Service (1982) Co., Ltd.	Thailand	Related party and common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rendering of services	Market price
Rental income	Contractually agreed price
Income from providing infrastructure utilisation	Contractually agreed price
Management income	Contractually agreed price
Dividend income	Dividend declaration
Security service expenses	Contractually agreed price
Purchase of real estate projects under development	Appraisal price
Sale of property, plant and equipment	Market price

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	2016	2015
	<i>(in thousand Baht)</i>	
Related parties		
Revenue from rendering of services	23,447	6,229
Rental income	360	571
Income from providing infrastructure utilisation	14,950	-
Management income	3,601	4,220
Dividend income	438	496
Security service expenses	29,208	29,762
Purchase of real estate projects under development	984	-
Key management personnel		
Sale of property, plant and equipment	2,194	-
Key management personnel compensation		
Short-term benefits	35,812	36,253
Post-employment benefits	1,646	1,392
Total key management personnel compensation	37,458	37,645

Balances as at 31 December with related parties were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
<i>Trade accounts receivable - related parties</i>		
NEP Realty and Industry Public Company Limited	55	63
Sumisho Global Logistics (Thailand) Co., Ltd.	57	61
Nava Nakorn Electricity Generating Company Limited	3,183	488
Total	3,295	612
<i>Unbilled service income - related parties</i>		
Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.)	1,200	1,440
Nava Nakorn Electricity Generating Company Limited	347	326
Total	1,547	1,766
<i>Advance payment - related parties</i> <i>(included in other current assets)</i>		
NEP Realty and Industry Public Company Limited	111	123
Nava Nakorn Electricity Generating Company Limited	40	40
Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.)	14	-
Total	165	163
<i>Trade accounts payable - related parties</i>		
Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.)	2,630	2,635
Nava Nakorn Electricity Generating Company Limited	1,062	-
Total	3,692	2,635
<i>Accrued bonus (included in other current liabilities)</i>		
Accrued bonus - key management personnel	2,433	2,876

Movements during the years ended 31 December of short-term loan to related party were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
Related party		
At 1 January	-	10,000
Decrease	-	(10,000)
At 31 December	<u>-</u>	<u>-</u>

	2016	2015
	<i>(in thousand Baht)</i>	
Deferred income		
Nava Nakorn Electricity Generating Company Limited		
- current	9,200	-
- non-current	215,433	-
Total	<u>224,633</u>	<u>-</u>

Deposits from customers for utilities

Nava Nakorn Electricity Generating Company Limited	<u>2,479</u>	<u>30</u>
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Significant agreements with related parties

The Company has security service agreements with a related party, Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.) Under the terms of the agreements, the Company is committed to pay a monthly security service fee at the rates stipulated in the agreements.

During 2014, the Company's fixed deposit account of Baht 52.9 million is used for collateral to a bank for issuing Standby letter of credit. The Standby letter of credit is secured for payment of investment in Nava Nakorn Electricity Generating Company Limited. The Company shall additionally deposit at Baht 5.15 million each month into this fixed deposit account until the deposit equal to Baht 176.4 million. On 31 May 2016, the bank issued reduction certificate of Standby letter of credit to reduce the required deposit from Baht 176.4 million to Baht 135.3 million. On 31 October 2016, the bank issued reduction certificate of Standby letter of credit to reduce the required deposit from Baht 135.3 million to Baht 19.5 million. Due to the fact that Nava Nakorn Electricity Generating Company Limited increased its share capital during 2016 resulted to the reduction of fixed deposit account for payment of the increase in the investment. As at 31 December 2016, the deposits pledged as collateral for Standby letter of credit was Baht 19.5 million (2015: Baht 135.3 million). On 5 January 2017, the Company redeemed this fixed deposit account in full amount.

On 28 June 2016, the Company entered into an infrastructure utilisation agreement with joint venture (Nava Nakorn Electricity Generating Company Limited) in which the Company provided areas and infrastructure utilisation in Nava Nakorn Industrial Promotion Zone in Phatumthani province, as stated condition in the agreement. The Company received compensation in advance of Baht 230 million which recorded as deferred income in the statement of financial position and recognised as income by a straight-line basis over 25 years according to the term of the agreement. The agreement was effective on 28 June 2016.

On 28 June 2016, the Company entered into a transmission line, pipeline and infrastructure utilisation agreement with joint venture (Nava Nakorn Electricity Generating Company Limited) in which the Company provided areas and infrastructure utilisation in Nava Nakorn Industrial Promotion Zone in Phatumthani province, as stated condition in the agreement. The Company shall receive compensation of Baht 1.92 million per month for the period of 25 years according to the term of the agreement. The agreement was be effective on 1 August 2016.

Deferred income from providing infrastructure utilisation were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Received compensation from providing infrastructure utilisation during the year	230,000	-
Recognised as income during the year	(5,367)	-
At 31 December	224,633	-
- current	9,200	-
- non-current	215,433	-

5 Cash and cash equivalents

	2016	2015
	<i>(in thousand Baht)</i>	
Cash on hand	60	110
Cash at banks - current accounts	1,349	1,365
Cash at banks - savings accounts	3,395	445,350
Total	4,804	446,825

Cash and cash equivalents of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Trade accounts receivable

	<i>Note</i>	2016	2015
<i>(in thousand Baht)</i>			
Related parties	4	3,295	612
Other parties		48,459	46,053
Total		51,754	46,665
<i>Less allowance for doubtful accounts</i>		<i>(5,802)</i>	<i>(5,182)</i>
Net		45,952	41,483
Bad and doubtful debts expense for the year		620	35

Aging analyses for trade accounts receivable were as follows:

	<i>Note</i>	2016	2015
<i>(in thousand Baht)</i>			
Related parties	4		
Within credit term		3,295	612
		3,295	612
Other parties			
Within credit term		39,962	37,672
Overdue:			
Less than 3 months		2,975	3,522
3 - 6 months		17	23
6 - 12 months		38	68
Over 12 months		5,467	4,768
Total		48,459	46,053
<i>Less allowance for doubtful accounts</i>		<i>(5,802)</i>	<i>(5,182)</i>
		42,657	40,871
Net		45,952	41,483

The normal credit term granted by the Company is 30 days.

Trade accounts receivable of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

7 Real estate projects under development

	2016	2015
	<i>(in thousand Baht)</i>	
<i>Developed land available for sales</i>		
<i>Nava Nakorn Industrial Promotion Zone Project</i> <i>(Phatumthani Province)</i>		
Cost of land	101,409	63,553
Project development costs	15,145	31,874
Capitalised interest	8,311	14,945
Total	124,865	110,372
<i>Less allowance for decline in value</i>	-	(359)
Net	124,865	110,013
 <i>Premium Zone Project</i> <i>(Phatumthani Province)</i>		
Cost of land	131,605	-
Project development costs	39,834	-
Capitalised interest	22,796	-
Total	194,235	-
<i>Less allowance for decline in value</i>	(814)	-
Net	193,421	-
 <i>Nava Nakorn Industrial Promotion Zone Project</i> <i>(Nakhon Ratchasima Province)</i>		
Cost of land	284,405	284,405
Project development costs	510,526	510,526
Capitalised interest	33,336	33,336
Total	828,267	828,267
<i>Less allowance for decline in value</i>	(817)	(3,498)
Net	827,450	824,769
Developed land available for sales, net	1,145,736	934,782
 <i>Land under development</i>		
<i>Premium Zone Project (Phatumthani Province)</i>		
Cost of land	-	147,979
Project development costs	-	46,319

	2016	2015
	<i>(in thousand Baht)</i>	
Capitalised interest	-	25,760
Total	-	220,058
<i>Less</i> allowance for decline in value	-	(6,144)
Land under development, net	-	213,914

Residential under development

The Nava Privacy Project (Phatumthani Province)

Cost of land	3,060	3,060
Project development costs	214,540	214,540
Capitalised interest	5,920	5,920
Total	223,520	223,520
<i>Less</i> allowance for decline in value	(220,460)	(220,460)
Total residential under development, net	3,060	3,060
Grand total	1,148,796	1,151,756

Carrying amount of real estate projects under development subject to retention of title clauses or otherwise pledged to secure liabilities (Note 14)

700,630	825,873
700,630	825,873

Real estate projects under development recognised as an expense in 'cost of sale of real estate development projects':

- Cost of sale	19,481	373,627
- Write-down to net realisable value	814	-
- Reversal of write-down	(2,681)	(27,193)
Net	17,614	346,434

Sales with signed contracts and total project sales of residential as at 31 December were as follows:

	2016	2015
	<i>(in million Baht)</i>	
Sales with signed contracts	24	24
Total project sales	74	74
The ratio of sales with signed contracts against total project sales (%)	32	32

8 Other current assets

	2016	2015
	<i>(in thousand Baht)</i>	
Prepaid expenses	2,570	2,644
Advance payment	133	308
Suspense input VAT	1,514	1,611
Others	1,319	2,866
Total	5,536	7,429

9 Investment in joint venture

	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	275,770	276,362	300,538	300,538
Acquisition	156,900	-	156,900	-
Share of net profit (loss) of investment in joint venture	32,483	(592)	-	-
At 31 December	465,153	275,770	457,438	300,538

Acquisition

On 8 June 2016, Nava Nakorn Electricity Generating Company Limited registered additional shares of 54.8 million shares, at a par value of Baht 10 per share. The Company had invested in these additional shares of 16.44 million shares by partially paid on 31 May 2016 at Baht 2.50 per share amounting to Baht 41 million and on 31 October 2016 at Baht 7.04 per share amounting to Baht 116 million. There was no change in the ownership interest.

Investment in joint venture as at 31 December 2016 and 2015 and dividend income for the years, were as follows:

	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Nava Nakorn Electricity Generating Company Limited	29.99	29.99	1,525,000	1,002,000	457,438	300,538	465,153	275,770	-	-
Total			457,438	300,538	465,153	275,770	465,153	275,770	-	-

(in thousand Baht)

None of the equity-accounted investee is publicly listed and consequently does not have published price quotations.

All of the share certificates of Nava Nakorn Electricity Generating Company Limited is used as collateral for the joint venture's borrowings in accordance with the terms stipulated in share pledge agreement.

The joint venture was incorporated in Thailand and its activities are manufacturing and selling of electric and steam energy in Thailand.

Joint venture

The following table summarises the financial information of the joint venture as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in this Company.

	Nava Nakorn Electricity Generating Company Limited	
	2016	2015
	<i>(in thousand Baht)</i>	
Revenue	1,403,972	56,470
Profit (loss) from continuing operations	108,301 ^a	(1,975) ^a
Other comprehensive income	-	-
Total comprehensive income (100%)	108,301	(1,975)
Total comprehensive income (29.99% shareholding)	32,483	(592)
Share of total comprehensive income	32,483	(592)
Current assets	625,167 ^b	83,098 ^b
Non-current assets	5,619,545	4,757,016
Current liabilities	(525,344) ^c	(1,717,799) ^c
Non-current liabilities	(4,168,646) ^d	(2,202,894) ^d
Net assets (100%)	1,550,722	919,421
Share of net assets (29.99% shareholding)	465,153	275,770
Carrying amount of interest in joint venture	465,153	275,770
Remark:		
a. Includes:		
- depreciation and amortisation	132,812	1,133
- finance costs	129,623	(576)
- income tax expenses	611	-
b. Includes cash and cash equivalents	151,221	14,142
c. Includes current portion of long-term loans from financial institutions	299,004	32,478
d. Includes long-term loans from financial institutions	4,163,466	1,919,780

10 Other long-term investments

	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	4,949	4,949
Less impairment losses	(1,545)	(1,545)
At 31 December	3,404	3,404

Other long-term investments as at 31 December 2016 and 2015 and dividend income for the years, were as follows:

Cost	Country of incorporation	Type of business	Nature of relationships	Ownership interest (%)		Paid-up capital		Investment amount		Dividend income	
				2016	2015	2016	2015	2016	2015	2016	2015
Related parties											
Sumisho Global Logistics (Thailand) Co., Ltd.	Thailand	Transportation services	Shareholder	1.71	1.71	180,000	180,000	3,078	3,078	438	496
Security Navanakorn International Guarding Co., Ltd. (formerly: Navanakorn International Guard Co., Ltd.)	Thailand	Security services	Shareholder	15.08	15.08	6,300	6,300	871	871	-	-
Impairment loss								(871)	(871)	-	-
Net								3,078	3,078	438	496
Other party											
The Bangkok Club Co., Ltd.	Thailand	Trading of food and beverage	Shareholder	0.11	0.11	450,000	450,000	1,000	1,000	-	-
Impairment losses								(674)	(674)	-	-
Net								326	326	-	-
Total								3,404	3,404	438	496

11 Investment properties

	2016	2015
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January	292,834	292,834
Transfer from real estate projects under development	867	-
Transfer from property, plant and equipment	2,242	-
At 31 December	295,943	292,834
<i>Accumulated depreciation</i>		
At 1 January	(48,499)	(34,731)
Depreciation charge for the year	(5,627)	(13,768)
At 31 December	(54,126)	(48,499)
<i>Impairment losses</i>		
At 1 January	(49,708)	(49,708)
Impairment losses transferred from real estate projects under development	(359)	-
Reversal of impairment losses	359	-
At 31 December	(49,708)	(49,708)
<i>Net book value</i>		
At 1 January 2015		<u>208,395</u>
At 31 December 2015		<u>194,627</u>
At 1 January 2016	<u>194,627</u>	
At 31 December 2016	<u>192,109</u>	

Investment properties comprise of land, factories and commercial building for lease. Rental income for the year ended 31 December 2016 was Baht 6.4 million (2015: Baht 6.2 million). The leases contain an initial non-cancellable period of 1 - 3 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Leases as lessor

The Company leases out its investment properties.

a. Future minimum lease income

At 31 December, the future minimum lease income under non-cancellable leases were receivable as follows.

	2016	2015
	<i>(in thousand Baht)</i>	
Within one year	2,073	6,266
After one year but within five years	975	1,527
Total	3,048	7,793

b. Direct operating expenses

<i>Year ended 31 December</i>	2016	2015
	<i>(in thousand Baht)</i>	
Income-generating property	1,888	1,529
Vacant property	3,739	12,240
Total	5,627	13,769

Investment properties were revalued as at 31 December 2016 and 2015 by Prospec Appraisal Company Limited, a firm of independent property valuer, by using market values for land and replacement cost approach for factories and commercial building for rent. The appraised value was Baht 361 million (31 December 2015: Baht 441 million).

Commercial building for lease with the cost of Baht 211.82 million and accumulated depreciation of Baht 44.81 million as at 31 December 2016 has not been fully occupied. This factor is considered as an impairment indicator. Management tested impairment by determining the recoverable amount using fair value less cost to disposal, referral from appraisal value. As at 31 December 2016, the recoverable amount of this asset was lower than its cost less accumulated depreciation. As a result, the Company had impairment losses in the amount of Baht 49.71 million (2015: Baht 49.71 million).

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent property valuer provided the fair value of the Company's investment property portfolio on a regular basis.

The fair value measurement for investment properties of Baht 361 million has been categorised as a level 2 fair value based on the inputs to the valuation technique used.

12 Property, plant and equipment

	Land	Buildings	Commercial buildings	Water production for industry system	Utilities systems and flood protection system <i>(in thousand Baht)</i>	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
Cost										
At 1 January 2015	127,651	72,864	267	1,060,559	1,791,042	102,949	76,744	117,284	-	3,349,360
Additions	426	123	-	-	317	401	2,219	6,283	29,731	39,500
Transfers	-	-	-	-	26,710	45	8	-	(26,763)	-
Disposals	-	-	-	-	(450)	(569)	(586)	(29,343)	-	(30,948)
Write-off	-	-	-	-	(954)	(8)	(205)	-	-	(1,167)
At 31 December 2015	128,077	72,987	267	1,060,559	1,816,665	102,818	78,180	94,224	2,968	3,356,745
Additions	47,600	-	1,013	-	1,250	8,445	185	1,381	10,653	70,527
Transfers	-	-	-	-	6,213	3,959	(8)	-	(10,164)	-
Transfer from real estate projects under development	-	-	-	-	-	-	-	-	-	82,266
Transfer to investment properties	-	-	-	-	-	-	-	-	(2,242)	(2,242)
Disposals	-	-	-	-	(285)	(152)	(588)	(21,170)	-	(22,195)
Write-off	-	-	-	-	-	(271)	(91)	-	(972)	(1,334)
At 31 December 2016	257,943	72,987	1,280	1,060,559	1,823,843	114,799	77,678	74,435	243	3,488,767

	Land	Buildings	Commercial buildings	Water production for industry system	Utilities systems and flood protection system (in thousand Baht)	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
Accumulated depreciation and impairment losses										
At 1 January 2015	-	(29,472)	(30)	(260,955)	(477,126)	(34,112)	(72,651)	(104,062)	-	(978,408)
Depreciation charge for the year	-	(2,736)	(18)	(55,744)	(126,494)	(8,572)	(2,308)	(6,236)	-	(202,108)
Impairment losses	-	-	-	(150,473)	(52,627)	-	-	-	-	(203,100)
Disposals	-	-	-	-	1,404	562	782	29,344	-	32,092
At 31 December 2015 and 1 January 2016	-	(32,208)	(48)	(467,172)	(654,843)	(42,122)	(74,177)	(80,954)	-	(1,351,524)
Depreciation charge for the year	-	(2,752)	(45)	(49,508)	(123,847)	(9,162)	(2,110)	(5,334)	-	(192,758)
Impairment losses	(7,408)	-	-	-	-	-	-	-	-	(7,408)
Impairment losses from real estate projects under development	(6,144)	-	-	-	-	-	-	-	-	(6,144)
Disposals	-	-	-	-	285	152	588	20,969	-	21,994
Write-off	-	-	-	-	-	179	91	-	-	270
At 31 December 2016	(13,552)	(34,960)	(93)	(516,680)	(778,405)	(50,953)	(75,608)	(65,319)	-	(1,535,570)

	Land	Buildings	Commercial buildings	Water production for industry system	Utilities systems and flood protection system	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>										
Net book value										
At 1 January 2015										
Owned assets	127,651	43,392	237	799,604	1,313,916	68,837	3,343	862	-	2,357,842
Asset under finance leases	-	-	-	-	-	-	750	12,360	-	13,110
	127,651	43,392	237	799,604	1,313,916	68,837	4,093	13,222	-	2,370,952
At 31 December 2015 and 1 January 2016										
Owned assets	128,077	40,779	219	593,387	1,161,822	60,696	2,511	105	2,968	1,990,564
Asset under finance leases	-	-	-	-	-	-	1,492	13,165	-	14,657
	128,077	40,779	219	593,387	1,161,822	60,696	4,003	13,270	2,968	2,005,221
At 31 December 2016										
Owned assets	244,391	38,027	1,187	543,879	1,045,438	63,846	1,446	1,219	243	1,939,676
Asset under finance leases	-	-	-	-	-	-	624	7,897	-	8,521
	244,391	38,027	1,187	543,879	1,045,438	63,846	2,070	9,116	243	1,948,197

The gross amount of the Company's fully depreciated buildings and equipment that were still in use as at 31 December 2016 amounted to Baht 379 million (*31 December 2015: Baht 382 million*).

Security

At 31 December 2016, the Company mortgaged certain plots of land including the water production for industry system, water treatment system, machinery and equipment to secure credit facilities from certain financial institutions (Note 14).

In 2016 and 2015, there was no finance cost capitalised.

Transfer to investment properties

During 2016, there was reclassification by transferring certain land to investment properties (Note 11).

Water production for industry system and utility system at Nakhon Ratchasima province with the cost of Baht 434.84 million and accumulated depreciation of Baht 115.30 million as at 31 December 2016 have not operated in full capacity. This factor is considered as an impairment indicator. Management tested impairment by determining the recoverable amount using fair value less cost to disposal, referral from appraisal value of independent property valuer, by using replacement cost approach. As at 31 December 2016, the recoverable amount of the asset was lower than its cost less accumulated depreciation. As a result, the Company had impairment losses in the amount of Baht 203.10 million (*2015: Baht 203.10 million*).

In addition, the Company has certain plots of land which are unable to utilise. This factor is considered as an impairment indicator. As at 31 December 2016, the aforesaid land had cost of Baht 7.41 million. The Company recognised impairment losses in full amount in 2016.

Measurement of fair value

Fair value hierarchy

The fair value of property, plant and equipment in which impairment indicator existed, was assessed by independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent property valuer provided the fair value of the Company's property, plant and equipment portfolio on a regular basis.

The fair value measurement for property, plant and equipment has been categorised as a level 2 fair value based on the inputs to the valuation technique used.

The Company received government grants for flood protection construction project from the Ministry of Industry and government grants for machine development for energy conservation from the Department of Alternative Energy Development and Efficiency. The Company recorded the grants as deferred income from government grants in the statement of financial position and recognised as income by a straight-line basis over the useful lives of related assets.

Deferred income from government grants were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	457,373	497,196
Received government grants during the year	1,023	-
Recognised as income during the year	(40,008)	(39,823)
At 31 December	418,388	457,373
- current	40,088	39,974
- non-current	378,300	417,399

13 Deferred tax

Deferred tax assets as at 31 December were as follows:

	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Deferred tax assets	6,887	6,258	-	-

Movements in total deferred tax assets during the years were as follows:

	At 1 January 2016	(Charged) / credited to:		At 31 December 2016
		Profit or loss	Other comprehensive income	
<i>(Note 28)</i>				
<i>(in thousand Baht)</i>				
Deferred tax assets				
Allowance for doubtful accounts	1,036	124	-	1,160
Advance received from customers	2,341	(1,992)	-	349
Deferred income	-	1,610	-	1,610
Employee benefit obligations	2,881	276	611	3,768
Total	6,258	18	611	6,887

	At 1 January 2015	(Charged) / credited to:		At 31 December 2015
		Profit or loss	Other comprehensive income	
<i>(Note 28)</i>				
<i>(in thousand Baht)</i>				
Deferred tax assets				
Allowance for doubtful accounts	1,047	(11)	-	1,036
Advance received from customers	14,353	(12,012)	-	2,341
Employee benefit obligations	3,066	(185)	-	2,881
Total	18,466	(12,208)	-	6,258

Deferred tax assets have not been recognised in respect of the following items:

	2016	2015
<i>(in thousand Baht)</i>		
Temporary differences	1,644	40,738
Tax losses	19,061	33,518
Total	20,705	74,256

The tax losses expire in 2019-2020. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

14 Interest-bearing liabilities

	Note	2016	2015
		<i>(in thousand Baht)</i>	
Current			
Overdrafts			
(interest rates ranging from minimum overdraft rate (MOR) less 1% and MOR less 1.25% per annum (2015: MOR less 1% and MOR less 1.25%)) - secured	7, 11, 12	9,882	854
Short-term loans from financial institution - unsecured		59,361	563,385
Current portion of long-term loans from financial institutions - secured	7, 11, 12	-	181,379
Current portion of finance lease liabilities		3,101	4,693
Total current interest-bearing liabilities		72,344	750,311
Non-current			
Long-term loans from financial institutions			
Secured	7, 11, 12	-	13,779
Unsecured		349,955	349,955
Finance lease liabilities		3,353	5,392
Total non-current interest-bearing liabilities		353,308	369,126
Total		425,652	1,119,437

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
Within one year	69,243	745,618
After one year but within five years	111,000	61,779
After five years	238,955	301,955
Total	419,198	1,109,352

Long-term loans from financial institutions

Details of long-term loans from local financial institutions are as follows:

Loan agreements	Approved credit line (in million Baht)	Interest rate per annum (% per annum)	Term of repayment
The first agreement (for construction costs of water production for industry system project (Phatumthani Province))	150	Minimum loan rate less 1.25%	7 years from the first drawdown of loan, the Company had fully paid in July 2016
The second agreement (for construction costs of water treatment system project (Phatumthani Province))	200	Minimum loan rate less 1.25%	Within 31 May 2017, the Company had fully paid in July 2016
The third agreement (for financing of development costs of Nava Nakorn Industrial Promotion Zone 3 project (Nakhon Ratchasima Province))	247	Minimum loan rate less 0.5%	42 months from the contract date, the Company had fully paid in July 2016
The fourth agreement (for development costs of flood protection system (Phatumthani Province))	350	0.01%	15 years from the contract date

The outstanding balances of the above loan agreements as at 31 December were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
The first loan agreement	-	21,779
The second loan agreement	-	45,760
The third loan agreement	-	127,619
The fourth loan agreement	349,955	349,955
Total	349,955	545,113

The outstanding balance of secured interest-bearing liabilities as at 31 December were secured on the following assets:

	<i>Note</i>	2016	2015
		<i>(in thousand Baht)</i>	
Certain plots of developed land available for sales	7	700,630	825,873
Certain plots of land including the factory for lease	11	-	71,643
Certain plots of land including the water production for industry system, water treatment system, machinery and equipment	12	<u>35,663</u>	<u>799,221</u>
Grand total		<u>736,293</u>	<u>1,696,737</u>

As at 31 December 2016, the Company had unutilised credit facilities totaling Baht 23.6 million (31 December 2015: Baht 35.4 million).

On 2 February 2016, the Company redeemed certain security which was certain plots of developed land available for sales and certain plots of land including the factory for lease of Nava Nakorn Industrial Promotion Zone Project in Nakhon Ratchasima province.

On 23 September 2016 and 27 September 2016, the Company redeemed certain security which was certain plots of land including the water production for industry system, water treatment system, machinery and equipment of Nava Nakorn Industrial Promotion Zone Project in Phatumthani province.

On 24 January 2017, the Company redeemed certain security which was certain plots of developed land available for sales and certain plots of land including the water production for the industry system, water treatment system of Nava Nakorn Industrial Promotion Zone Project in Nakhon Ratchasima province.

Under the terms of the loan agreements, the Company shall comply with certain terms and condition.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	3,351	250	3,101	5,107	414	4,693
After one year but within five years	<u>3,637</u>	<u>284</u>	<u>3,353</u>	<u>5,756</u>	<u>364</u>	<u>5,392</u>
Total	<u>6,988</u>	<u>534</u>	<u>6,454</u>	<u>10,863</u>	<u>778</u>	<u>10,085</u>

The Company entered into finance lease agreements with local financial institutions to purchase vehicles, photocopiers and computer with interest rates ranging from 2.0% to 5.0% per annum in 2016 (2015: rates ranging from 2.0% to 5.0% per annum); and repayable by monthly installments ending in various periods (the last installment is ending in December 2019).

Interest-bearing liabilities of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

15 Trade accounts payable

	Note	2016 <i>(in thousand Baht)</i>	2015
Related parties	4	3,692	2,635
Other parties		<u>28,307</u>	<u>20,789</u>
Total		<u>31,999</u>	<u>23,424</u>

Trade accounts payable of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

16 Other current liabilities

	2016	2015
	<i>(in thousand Baht)</i>	
Accrued operating expenses	16,432	28,080
Accrued bonus	6,511	5,200
Retention payable	4,390	7,047
Advance received from customers	1,764	56,677
Revenue department payable	6,400	5,433
Interest payable	374	6,040
Others	3,572	3,267
Total	<u>39,443</u>	<u>111,744</u>

17 Employee benefit obligations

	2016	2015
	<i>(in thousand Baht)</i>	
Statement of financial position		
Obligation for:		
Post-employment benefits	<u>18,838</u>	<u>14,403</u>
 Year ended 31 December		
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	<u>5,825</u>	<u>2,693</u>
 Recognised in other comprehensive income:		
Actuarial (gains) losses recognised in the year	<u>3,055</u>	<u>(5,538)</u>

Movements in the present value of the employee benefit obligations.

	2016	2015
	<i>(in thousand Baht)</i>	
Defined benefit obligations at 1 January	14,403	17,248
Include in profit or loss:		
Current service cost	2,821	2,390
Past service cost	2,632	-
Interest on obligation	372	303
	<u>5,825</u>	<u>2,693</u>
Included in other comprehensive income		
Actuarial (gains) losses	3,055	(5,538)
Other		
Benefit paid	(4,445)	-
Defined benefit obligations at 31 December	<u>18,838</u>	<u>14,403</u>

Actuarial gains and losses recognised in other comprehensive income arising from:

	2016	2015
	<i>(in thousand Baht)</i>	
Demographic assumptions	1,674	1,956
Financial assumptions	1,917	(1,477)
Experience adjustment	(536)	(6,017)
Total	<u>3,055</u>	<u>(5,538)</u>

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2016	2015
	<i>(%)</i>	
Discount rate	2.72	2.59
Future salary growth	5.00	4.00
Employee turnover rate	6.25 - 25	7.5 - 17.5

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 31 December 2016, the weighted-average duration of employee benefit obligations was 9 years (2015: 9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Defined benefit obligations at 31 December 2016	<i>(in thousand Baht)</i>	
	Increase	Decrease
Discount rate (1% movement)	(1,327)	1,494
Future salary growth (1% movement)	1,535	(1,390)
Employee turnover rate (10% movement)	(1,014)	1,104
Future mortality (1% movement)	(139)	125

Defined benefit obligations at 31 December 2015	<i>(in thousand Baht)</i>	
	Increase	Decrease
Discount rate (1% movement)	(1,017)	1,140
Future salary growth (1% movement)	965	(883)
Employee turnover rate (10% movement)	(939)	1,034
Future mortality (1% movement)	(107)	96

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

18 Share capital

	Par value per share (in Baht)	2016		2015	
		Number of shares	Amount	Number of shares	Amount
<i>(thousand shares / in thousand Baht)</i>					
Authorised					
At 1 January					
- ordinary shares	1	2,245,998	2,245,998	2,247,083	2,247,083
Reduction of shares	1	(197,743)	(197,743)	(1,085)	(1,085)
At 31 December					
- ordinary shares	1	<u>2,048,255</u>	<u>2,048,255</u>	<u>2,245,998</u>	<u>2,245,998</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,591,592	1,591,592	1,559,351	1,559,351
Issue of new shares	1	<u>456,663</u>	<u>456,663</u>	<u>32,241</u>	<u>32,241</u>
At 31 December					
- ordinary shares	1	<u>2,048,255</u>	<u>2,048,255</u>	<u>1,591,592</u>	<u>1,591,592</u>

In 2016

The Company registered the increase in issued and paid-up share capital with the Ministry of Commerce on 7 January 2016 in relation to the exercise of warrants for 456.66 million shares amounting to Baht 456.66 million.

At the Annual General Shareholders' meeting of the Company held on 27 April 2016, the shareholders approved the decrease of authorised share capital from Baht 2,245,998,295 to Baht 2,048,254,862 by canceling its non-issued share capital of 197,743,433 shares at par value of Baht 1 per share which had been authorised for the exercise of warrants under the NNCL-W2 which remained unexercised after the expiration on 29 December 2015. The shareholders approved the amendment of the memorandum of association to conform to the decrease of authorised share capital as mentioned above and registered the reduction in authorised share capital with the Ministry of commerce on 17 May 2016.

In 2015

The Company registered the increase in the issued and paid-up share capital with the Minister of Commerce on 5 January 2015 in relation to exercise of warrant of 0.02 million shares amounting to Baht 0.02 million.

The Company registered the increase in the issued and paid-up share capital with the Minister of Commerce on 2 April 2015 in relation to exercise of warrant of 23.22 million shares amounting to Baht 23.22 million.

The Company registered the reduction in authorised share capital of Baht 1.09 million with the Ministry of Commerce on 12 May 2015.

The Company registered the increase in share capital with the Minister of Commerce on 2 October 2015 in relation to exercise of warrant of 9.0 million shares amounting to Baht 9.0 million.

19 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Limited Company 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, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

20 Segment information

The Company has two reportable segments, as described below, which are the Company’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision

maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments.

- Segment 1 : Real estate business
- Segment 2 : Utilities services business

None of other operations meets the quantitative thresholds for determining reportable segments in 2016 or 2015.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Real estate business		Utilities services business		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
External revenue	155,107	554,185	493,323	454,461	103,747	87,062	752,177	1,095,708
Total revenues	155,107	554,185	493,323	454,461	103,747	87,062	752,177	1,095,708
	<i>(in thousand Baht)</i>							
Segment results	134,614	193,490	147,215	76,677	-	-	281,829	270,167
Unallocated expenses							(154,538)	(404,646)
Share of profit (loss) of investment in joint venture							32,483	(592)
Income tax benefit (expense)							18	(8,796)
Profit (loss) for the year							159,792	(143,867)
Reportable segment assets as at 31 December	1,148,796	1,151,756	45,952	41,483	2,708,801	3,117,061	3,903,549	4,310,300
Reportable segment liabilities as at 31 December	1,764	184,296	35,520	100,718	1,165,091	1,481,460	1,202,375	1,766,474

Geographical information

The Company is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

For the year 2016, revenue from one customer from real estate business represents Baht 128 million (2015: Baht 335 million) of the Company's total revenues.

21 Other income

	2016	2015
	<i>(in thousand Baht)</i>	
Income from providing infrastructure utilisation	14,950	-
Compensation income of servitude	10,525	-
Car park fee	4,897	4,754
Gain on disposal of equipment	4,174	3,270
Management income	3,601	4,220
Interest income	1,679	1,988
Bad debt recovery	1,062	8,158
Others	5,211	8,756
Total	46,099	31,146

22 Cost of rendering of services

	2016	2015
	<i>(in thousand Baht)</i>	
Depreciation	106,728	123,468
Management and maintenance fees for water production system	75,305	70,989
Security service expenses	31,078	31,840
Electricity expenses	28,935	32,767
Employee benefit expenses	28,143	27,360
Others	74,277	77,716
Total	344,466	364,140

23 Selling expenses

	2016	2015
	<i>(in thousand Baht)</i>	
Selling expenses for real estate sold	9,326	32,440
Employee benefit expenses	5,192	7,364
Others	4,008	4,696
Total	18,526	44,500

24 Administrative expenses

	2016	2015
	<i>(in thousand Baht)</i>	
Employee benefit expenses	75,371	67,688
Depreciation	91,017	91,607
Consultancy expenses	8,610	12,977
Transportation fee	1,926	2,768
Others	46,930	45,624
Total	223,854	220,664

25 Employee benefit expenses

	2016	2015
	<i>(in thousand Baht)</i>	
Salaries and wages	91,208	90,576
Post-employment benefits	596	-
Termination benefits	3,849	-
Contributions to provident fund	4,677	4,745
Others	8,376	7,091
Total	108,706	102,412

Defined contribution plans

The defined contribution plan comprises provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate 5% of their basic salaries and by the Company at rate 6% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

26 Expenses by nature

	2016	2015
	<i>(in thousand Baht)</i>	
Depreciation	198,385	215,879
Employee benefit expenses	108,706	102,412
Selling expenses for real estate sold	9,326	32,440
Security service expenses	31,078	31,840
Operating lease expense	2,641	4,517

27 Finance costs

	2016	2015
	<i>(in thousand Baht)</i>	
Interest expense to financial institutions	10,822	47,503
Other finance costs	2,196	3,846
Total	13,018	51,349

28 Income tax

Income tax recognised in profit or loss

		Financial statements in which the equity method is applied / Separate financial statements	
	Note	2016	2015
		<i>(in thousand Baht)</i>	
<i>Current tax expense</i>			
Over provided in prior years		-	(3,412)
		-	(3,412)
<i>Deferred tax expense</i>	13		
Movements in temporary differences		(18)	12,208
		(18)	12,208
Total		(18)	8,796

Income tax recognised in other comprehensive income

	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan						
actuarial (gains) losses	3,055	(611)	2,444	(5,538)	-	(5,538)
Total	3,055	(611)	2,444	(5,538)	-	(5,538)

(in thousand Baht)

Reconciliation of effective tax rate

	Financial statements in which the equity method is applied			
	2016	2015		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax		159,755		(135,071)
Income tax using the Thai corporation tax rate	20	31,955	20	(27,014)
Income not subject to tax		(21,119)		(14,764)
Expenses not deductible for tax purposes		856		4,960
Temporary differences for which no deferred tax asset was recognised		1,644		40,738
Current year loss for which no deferred tax asset was recognised		-		8,288
Recognition of previously unrecognised tax losses		(13,354)		-
Over provided in prior years		-		(3,412)
Total	(0.01)	(18)	(7)	8,796

Reconciliation of effective tax rate

	Separate financial statements			
	2016	2015	2016	2015
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax		127,291		(134,479)
Income tax using the Thai corporation tax rate	20	25,458	20	(26,895)
Income not subject to tax		(14,622)		(14,764)
Expenses not deductible for tax purposes		856		4,960
Temporary differences for which no deferred tax asset was recognised		1,644		40,619
Current year loss for which no deferred tax asset was recognised		-		8,288
Recognition of previously unrecognised tax losses		(13,354)		-
Over provided in prior years		-		(3,412)
Total	(0.01)	(18)	(7)	8,796

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

29 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the real estate and industrial estate development projects (Nakhon Ratchasima Province), water production for consumption in the industrial estate (Phatumthani Province), and water treatment services (Phatumthani Province). The privileges granted include:

- (a) an exemption from payment of import duty on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates;

- (c) a permission to deduct double the actual costs of transportation, electricity and water supply for a period of 5 years from the start of the promoted business;
- (d) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operations besides a deduction of their normal depreciation; and
- (e) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted such exemption.

As a promoted company, the Company must comply with certain conditions and restrictions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted business:

	2016	2015
	<i>(in thousand Baht)</i>	
Revenue from sale of real estate development projects		
- Promoted business	-	27,014
- Non-promoted business	155,107	527,171
Total	155,107	554,185
Revenue from rendering of services		
- Promoted business	309,996	283,373
- Non-promoted business	183,327	171,088
Total	493,323	454,461
Grand total	648,430	1,008,646

30 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2016 and 2015 were based on the profit or loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Financial statements in which the equity method is applied	
	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to equity holders of the Company (basic)	159,792	(143,867)
Number of ordinary shares outstanding at 1 January	1,591,592	1,559,351
Effect of warrants exercised (5 January 2015)	-	20
Effect of warrants exercised (2 April 2015)	-	17,432
Effect of warrants exercised (2 October 2015)	-	2,244
Effect of warrants exercised (7 January 2016)	449,176	-
Weighted average number of ordinary shares outstanding (basic)	2,040,768	1,579,047
Earnings (loss) per share (basic) <i>(in Baht)</i>	0.08	(0.09)

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to equity holders of the Company (basic)	127,309	(143,274)
Number of ordinary shares outstanding at 1 January	1,591,592	1,559,351
Effect of warrants exercised (5 January 2015)	-	20
Effect of warrants exercised (2 April 2015)	-	17,432
Effect of warrants exercised (2 October 2015)	-	2,244
Effect of warrants exercised (7 January 2016)	449,176	-
Weighted average number of ordinary shares outstanding (basic)	2,040,768	1,579,047
Earnings (loss) per share (basic) <i>(in Baht)</i>	0.06	(0.09)

Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years ended 31 December 2016 and 2015 were based on the profit or loss for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Financial statements in which the equity method is applied	
	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to equity holders of the Company (diluted)	<u>159,792</u>	<u>(143,867)</u>
Weighted average number of ordinary shares outstanding (basic)	2,040,768	1,579,047
Effect of exercise of warrants	<u>-</u>	<u>207,080</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>2,040,768</u>	<u>1,786,127</u>
Earnings (loss) per share (diluted) <i>(in Baht)</i>	<u>0.08</u>	<u>(0.08)</u>

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to equity holders of the Company (diluted)	<u>127,309</u>	<u>(143,274)</u>
Weighted average number of ordinary shares outstanding (basic)	2,040,768	1,579,047
Effect of exercise of warrants	<u>-</u>	<u>207,080</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>2,040,768</u>	<u>1,786,127</u>
Earnings (loss) per share (diluted) <i>(in Baht)</i>	<u>0.06</u>	<u>(0.08)</u>

31 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not hold or use derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. Financial assets and liabilities interest rates are mainly adjust in accordance to market rates or are fixed which is close to current market rates.

The effective interest rates of financial assets as at 31 December and the periods in which those assets mature were as follows:

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Cash and cash equivalents	0.38 - 1.40	4,744	-	-	4,744
Deposits at banks pledged as collateral	0.85 - 1.35	21,662	-	-	21,662
Total		26,406	-	-	26,406
2015					
Current					
Cash and cash equivalents	0.38 - 0.50	446,715	-	-	446,715
Non-current					
Deposits at banks pledged as collateral	1.10 - 1.75	-	136,312	-	136,312
Total		446,715	136,312	-	583,027

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Bank overdrafts	6.12 - 6.25	9,882	-	-	9,882
Short-term loans from financial institutions	4.00	59,361	-	-	59,361
Current portion of finance lease liabilities	2.04 - 4.00	3,101	-	-	3,101
Non-current					
Long-term loans from financial institutions	0.01	-	111,000	238,955	349,955
Finance lease liabilities	2.04 - 4.00	-	3,353	-	3,353
Total		72,344	114,353	238,955	425,652

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2015					
Current					
Bank overdrafts	6.38	854	-	-	854
Short-term loans from financial institutions	4.10 - 4.55	563,385	-	-	563,385
Current portion of long-term loans from financial institutions	5.90 - 6.03	181,379	-	-	181,379
Current portion of finance lease liabilities	2.04 - 3.50	4,693	-	-	4,693
Non-current					
Long-term loans from financial institutions	0.01 - 6.03	-	61,779	301,955	363,734
Finance lease liabilities	2.04 - 2.90	-	5,392	-	5,392
Total		750,311	67,171	301,955	1,119,437

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Most of financial assets and liabilities of the Company were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term loans is taken to approximate the carrying amount stated in the accounts because of interest on loans approximates to market rates.

32 Commitments with non-related parties

(a) Capital commitments

	2016	2015
	<i>(in thousand Baht)</i>	
Contracted but not provided for (mainly represents real estate development projects and contracts for construction costs of water treatment and water production for industry systems)	287,206	297,081
Total	287,206	297,081

(b) Future minimum lease payments under non-cancellable operating leases

	2016	2015
	<i>(in thousand Baht)</i>	
Within one year	269	3,557
After one year but within five years	1,163	1,058
After five years	4,148	4,424
Total	5,580	9,039

The Company has lease agreements covering office equipment and office space for periods of 2 - 4 years, and a piece of land for a period of 30 years, which will expire during 2018 - 2020 and 2036, respectively.

- (c) As at 31 December 2016, the Company had a management and maintenance service agreement covering water production system for industry with a local company. Under the terms of the agreement, the local company agrees to provide the Company a management and maintenance service for water production system. In this regard, the Company is committed to pay the management and service fees to the local company at the agreed rate based on the water production quantity. The term of the agreement is 5 years and is renewable for additional periods of 5 years each in accordance with the terms stipulated in the agreement.
- (d) As at 31 December 2016, the Company had commitments under service agreements with local companies totaling Baht 44.6 million (*31 December 2015: Baht 35.1 million*).
- (e) As at 31 December 2016, the Company had letters of guarantee issued by a local bank to government agencies for land allocation for utilities and land lease totaling Baht 57.6 million (*31 December 2015: Baht 57.6 million*).

33 Contingent liabilities

As at 31 December 2016, there are claims against the Company for unfair termination by two former employees in amount of Baht 15.2 million. The cases are currently in the process of consideration by the Central Labour Court.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 8 (revised 2016)	Operating Segments
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 21 (revised 2016)	Levies
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

35 Reclassification of accounts

Certain accounts in the 2015 financial statements have been reclassified to conform to the presentation in the 2016 financial statements.

	2015					
	Financial statements in which the equity method is applied			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
<i>Statement of financial position</i>						
Other current assets	21,036	(13,607)	7,429	21,036	(13,607)	7,429
Revenue department receivable	8,853	13,607	22,460	8,853	13,607	22,460
Short-term loans from financial institutions	569,359	(5,974)	563,385	569,359	(5,974)	563,385
Other current liabilities	105,770	<u>5,974</u>	111,744	105,770	<u>5,974</u>	111,744
		<u>-</u>			<u>-</u>	
<i>Statement of comprehensive income</i>						
Other income	58,339	(27,193)	31,146	58,339	(27,193)	31,146
Cost of sale of real estate development projects	(373,627)	<u>27,193</u>	(346,434)	(373,627)	<u>27,193</u>	(346,434)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.



Thinking in Regarding the Country's Benefits

“... Our country needs the effective improvement and development.

The way we can help is to make the right
and resolute thinking in regarding the country's benefits as our main aim.
We need to think less about our own benefits and the nonsense conflicts...”

Royal speech of His Majesty King Bhumibol Adulyade
given to Thai people in the occasion of New Year 2000
Friday 31st December, 1999





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