บริษัท ออลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED











รายงานประจำปี ANNUAL REPORT

2559 2016

บริษัท ออลล่า จำกัด (มหาชน) ALLA PUBLIC COMPANY LIMITED

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ALLA PUBLIC COMPANY LIMITED



วิสัยทัศน์ / Vision

จะเป็นผู้นำในการเป็นผู้ผลิตและจำหน่ายอุปกรณ์ขนถ่ายวัสดุ โดยมีการบริหารและการจัดการเป็นไปตามมาตรฐานสากล

To be the leader in manufacturing and distribution of material-handling equipment with international standards in administration and management.

พันธกิจ / Mission



ให้ความสำคัญในเรื่องของคุณภาพ บริการ และความปลอดภัยในทุกขั้นตอน และมุ่งมั่นที่จะพัฒนาคุณภาพและประสิทธิภาพในการดำเนินงานและการให้บริการ การบำรุงรักษาภายหลังการขายให้ดียิ่งขึ้น เพื่อเพิ่มคุณค่าในการให้บริการแก่ลูกค้าอย่างต่อเนื่อง

Emphasize on quality, service and safety in all steps and determine in continuously improving quality and efficiency of operation, service and after-sales maintenance to add value of service to customers.



กลยุทธ์ในการดำเนินธุรกิจ

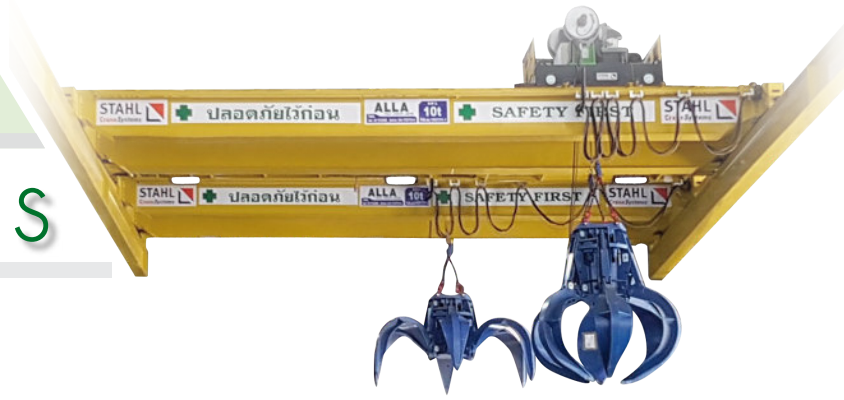
บริษัทและบริษัทย่อยมีกลยุทธ์ที่จะสร้างความพึงพอใจสูงสุดให้กับลูกค้า ด้วยระบบคุณภาพของสินค้า บริการหลังการขายที่รวดเร็ว ความพร้อมของอะไหล่ การควบคุมความปลอดภัยด้วยระบบที่ได้มาตรฐานสากล การส่งมอบที่ทันเวลาและราคาที่ลูกค้ายอมรับได้ ซึ่งกลยุทธ์ดังกล่าวสามารถช่วยสร้างความได้เปรียบในการแข่งขันให้กับบริษัทในธุรกิจขนถ่ายวัสดุได้เป็นอย่างดี

Business Strategy

Pursue clients' highest satisfaction through good quality of products, prompt after-sales services, availability of spare parts, international-standard safety controlling system, on-time delivery and reasonable price. These strategies provide the Company with advantages in material handling business.



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Message from the Chairman

The year 2016 was the first year of starting on the new path of growth as a listed company on The Stock Exchange of Thailand. On 8 November 2016, Alla Public Company Limited began the first trading day using the symbol “ALLA” with initial public offering price Baht 2.88 per share interested by many investors. On behalf of Chairman of the Board of Director, we would like to thank shareholders and investors who are interested in the Company’s efficiency and more than 25-year experience being the leader in manufacture, distribution and installation of material handling equipment including crane, electric chain hoist, dock leveler, industrial door, plastic strip curtain and after-sales services. According to our mission, the Company mindfully concentrates on quality of production and service, especially for effectiveness and safety in every single step.

With excellent manufacturing and after-sales services quality according to international standard. The Company is appointed by STAHL Germany to be sole agent distributor in Thailand while Onvalla Company Limited, being subsidiary, is also appointed by ABUS Germany to be sole agent distributor in Thailand. STAHL and ABUS are leading crane and electric chain hoist manufacturers which are globally accepted.

Moreover, the Company is positioning a high priority on organization management comply with good corporate governance. The Company operate with proficient, accountability and adhere to execute in accordance with related regulations, laws and rules concerning ethics, right of shareholders, equitable treatment of shareholders, role of stakeholders and disclosure and transparency. Formerly, the Board of Director delegate the sub-committees consist of Executive Committee, Audit Committee and Risk Management Committee to support, drive and bring about the Company’s culture underpinning good practice in corporate governance. This is believed that the important foundation to sustain business growth.

Finally, on behalf of the Board of Director, we would like to thank shareholders, business partners, financial institution and valued customers for great support as well as the management and all staffs who dedicate and be important driving force to move forward with the Company’s mission and operation plan. We would also like to assure all of shareholders that the Company will continually dedicate and devote to move forward with the sustainability, value-added as well as returns to shareholders and all stakeholders.

Mr. Weerachai Ngamdeevilaisak
Chairman of the Board of Directors



Message from Chief Executive Office

The year 2016 was another memorial one for Alla Public Company Limited. The Company challenged with economic conditions, uncertainty and pressure which effected economic slowdown, postponement of infrastructure projects as well as investment of private sector. However, with the good corporate governance and organizational and risk management, we was able to grow as a whole as anticipated with Baht 600 million of sales and Baht 59 million of bottom line.

Recently, the Company has numerous groups of customer such as power plant, automotive, construction materials, steel, modern trade, agribusiness, logistics and warehouses. For continuous improvement and sustainable growth, we targets on diversified industry, internationally expands the business unit as well as concentrates on quality development and after-sales services. We also give precedence to personnel in the aspect of continuous skills improvement and quality of life enhancement

On behalf of Alla Public Company Limited, We would like to thank the shareholders, the Board of directors, investor, financial institution, business allies along with all personnel for dedicating their skills and efforts to propel the Company to grow with stability and sustainability. We would also like to express our sincere gratitude to assure our investors and stakeholders that we are truly committed to good corporate governance practices in order to deliver sustainable success at every business unit in the group.

Mr. Ong-ard Puntuyakorn

Chief Executive Officer

Key Financial Information

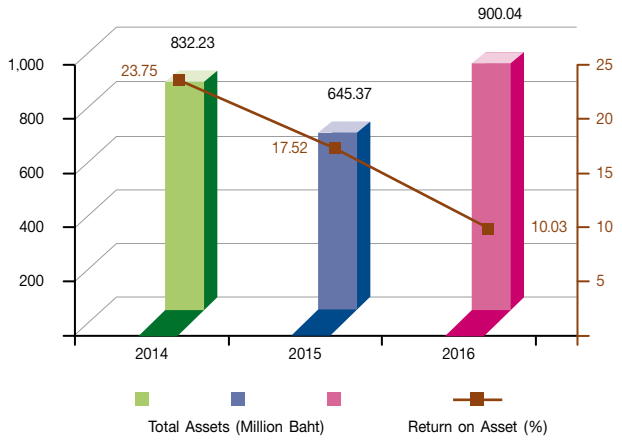
(Unit: Million Baht)

Financial Information (Consolidated Financial Statements)	2016	2015	2014
Total Assets	900.04	645.37	832.22
Total Liabilities	171.70	300.52	467.14
Total Shareholders' Equity	728.34	344.85	365.08
Revenue from Sales and Relevant services	599.71	870.27	1,065.11
Total Operating Income	607.46	866.24	1,075.04
Gross Profit	185.92	250.42	313.42
Profit before Finance costs and Income tax	77.50	129.46	220.11
Net Profit	59.01	100.62	173.00
Basic earnings per share (Baht)	0.12	0.22	1.03
Par value (Baht per share)[1/]	0.50	0.50	0.50

Note : [1/] Adjusting the par value of each year to Baht 0.5 per share, for comparison, according to the Extraordinary Shareholders Meeting No. 2/2015, held on 8 September 2015, approved to change par value from Baht 100 to Baht 0.50 per share.

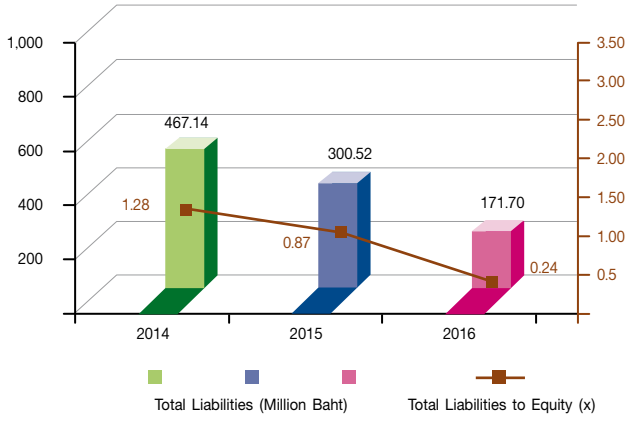
Financial Ratio (Consolidated Financial Statements)	2016	2015	2014
Current Ratio (x)	5.44	1.93	1.51
Total Liabilities to Equity (x)	0.24	0.87	1.28
Return on Assets (%)	10.03	17.52	23.75
Return on Equity (%)	11.00	28.35	51.14
Gross Profit Margin (%)	31.00	28.77	29.43
Operating Profit Margin (%)	12.92	14.88	20.67
Net Profit Margin (%)	9.71	11.62	16.09
Net Profit per share (Baht per share)	0.10	0.22	0.38
Dividend Payout Ratio (%)	50.84	80.50	68.21
Dividend per share (Baht per share)	0.05	0.18	0.26

Total Assets (Million Baht)



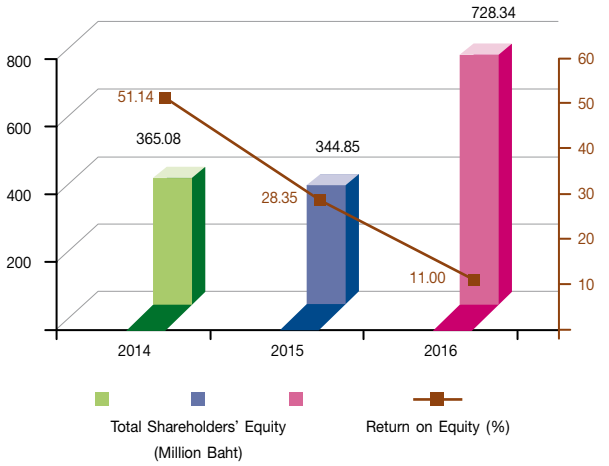
Return on Asset (%)

Total Liabilities (Million Baht)



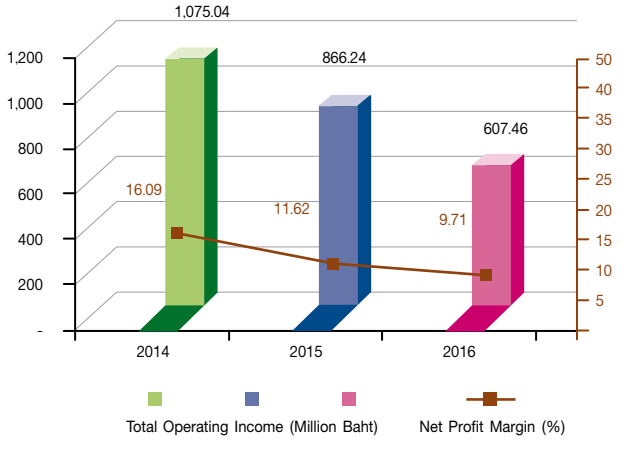
Total Liabilities to Equity (x)

Total Shareholders' Equity (Million Baht)



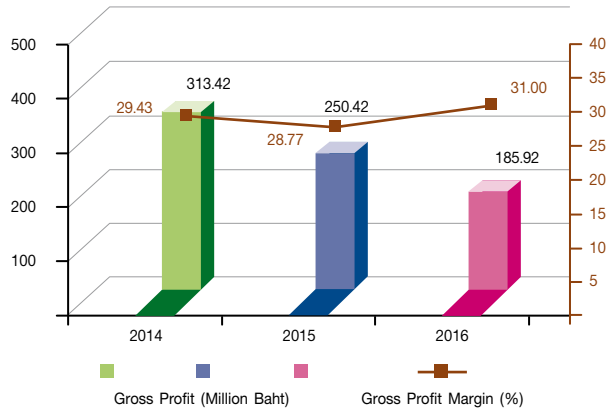
Return on Equity (%)

Total Operating Income (Million Baht)



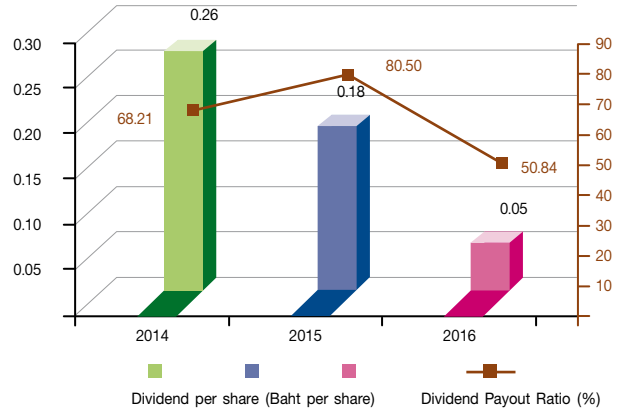
Net Profit Margin (%)

Gross Profit (Million Baht)



Gross Profit Margin (%)

Dividend per share (Baht per share)



Dividend Payout Ratio (%)

The Board of Directors

Mr. Weerachai Ngamdeevilaisak

Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director

Prof. Dr. Sahaton Rattanapijit

Vice Chairman of the Board of Directors / Member of the Audit Committee / Independent Director

Mr. Patai Bunmark

Director / Member of the Audit Committee / Independent Director

Mr. Chirawat Srisawadi

Director / Member of the Audit Committee / Independent Director





Mr. Ong-ard Puntuyakorn

Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Chief Executive Officer



Mrs. Vallaya Puntuyakorn

Director / Executive Director / Chief Administrative Officer



Mr. Tratorn Rattanasrithong

Director / Executive Director / Vice Chairman of the Risk Management Committee / Chief Operating Officer



Miss Chalumporn Puntuyakorn

Director





Board of Directors



Mr. Weerachai Ngamdeevilaisak

Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director

Age 54 Years

Education / Training

- Bachelor of Accountancy, Thammasat University
- Certificate Mini MBA, Thammasat University
- Advance Certificate in Public Administration and Law for Executives Class 11, King Prajadhipok's Institute
- Director Certification Program (DCP) Class 0/2000
- Finance for Non-Finance Director (FNA) Class 1/2003
- Role of the Compensation Committee Class 3/2007
- Successful Formulation & Execution Strategy Class 4/2009

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2014-Present	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director, Alla Public Company Limited
2016-Present	Chairman of the Audit Committee and Independent Director, Syn Mun Kong Insurance Public Company Limited
2013-Present	Director, Member of the Audit Committee and Independent Director, Srisawad Power 1979 Public Company Limited
2010-Present	Managing Director, Audit One Company Limited
2005-Present	Director, Member of the Audit Committee and Independent Director, Pruksa Real Estate Public Company Limited
2014-2015	Chairman of the Audit Committee and Independent Director, Capital Engineering Network Public Company Limited
2009-Jan 2016	Managing Director, Accounting and Business Advisory Company Limited
2003-Jan 2016	Owner/Executive Director, Professional Outsourcing Solution Company Limited



Mr. Chirawat Srisawadi

Director / Member of the Audit Committee / Independent Director

Age 60 Years

Education / Training

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration in Accounting, Ramkhamhaeng University
- Director Certification Program (DCP) Class 2016
- Director Accreditation Program (DAP) Class 2015

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2014-Present	Director, Member of the Audit Committee and Independent Director, Alla Public Company Limited
2011-Present	Executive Director, AmplusChem Company Limited
2007-Present	Executive Director, Siam Chemicals Solutions Company Limited

Education / Training

- Doctor of Law, Thammasat University
- Master of Law in Commercial Law, Bristol University
- Master of Law, Thammasat University
- Bachelor of Law, Thammasat University
- Thai Barrister - At Law
- Director Accreditation Program (DAP) Class 131/2016

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2014-Present	Vice Chairman of the Board of Directors, Member of the Audit Committee and Independent Director, Alla Public Company Limited
1999-Present	Member of the Information Disclosure Tribunal for National Economy and Finance, the Office of the Prime Minister
2015-Present	Professor of the Faculty of Law, Thammasat University
2001-2015	Associate Professor of the Faculty of Law, Thammasat University



Prof. Dr. Sahaton Rattanapijit

Vice Chairman of the Board of Directors / Member of the Audit Committee / Independent Director

Age 58 Years

Education / Training

- Bachelor of Engineering in Electrical, King Mongkut's University of Technology Thonburi
- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program (DCP) Class 196/2014

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2014-Present	Director, Member of the Audit Committee and Independent Director, Alla Public Company Limited
2006-Present	Managing Director, Raiwin Maintenance and Services Company Limited



Mr. Patai Bunmark

Director / Member of the Audit Committee / Independent Director

Age 51 Years





Mr. Ong-ard Puntuyakorn

Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Chief Executive Officer

Age 57 Years

Education / Training

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) Class 110/2014

% of Shareholding as of 31 December 2016 33.75

Family relationship between directors and executives

Spouse of Mrs. Vallaya Puntuyakorn, Father of Miss Chalumporn Puntuyakorn

Experience

1992-Present	Director, Chairman of the Executive Committee, Chairman of the Risk Management Committee and Chief Executive Officer, Alla Public Company Limited
1990-Present	Director, Chief Executive Officer, Onvalla Company Limited



Mrs. Vallaya Puntuyakorn

Director / Executive Director / Chief Administrative Officer

Age 55 Years

Education / Training

- YWCA Secretarial School Diploma
- Director Accreditation Program (DAP) Class 110/2014

% of Shareholding as of 31 December 2016 22.50

Family relationship between directors and executives

Spouse of Mr. Ong-ard Puntuyakorn, Mother of Miss Chalumporn Puntuyakorn

Experience

1992-Present	Director, Executive Director and Chief Administrative Officer, Alla Public Company Limited
1990-Present	Director, Onvalla Company Limited
1993-Present	Director, Alla Engineering Company Limited (under liquidation progress)



Education / Training

- Master of Public Administration in Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor of Engineering in Mechanical, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) Class 110/2014

% of Shareholding as of 31 December 2016 11.25

Family relationship between directors and executives -None-

Experience

1992-Present	Director, Executive Director, Vice Chairman of Risk Management Committee and Chief Operating Officer, Alla Public Company Limited
1993-Present	Director, Alla Engineering Company Limited (under liquidation progress)



Mr. Tratorn Rattanasrithong

Director / Executive Director / Vice Chairman of the Risk Management Committee / Chief Operating Officer

Age 53 Years

Education / Training

- Master of Engineering Business Management, Warwick University
- Bachelor of Architecture, Liverpool University
- Director Accreditation Program (DAP) Class 110/2014

% of Shareholding as of 31 December 2016 7.50

Family relationship between directors and executives

Daughter of Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn

Experience

2012-Present	Director, Alla Public Company Limited
2015-Feb 2017	Area Manager Trainer, Mitsubishi Motors (Thailand) Company Limited
2011-2012	Architect, Civil Design & Architect



Miss Chalumporn Puntuyakorn

Director

Age 27 Years

Executive Committee

Mr. Ong-ard Puntuyakorn

Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Chief Executive Officer



Mrs. Vallaya Puntuyakorn

Director / Executive Director / Chief Administrative Officer



Mr. Tratorn Rattanasrithong

Director / Executive Director / Vice Chairman of the Risk Management Committee / Chief Operating Officer





Miss Rawiphun Tantiauschariyakul

Executive Director /
Member of the Risk Management
Committee / Chief Financial Officer



Mr. Manod Leelawattanakool

Executive Director /
Member of the Risk Management
Committee / General Manager



Mr. Chumpol Chancharoen

Executive Director /
Member of the Risk Management
Committee / General Manager





Executive Committee



Mr. Ong-ard Puntuyakorn

Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Chief Executive Officer

Age 57 Years



Mrs. Vallaya Puntuyakorn

Director / Executive Director / Chief Administrative Officer

Age 55 Years



Mr. Tratorn Rattanasrithong

Director / Executive Director / Vice Chairman of the Risk Management Committee / Chief Operating Officer

Age 53 Years



Miss Rawiphun Tantiauschariyakul

Executive Director / Member of the Risk Management Committee / Chief Financial Officer

Age 34 Years



Education / Training

- Bachelor of Accountancy, Prince of Songkla University (1st Class Honors)
- Certified Public Accountant No. 9777
- Young CFO Certificated Program, Federation of Accounting Professions of Thailand
- Risk Management Program, Chulalongkorn University

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2015 - Present	Executive Director, Member of the Risk Management Committee and Chief Financial Officer, Alla Public Company Limited
2015 - Present	Director and Managing Director, RT Audit and Consult Company Limited
2014-2015	Chief Financial Officer, Max Metal Corporation Public Company Limited
2013-2014	Financial Controller, Thai Nakarin Hospital Public Company Limited
2005-2013	Audit Manager, EY Company Limited



Mr. Manod Leelawattanakool

Executive Director / Member of the Risk Management Committee / General Manager

Age 59 Years

Education / Training

- Bachelor of Engineering in Electrical, King Mongkut's Institute of Technology Ladkrabang

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

2006 - Present	Executive Director, Member of the Risk Management Committee and General Manager, Alla Public Company Limited
2003 - Present	Director and Managing Director, Tima Technology Company Limited



Mr. Chumpol Chancharoen

Executive Director / Member of the Risk Management Committee / General Manager

Age 50 Years

Education / Training

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Engineering in Mechanical, Kasetsart University

% of Shareholding as of 31 December 2016 -None-

Family relationship between directors and executives -None-

Experience

1997 - Present	Executive Director, Member of the Risk Management Committee and General Manager, Alla Public Company Limited



Company History and Significant Changes

Alla Public Company Limited ("the Company") was established by Mr. Ong-ard Puntuyakorn and a group of skillful engineers. Mr. Ong-ard was experienced in material handling equipment such as hoist and crane which is facilitated in many industries. He had working experience with leading company in Thailand as the in charge of sales and marketing department, cooperating with design and production engineer.

Company History and Significant Changes in brief

Year	Significant Changes
1992	- Established on 20 March 1992 by Mr.Ong-ard Puntuyakorn with Baht 1 million in registered capital.
1994	- Authorized by STAHL CraneSystems Gmbh, Germany as a sole distributor of hoist and crane in Thailand. - Invested in 7,680 square meters of land in Chachoengsao and built factory with utility space of 1,500 square meters to manufacture hoist and crane parts.
1999	- Increased registered capital to Baht 15 million for working capital.
2000	- Expanded the utility space to 4,072 square meters for increasing the capacity and supporting the increased demand from customers.
2003	- Increased registered capital to Baht 30 million.
2005	- Expanded the utility space to 8,242 square meters to bring about more efficient in manufacturing.
2006	- ABUS Crane Systems Ltd. approached and offered ALLA to be the sole distributor of crane and hoist parts under ABUS brand in Thailand. Since ALLA has already been the sole distributor of crane and hoist parts under STAHL, Mr. Ong-ard nominated ONVALLA (Subsidiary) to be the sole distributor of ABUS brand. At the mean time, ONVALLA has registered capital of Baht 1 million. - Obtained ISO9001: 2008 from TUV NORD which is the certificate of quality management.
2008	- ONVALLA (Subsidiary) invested in land with the area of 8,616 square meters in Phatumthani to manufacture crane and hoist.
2009	- Obtained certificate of Occupational Health and Safety Management System TIS18001:2011 and OHSAS18001:2007 from TUV NORD.
2010	- The construction of ONVALLA factory Phase I has been completed with the area of 3,687.5 square meters while Phase II has been completed with the area of 4,968.5 square meters in 2012.
2013	- ONVALLA (Subsidiary), for business expansion, invested in land with the area of 8,490.4 square meters in Phatumthani.

Year	Significant Changes
2014	- ALLA implemented restructuring of a group company by acquiring 100% of registered and paid-up common stocks in ONVALLA from original shareholder, thus ONVALLA became the subsidiary company. - ALLA increased registered capital to Baht 100 million and Baht 225 million due to continuous growth in business.
2015	- ONVALLA (Subsidiary) increased registered capital to Baht 150 million. - ALLA increased registered capital to Baht 300 million with Baht 225 million paid-up capital and change par value from Baht 100 to Baht 0.50 per share. In order to prepare for listing in the Stock Exchange of Thailand, ALLA registered for transformation to be public company and changed business name from “Alla Company Limited” to “Alla Public Company Limited” on 17 September 2015.
2016	- On 22 September 2016, the Company received the approval from Securities and Exchange Commission, Thailand (SEC) for offering newly issued securities to the public, amount 150 million shares of common stock. - The company registered for capital increase to Baht 300 million with the department of Business Development on 3 November 2016. - The company started the first trading day on 8 November 2016 under the stock symbol “ALLA”.

Nature of Business

Revenue Structure

Revenue structure of the Company and its subsidiary in 2014-2016

Particulars (Consolidated Financial Statements)	2016		2015		2014	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales						
- Crane and hoist	367.65	60.52	532.91	61.52	717.60	66.75
- Dock leveler and Industrial door	100.82	16.60	196.90	22.73	222.39	20.69
- PVC strip curtain and air curtain	10.24	1.69	14.01	1.62	11.29	1.05
Total revenues from sales	**478.71**	**78.81**	**743.82**	**85.87**	**951.28**	**88.49**
Revenues from services						
- Crane and hoist	106.47	17.53	114.38	13.20	97.25	9.05
- Dock leveler and Industrial door	14.16	2.33	11.93	1.38	16.57	1.54
- Training center service	0.37	0.06	0.14	0.02	-	-
Total revenues from services	**121.00**	**19.92**	**126.45**	**14.60**	**113.82**	**10.59**
Other revenues[1/]	**7.76**	**1.27**	**(4.03)**	**(0.47)**	**9.93**	**0.92**
Total	**607.47**	**100.00**	**866.24**	**100.00**	**1,075.03**	**100.00**

Note : [1/] other revenues consist of interest income, gain (loss) on foreign exchange, gain on sales of assets, and others.

Products and Services

Products and services offered by the Company and its subsidiary are as follows:

Products and Services	ALLA (the Company)	ONVALLA (Subsidiary)
1. Crane and Hoist	✓	✓
2. Dock Leveler and Industrial Door	✓	✓
3. PVC Strip Curtain and Air Curtain	-	✓
4. Services	✓	✓

1. Crane and Hoist

Crane and hoist are the necessary machines in manufacturing process of industrial plants since they are used for conveying high-value products such as turbine for power plant, materials, objects and heavy machine in industrial plants which are automobile plant, steel plant, building materials plant, warehouse, etc. The design of crane depends on workspace and objectives. If crane and hoist are under maintenance, it will cause a disruption to or delay in production line, thus resulting in the production of the aforementioned plants could not manufacture products on schedule. Hence, crane and

host in all factories must be of good quality, always be ready to use and meet standards in order to ensure that products conveyed by crane and hoist will not be damaged. In every step of crane production, The Company and its subsidiary pay high attention to good quality, concern international standards as well as consider for safety. The Company and its subsidiary emphasizes on production starting from design, which experienced engineering team advises on products and design. Skilled production team, who attended and qualified "ALLA Crane Systems" training course, pays attention to every steps of production, installation, delivery and after-sales services.

The Company was appointed to be Thailand's sole authorized distributor of important parts of crane, for example, hoist and end carriages under the STAHL brand from Germany, while its subsidiary is Thailand's sole authorized distributor of the ABUS brand from Germany. Both STAHL and ABUS are manufacturers of hoist, end carriages and other parts that meets the standards by focusing on functions, maintenance instruction, and safety in operation. The Company and its subsidiary consequently gain reputation and recognition for good quality over the long period.

Type of crane and hoist, which the group offers, are:

1.1 Crane

1.1.1 Overhead Crane is used in industrial plant, which lifts load. Overhead crane includes Single Girder Overhead Crane and Double Girder Overhead Crane.

1.1.2 Gantry Crane and Semi Gantry Crane is suitable for concrete structure parts manufacturing, concrete pile plants and precast plant.

1.1.3 Jib Crane, whose arm is designed to be able to rotate from 90 to 360 degrees, is suitable for all industries and plants that have limited space. This includes Pillar Jib Crane and Wall Jib Crane.

1.1.4 Wall Travelling Crane is suitable for lifting goods or products along the wall of factory building.

1.1.5 Monorail Crane is suitable for factory or a place requiring to use crane in specific areas and to stop at each production station.

1.1.6 Suspension Crane is suitable for factory, which needs below area as much as possible, such as airplane hangar.

1.1.7 Explosion-Proof Crane can be used in petrochemical and oil & gas industry, which STAHL is an expert in this field and regarded as one of the leaders in explosion-proof crane parts manufacturing.



Double Girder Overhead Crane



Single Girder Gantry Crane



Pillar Jib Crane



Monorail Crane



Suspension Crane

1.2 Hoist

The Company and its subsidiary are importers and distributors of crane and electric hoist parts under STAHL and ABUS brand respectively. The products can be classified as follow:

1.2.1 Electric Chain Hoist has appropriate size structure, which can be used both inside and outside the building. Lifting height can be enhanced by changing chain length.

1.2.2 Electric Wire Rope Hoist has fully covered structure and is suitable for outdoor or dusty place. Unlike Electric Chain Hoist, Electric Wire Rope Hoist could not change lifting height as required but it is more durable with more load capacity.

1.2.3 Manual Chain Hoist is an equipment without electronic parts hence it does not require power and this is suitable for non-routine work.

1.2.4 Explosion-Proof Hoist can prevent spark from occurring and each of its part is explosive-proof. This reduces and protects spark from leaking out during operation. Explosion-Proof hoist is suitable for petrochemical industry or industry involved with flammable material. It comes in both chain and sling types.

2. Loading Dock Equipment and Industrial Door

Dock Leveler is an equipment facilitating goods handling by bridging between a loading trailer and plant or warehouse, whereas Industrial Door is used for protecting impurities or storing coldness, which is crucial for present logistics systems, and helps for keeping products in safety and protects impurities. Main customer groups of the Company and its subsidiary are logistics, warehouse, cold storage, modern trade, including various industries that are interested in logistics together with production and marketing. The launch of the Asian Economic Community (AEC) at the end of 2015 offered opportunities for logistics industry since Thailand might become logistics hub in the future, creating demand for logistics services. The brands of Dock Leveler, which the Company imports and

distributes, include SERCO, STERTIL and INKEMA. The brand, which the Company's subsidiary imports and distributes, is DOCK EQUIPMENT. The brands of Industrial Door, which the Company imports and distributes, include NOVOFERM, CHASE DOOR and OVERHEAD DOOR. The brand, which the Company's subsidiary imports and distributes, is NASSAU. .

2.1 Dock Leveler

Dock Leveler is a bridge facilitating goods handling between a truck and factory or warehouse. It helps for handling goods conveniently, rapidly and safely. Dock leveler includes Mechanical Dock Leveler, Airbag Dock Leveler, Electric-hydraulic Dock Leveler, Retractable Dock Shelters, Inflatable Dock Shelter and Dock Seal.



Mechanical Dock Leveler



Airbag Dock Leveler



Electric-hydraulic Dock Leveler



Retractable Dock Shelter



Inflatable Dock Shelter



Dock Seal

2.2 Industrial Door

Industrial Door is specifically manufactured for industrial plant for safety and for protecting things from impurities and fire, and for cold storage. The brands of Industrial Door, which the Company imports and distributes, include NOVOFERM, CHASE DOOR and OVERHEAD DOOR. The brand, which the Company's subsidiary imports and distributes, is NASSAU. The Industrial Door includes High-speed Roller Door, Overhead Sectional Door, Swing Door, Roller Fire Door and Cold Storage Door.






3. PVC Strip Curtain and Air Curtain

PVC Strip Curtain and Air Curtain are equipments installed in factory, warehouse or cold storage in order to block staff, trolley or forklift from passing trough both inside and outside of room or building. These curtains protect dust and insect as well as help for maintaining temperature in warm and cold room, and saving energy. In addition, they are used both temporary or permanent partitions to separate each work area. Recently, the Company changes its distribution channel by only distributing through the subsidiary, which imports curtain from China. PVC strip curtain is used for protecting dust and noise, maintain temperature and conserve energy. It is comprised of several adjustable and transparent plastic strips, which are hanged on stainless steel swing hooks. The curtain is durable, transparent and reasonable price. It is suitable for a place where workers or vehicles are frequently passing through. Air curtain protects dust, insect and air contaminated with germs from getting into the designated area. Moreover, it prevents air from getting into building or general factory. It can be use with PVC strip curtain to protect insects efficiently.




4. Services

4.1 After-sales services, other services for general customers

As at 31 December 2016, the Company and its subsidiary have 37 experienced teams with 81 skilled staff and sufficient stock of spare parts for customer's needs. Furthermore, the Company locates service center in Chonburi Province and Chachoengsao Province in order to provide 24-hour after-sales services to customers. The subsidiary locates service center in Pathumthani Province.

After-sales services of the Company and the subsidiary can be classified into three major categories as follows:

4.1.1 After-sales services under warranty

The Company and its subsidiary have a warrantly, with the period of six months to six years, which scheduling to test load and conduct preventive maintenance for customer on monthly basis as agreed including general repair. The major services under warranty include:

- Preventive Maintenance is checking services for crane and hoist, industrial door and dock leveler in forms of preventive maintenance in order for products to be always ready for use. As required by law, crane must have preventive maintenance.
- General maintenance and spare part replacement. The customer can ask for service immediately. The warranty covers spare parts replacement for damage from normal use.

4.1.2 Contract Service

This service is a continuous service after the warranty expired. Moreover, It provides load test service, which is an additional service to warranty for crane as required by law, including scheduled load test by skilled engineer. After load test is performed and results meet internal standards, the engineer will issue Por Jor 1 certificate to customer.

4.1.3 Non Contract Service

This service includes preventive maintenance, load test, repair and spare parts replacement, depending on the requirement of customer at the time. This service offers to both customers who use products of the Company and its subsidiary and general customers.

4.2 Training center service

The Company and its subsidiary have training center offering courses of operation for crane operator, signalman and rigger. According to Department of Labour Protection and Welfare, the employer is required to provide the aforementioned course for the employee, and provide review course for crane operation in accordance with specific rules, procedure, training course and trainer.

Market and Competition

Competitive Strategy

The Company and its subsidiary define competition strategy and business policy in order to promote long-term competition and to continuously develop production capability by focusing on quality of products, on time delivery and good services to customers. The marketing strategy and main business policy includes:

1. Quality of Products

In every step of production process, the Company and its subsidiary always consider and determine on production of high quality products. In order to achieve this goal , the Company and its subsidiary utilize international standard machine and technology for production and provide team with knowledge and expertise in control and check quality of product in each step of the process in order for safety. The determination on developing production process contributed to the factory and products of the Company and its subsidiary to obtaining international certifications, including ISO9001:2008 for Quality Management System and TIS/OHSAS18001:2007 for Occupational Health and Safety Management System from TUV NORD.

2. After-sales services

The Company and its subsidiary focus on highest customer's satisfaction by providing 24-hour after-sales services and a team to advice customer on products regularly.

3. Spare parts

The Company and its subsidiary has appropriate spare parts policy in order to provide spare parts for customers in short period of time and to response to customer's demand in timely manner.

4. Safety

The Company and its subsidiary place importance on customer safety by providing equipment, taking care of and advising on product application. Besides, the Company and its subsidiary realize the importance of production safety by having production process that conforms to rules on safety, accident protection for employees, and installation of products by experts, which helps to reduce and control risk of accident to employee and concerned party.

5. Delivery time

The Company and subsidiary place importance on delivery products and services in timely manner by estimating duration in production and installation in order to be confident that the Company and its subsidiary are able to complete the production and installation for customer in time.

6. Continuous development in knowledge and capability of staff

The Company and its subsidiary place importance on continuous development in knowledge and capability of staff in order to improve efficiency, flexibility and quality of operation by improving working system to be always up-to-date and constantly supporting employee's training and development. This is resulted in improving capability and more importantly, the working system itself will enable employee to develop constantly.

Distribution Channels and Target Customer

Sales departments of the Company and its subsidiary handle products distribution. They have segregated duty and responsibility for each product category to their sales force. These sales staffs responsible for contacting customers, addressing customer demand and introducing products and services to customers. Products distribution of the Company and its subsidiary consists of:

1. **Distribution through contractors** Since the Company and its subsidiary's products are mainly used in factories and warehouses, their customers are contractors from small size to large size contractors who have projects to build factories or warehouses. In building factories or warehouses, operators or owners of the factories will invite the contractors to bid for the project. The contractors will submit price according to the drawing and specifications. For the work related to products of the Company and its subsidiary, the contractors will contact the Company and its subsidiary to propose price according to the drawing and specifications. When operators or owners of the factory choose the contractors, the contractors will complete sales contract with the Company and its subsidiary in order to allow the Company and its subsidiary for producing or prepare products for installation and deliver products to customers.

2. **Distribution to end users** This customer group is the owners of factories or warehouses, which the Company and its subsidiary used to provide service through contractor. After project delivered, the Company and its subsidiary continue to provide after-sales services, including maintenance, repairing and spare parts replacement. Hence, when these owners have project to expand their investment, factories or warehouses, they will contact the Company and its subsidiary to conduct the work without going through the contractors. Moreover, the customer in this category may be referred by factory owners, who were the Company and its subsidiary's customers and satisfied with quality and services, and they accordingly recommend other factory owners to use products and services of the Company and its subsidiary.

Customer structure of the Company and its subsidiary, classified by type of business:

Type of Business	Percentage (%)		
	2016	2015	2014
1. Steel and aluminum	19.73	10.69	10.96
2. Power plant	13.38	7.00	7.86
3. Construction materials	13.17	5.26	4.39
4. Motor vehicles	11.31	24.96	26.53
5. Agriculture and foods	5.29	5.86	-
6. Logistics	1.72	5.03	-
7. Hypermarket and convenient stores	1.38	8.37	9.87
8. Others[1/]	34.02	32.83	40.39
Total	**100.00**	**100.00**	**100.00**

Note : [1/] others include property sector, petrochemical sector and electronic parts sector.

Pricing Policy

The Company and its subsidiary adopt cost plus pricing policy and consider together with other factors such as comparison of the Company and its subsidiary's price to market price and price of competitors. Products pricing may appropriately adjust by product type, target customer and distribution channel in response to competition situation at that time in order to compete with the competitors in the market, but maintain margins as required by the Company and its subsidiary to be sufficient for expenses and operating expenses.

Certificate and International Standard

The Company focuses on improving efficiency in production and management in order to that meet international standards and is recognized by customers. Details of certificates obtained by the Company include:

Standard	Period	Detail
1. ISO9001 : 2008 for Quality Management System	16 Mar 2015 - 15 Mar 2018	Standard, which International Standardization and Organization set up in order to promote management in quality of organization and systematically create customer's satisfaction
2. TIS18001 : 2011 for Occupational Health and Safety Management System	23 Nov 2015 - 22 Nov 2018	Thailand Industrial Standard, which is used to manage organization in order to reduce safety risk and increase employee' safety; and to improve operation of organization for safety, and to reduce and control safety risk to employee and concerned
3. OHSAS18001 : 2007 for Occupational Health and Safety Management System	23 Nov 2015 - 22 Nov 2018	International Industrial Standard, which is used to manage organization in order to reduce safety risk and increase employee' safety; and to improve operation of organization for safety, and to reduce and control safety risk to employee and concerned

Industry Overview and Competition

End-users of the Company and its subsidiary's products are in various industries. Over the past several years, the Company and its subsidiary have kept abreast of economic condition of these industries in order to assess opportunity, risk, and competition facing the Company and its subsidiary, details of which are summarized as below:

Economic Condition and Foreign Direct Investment

In 2016, the overall Thai economy has expanded evidenced by records of the Board of Investment (BOI) for Jan-Nov 2015 and 2016 that the number of applications for investment promotion increased from 908 to 1,313 projects, a 44.6% increase and investment amount from investment promotion soared from Baht 183.5 billion to Baht 501.5 billion, a 173.52% increase. The economic recovery resulted in an increase in investment from domestic and foreign investors. The investments were primarily made in motor vehicles and parts industry, electrical appliances, electronic and telecommunication equipment industry, petrochemical and chemical industry, and logistics development

industry. The aforementioned increase in investment provides an opportunity for the Company and its subsidiary to boost sales of products and services as well as expand their customer base since their products can be used in diverse industries, especially for large-scale industries with continuous production process, which are mainly invested by foreign investors. According to said investment promotion information, investments from foreign investors are likely to increase.

Table : BoI promotion application filed 2014-2015 and 11 months (January-November) 2015 and 2016

	Jan-Nov 2016	Jan-Nov 2015	2015	2014
Number of Projects	1,313	908	998	2,987
Total Investment (Billion Baht)	501.50	183.35	211.49	1,775.81
Registered Capital (Billion Baht)	71.29	62.94	67.25	899.49
- Thai	47.13	49.03	52.69	188.52
- Foreign	24.17	13.91	14.56	710.97

Source : the Board of Investment (www.boi.go.th)

Power Generation

Power generation business, or power plant, is necessary to national development since business sector, private sector and households require electricity for their business and daily life. The expansion of power production business helps the Company's business to grow as well since power plants employ large and heavy machinery which must be lifted and moved by crane during the usual course of operation, especially for repairing and maintenance process.

According to the Office of the Energy Regulatory Commission's records as at 6 February 2017, there are many power producers desiring to produce and supply power to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority (PEA). However, power producers who filed application to EGAT and PEA are classified into various status and types of plants. Therefore, the Company has an opportunity to produce and distribute cranes for power plants that have filed an application but have not yet signed the power purchase agreement (PPA), and those that have obtained approval but have not yet commenced operation (Commercial Operation Date or "COD") of IPP and SPP with a total of 58 projects. However, for the power plants that have already started commercial operation, the Company and its subsidiary may have an opportunity to produce and distribute crane or provide repairing and maintenance services to those power plants.

Table : Power Plant Information by Category and Status

Status	IPP Power Plant		SPP Power Plant		VSPP Power Plant		Total Power Plant	
	Project	Installed Capacity (MW)	Project	Installed Capacity (MW)	Project	Installed Capacity (MW)	Project	Installed Capacity (MW)
Filed application but have not yet approved	0	0	0	0	3	30.00	3	30.00
Approved but have not yet signed PPA	1	540	8	253.44	11	77.08	20	870.52
Signed PPA but have not yet COD	3	5,930.00	46	4,423.48	129	744.75	178	11,098.23
COD	17	15,544.52	109	9,439.46	855	4,533.59	981	29,517.57
Total	**21**	**22,014.52**	**163**	**14,116.38**	**998**	**5,385.42**	**1,182**	**41,516.32**

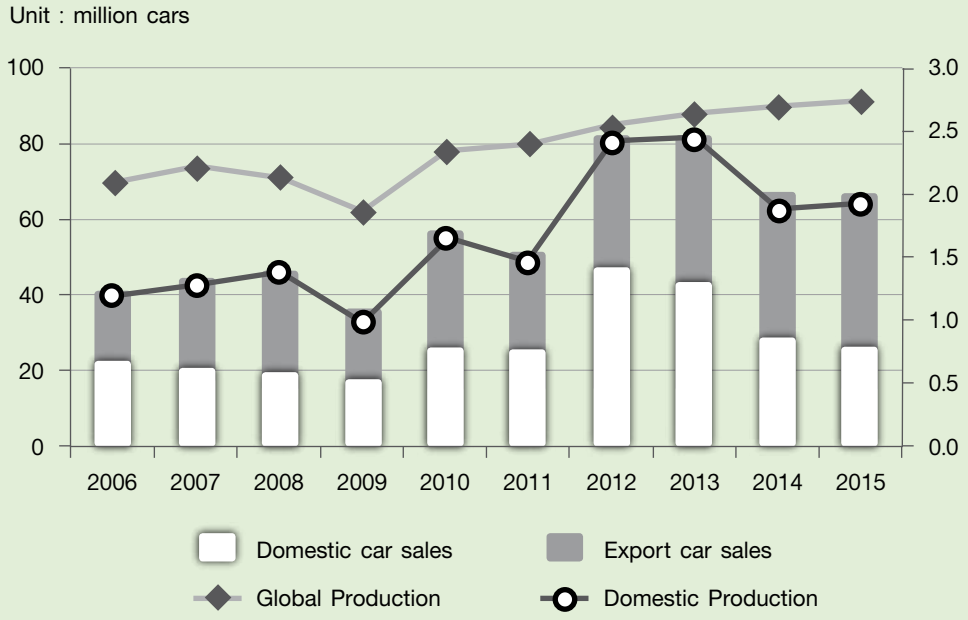
Source : Power plant information as at 6 February 2017 of the Office of the Regulatory Energy Commission (www.erc.or.th)

Note : IPP means independent power producer with capacity supplying to system not less than 90 Megawatts
SPP means small power producer with capacity supplying to system from 10 Megawatts to 90 Megawatts
VSPP means very small power producer with capacity supplying to system less than 10 Megawatts
COD means commercial operation date
PPA means power purchase agreement

Automotive and Parts

Automotive industry is one of the most important customer groups of the Company and its subsidiary. During the past ten years, the automotive industry has continuously expanded, demonstrating that Thailand is one of the major sources of motor vehicle supply.

Exhibit: Car production between global and domestic, and volume between domestic car sales and export (2006-2015)



Source : World and Thai motor vehicle production from The International Organization of Motor Vehicle Manufactures (www.oica.net)
Domestic and export car sales from the Federation of Thai Industries (www.fti.or.th)

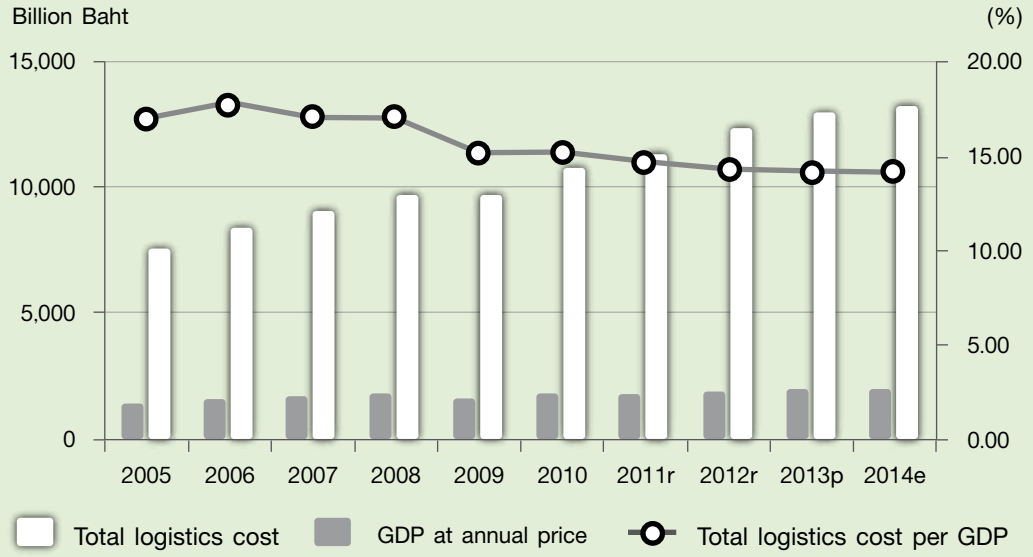
Moreover, the Government set policy to promote and develop automotive industry, which is one of the ten industries that will drive the economy. The automotive manufacturers are confident to continue to invest in Thailand as their production base for motor vehicle.

Crane and hoist are one of the necessary components of automotive and parts' production line. Newly produced and installed crane and hoist are of good quality and efficiency. However, repairing and maintenance of crane and hoist to always be in good condition and be ready to use are important. Automotive and parts industry should be constantly done.

Logistics

Recognizing that logistics system would serve as one of the essential mechanisms in the AEC implementation, the government sector accordingly devised Thailand's 2nd Logistics Development Strategy (2013-2017) and defined the key agenda in logistics system development, aspiring to reduce the logistics cost to GDP to not more than 12% by 2017. Hence, it is likely that operators in the said industry will improve operation and pay attention to repairing and maintenance of machine and equipment and/or replace tools and machines in order to improve operating efficiency to help reduce operating costs. This will be an opportunity for the Company and its subsidiary to generate higher revenues from sales of products and related services and to broaden their customer base.

Exhibit: Logistics Cost and GDP in Thailand 2005-2013



Source : Thai Logistics information from the Office of National Economic and Social Development Board (www.nesdb.go.th)

Note : GDP Gross Domestic Products
r means restated data
p means preliminary data
e means estimated data

Product Procurement

Capacity Utilization

In crane production, the Company and its subsidiary customise the products to customer's order (made to order). The whole process from production to installation takes about 3-4 months, depending on complexity of work. Dock leveler, industrial door, PVC strip curtain and air curtain are finished products that are distributed to customers and will be completely installed within about 2 months after purchase order are confirmed by customers.

The Company and its subsidiary have two factories for crane production, one of which belongs to the Company located at 2/1 Moo 4, Wat Phimphawat - Khlong Koa Don Road, Koa Rai Sub-District, Ban Pho District, Chachoengsao Province, on land area of 4 rai 3 ngan 20 square wah. The subsidiary has one factory, located at 50 Moo 20, Lam Luk Ka Sub-District, Lam Luk Ka District, Pathumthani Province, on land area of 5 rai 1 ngan 54 square wah.

Maximum capacity of the Company and its subsidiary, classified by type of crane, and utilization rates 2015-2016

Type of Crane	Maximum Annual Capacity (No. of Crane)[1/]		Combined Utilization Rate (%)	
	Company	Subsidiary	2016	2017
Single girder crane, less than 15 meters long	102	94	17	31
Single girder crane, more than 15 meters long	76	75	7	15
Double girder crane, less than 15 meters long	60	43	6	16
Double girder crane, more than 15 meters long	42	36	41	33
Special-function crane, less than 15 meters long	32	-[2/]	-	-
Special-function crane, more than 15 meters long	25	-[2/]	-	8

Note : [1/] maximum annual capacity = No. of cranes produced in a year, assuming that only a single type of crane is produced and based on working 8 hours/day

[2/] the subsidiary does not produce special-function cranes.

Procurement of Raw Materials and Finished Products

The Company procures raw materials, supplies, spare parts, and finished parts from numerous producers and suppliers at home and aboard with details as follow:

1. **Raw materials, supplies and spare parts** includes structural steel, such as steel plate, steel, rust preventive primer, electrical equipment, equipment in electrical system. These raw materials are procured from several local suppliers, both large and small, representing 100% of value of raw material procured for production.
2. **Finished Parts**
   - Hoist and parts, including hoist, end carriages, spare parts, are imported from Germany since both companies are sole authorized distributor of these products in Thailand. The Company is a sole authorized distributor of STAHL brand while the subsidiary is a sole authorized distributor of ABUS brand. One hundred percent of parts purchase is for crane and hoist production.

- Dock leveler, industrial door, PVC strip curtain and spare parts are procured by importing from the overseas brand owners who appointed the authorized dealership to the Company and its subsidiary for brands such as SERCO STERTIL NOVOFERM and NASSAU.

Environmental Impacts

Crane manufacturing process of the Company and its subsidiary minimally affect environment, not exceeding regulated levels required by related-government agency detailed as follow:

- **Noise quality** In production process, noise may occur during welding, grinding, polishing, cutting and assembling process or from broken machines. Hence, the Company and its subsidiary provide preventive and noise-reduction equipment such as ear plug for employees working in the noise area and always provide repair and maintenance for the machine to run efficiently.
- **Air quality** Air quality from production process can be affected by mist from spraying and paint in crane assembling area and dust in shot blast area, where the dust level is not exceeding legal requirements. The Company provides equipment to protect odor, dust and smoke (Filter Half Mask) for employees who work in those areas. The Company and its subsidiary's plants are located far from community and plant areas are fully enclosed to prevent dust emissions.
- **Water quality** Since water is not used in the Company and its subsidiary's production process, there is no direct water pollution. Waste water from washing and cleaning within the plant, which is small amount, indirectly affects water quality. The Company and its subsidiary do not discharge waste water but stores in sump manhole in order to use for watering plants in factory area,
- **Waste** Waste from production process, such as steel scraps, are collected and made into various weights for test load. The Company sells wood and paper waste to scrap dealers, registered with Department of Industrial Work. Other wet and dry waste are separated and collected by municipality.

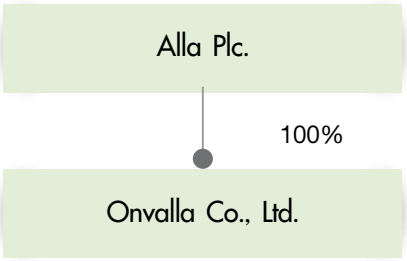
The Company and its subsidiary have engaged a private, recognized by the Department of Industrial Works, to conduct an environmental quality evaluation on yearly basis. The latest results from evaluation on the Company on 28 June 2016 and on the subsidiary on 29 April 2016 by C.E.M Technology (Thailand) Co., Ltd., demonstrate that the noise level and air quality meet legal requirements.

Backlog

As at 31 December 2016, the Company and its subsidiary have backlog amounting to Baht 224.02 million.

Shareholding Structure

The shareholding structure of the Company and subisidiary is as follows:



Alla Public Company Limited

Alla Public Company Limited was established on 20 March 1991 by Puntuyakorn group to engage in production, distribution and installation of crane and hoist by using crane and hoist parts of STAHL brand. Moreover, the Company imports, distributes and installs industrial door and dock leveler, including after-sales services and training center service located at Koa Rai Sub-District, Ban Pho District, Chachoengsao Province.

The Company's target customers using crane and hoist, are various industrial plants desiring to use specific products since crane and hoist parts of STAHL brand can be produced to suit customer's requirements. These customers include automotive and parts manufacturer, power plant construction materials, agriculture and warehouse.

Onvalla Company Limited

Onvalla Company Limited was established on 8 February 1990 by Puntuyakorn group but commenced opeation in 2006. The subsidiary engages in production, distribution and insiallation of crane and hoist by using crane and hoist parts of ABUS brand. Moreover, the subsidairy imports, distributes and installs industrial door, leveler, PVC strip curtain and air curtain, inlcluding after-sales service and trainning center service located at Lum Luk Ka Sub-District, Lum Luk Ka District, Pathumthani Province.

The Subsidiary target customers using crane and hoist, are various industrial plants requiring to use uncomplicated products wtihout specific requirements, since crane and hoist parts of ABUS is standard. These customers are property sector, steel and aluminum, construction materials and warehouse.

Risk Factors

The Company and its subsidiary consider it is important to manage risks systematically and effectively. Major risks factors are as follows:

1. Operation Risks

1.1. Risk from dealerships cancellation by brand owners

The Company and its subsidiary are manufacturers and distributors of crane and hoist. Major parts such as end carriage, gearbox, electric hoists, are imported from well-known overseas manufacturers, including STAHL and ABUS. These parts are assembled to crane structure and hoist, which are designed and produced by the Company and its subsidiary, and subsequently installed for customers. Moreover, the Company and its subsidiary are distributors of dock leveler and industrial door under brands SERCO, STERTIL, INKEMA, NOVOFERM and DOCK EQUIPMENT. If the Company and its subsidiary are not granted authorized dealerships or new products have inferior quality to the existing products, this will have adverse impact on customers' confidence in products and lower revenue from products and services accordingly.

Mitigation plan

Since the Company and its subsidiary constantly meet terms and conditions specified in dealership agreements, the Company and its subsidiary have been trusted from the brand owners to be their distributors and have never been cancelled the dealerships. With efficient distribution channels, strong sale teams, more than 20-year experienced in the business, good services and good relationships with customers and brand owners, the Company and its subsidiary are confident that the brand owners will continue to grant authorized dealerships to the Company and subsidiary.

1.2 Risk from declining revenue due to dependence on customers in a few industries

During the past three years (2014-2016), the Company and its subsidiary's revenue was mainly contributed by customers in automobile and steel industry. This was due to the government's supportive measure through tax rebate for first-time car buyer's program. With the current slowdown in economy, these customers have scaled down their production capacities, thus lowering the Company and its subsidiary's revenue.

Mitigation Plan

The Company and its subsidiary have diversified customer base to other potential industries such as construction materials, power, logistics and food. Moreover, the Company will focus more on after-sales services and maintenance to serve increasing number of customers, who need these services to ensure that their equipment is ready for operation. This will resulting in increase in revenue. The Company also sees opportunity to expand its business to ASEAN Economic Community (AEC) countries and explores an investment opportunity in Indonesia with a local partner to distribute crane and hoist. This investment also aims to serve the Company's existing customers in Thailand, who have recently relocated their production base to Indonesia.

1.3 Risk from Delay in Project / Product Delivery

In production and distribution of crane and hoist, industrial door and leveler, the agreement normally specifies delivery date and penalty in the case that the Company and its subsidiary are not able to deliver project in timely manner. The penalty is usually a fine to compensate for damages from delay in product delivery. This fine, which varies from contract to contract, causes an increase in project cost and a decrease in profits accordingly. Moreover, the project delay will damage the Company and its subsidiary' reputation and lower trust from other customers, thus leading to potential loss of future business.

Mitigation Plan

The Company and its subsidiary closely monitor and examine each step of work process - since design, procure parts from overseas, production and quality control. This will keep the management and concerned parties up to date on status of each project and allow the team to solve problem as soon as it arises, thus improving efficiency in project management.

1.4 Risks from Shortages of Skilled Labor

Production and after-sales services require experienced staff to reduce potential loss during production process. In addition, they require less time to identify and solve problems, leading to customer's satisfaction. Hence, the Company and its subsidiary always focus on recruiting qualified staff for efficient production and services. However, technicians, welders and service staff are in demand. There are risks of not being able to recruit replacements for these staff when required.

Mitigation Plan

To avoid shortages of skilled labor in the past, the Company and its subsidiary adjusted its salary structure to be competitive with other companies in the same industry and provided additional benefits such as meal allowance. This is also to incentivize staff to work for a long term. Although the new recruits are experienced, the Company and its subsidiary provide training courses to improve staff's knowledge and skills.

1.5 Risk from Financial Performances of Joint Venture with PT Wirya, Indonesia

The Company and PT Wirya Indonesia intend to establish a joint venture to engage in production and distribution of crane, hoist and industrial door. The Company expects to invest Baht 10 million for 33% ownership in the joint venture and PT Wirya holds the remainder 67%. In the initial stage, the joint venture will not have its own production facilities but will engage PT Wirya, a producer and distributor of crane and hoist in Indonesia, to produce crane and hoist. The Company sees an opportunity to reach to new customers and retain existing customers who expand their business to Indonesia, for example, Engineering, Procurement and Construction (EPC), customers in automobile industry relocating their production base to Indonesia and Power plant. The Company expects to complete the joint venture setup and commence its operation in 2017. The Company must account for the joint venture's financial performances into the Company's consolidated financial statements. If the joint venture has loss on operation, this will affect Company's financial performances.

Mitigation Plan

The Company defines policy for operating, monitoring and controlling the joint venture and nominates its director and/or management to be the joint venture's director and/or management in order to set up policy and protect the Company's interests. This will ensure that the Company and the joint venture operate their business in the same direction, resulting in efficient cost management and operation.

2. Financial Risks

2.1 Risk from Fluctuation in Foreign Exchange Rate

The Company and subsidiary's products have high import components. Most costs of import parts and payment are denominated in Euro followed by US dollar, whilst revenues from products and services in Thailand are in Baht. The agreement does not allow the Company to adjust Baht price to pass onto the impact of Euro and US Dollar appreciation to customer. Exchange rate fluctuation might affect costs and gross profit of the Company and its subsidiary.

Mitigation Plan

The Company and its subsidiary reduce risk exposure by entering into forward contract, which is at management's discretion in accordance with approved policy and guidelines from the Board of Directors. The Company and its subsidiary closely monitor exchange rates and evaluate trends in order to quote selling prices, which reflects exchange rate in that period. In addition, the proper procurement and delivery plan together with products pricing to cover exchange rate fluctuation will limit exchange rate risks. The Company and its subsidiary do not have policy to speculate on exchange rate.

3. Risks of Investors in the Company's Securities

3.1 Risk from major shareholder with 50% ownership

After shares offering in the Stock Exchange of Thailand (SET), the major shareholder which is Puntuyakorn group will hold 63.75% of the Company's total paid up capital. Putuyakorn group also are management and authorized directors of the Company. Therefore, such group has authority in managing the Company and can control almost all major resolutions in shareholders' meeting. This includes the appointment of directors or other resolutions, which requires majority votes of the shareholders' meeting, except for agendas, which are in accordance with law or articles of association of the Company require three out of four of all votes of the shareholders attending the meeting and having the right to vote such as capital increase and capital reduction. Therefore, other shareholders attending the shareholders' meeting might not be able to collect sufficient votes to examine the Company's operations managed by the major shareholder.

Mitigation Plan

The Company realizes such risk; therefore, the Company has managed to appoint four out of total eight directors to be independent directors. All four independent directors, who also serve in the Audit Committee, are knowledgeable, competent and well known. Besides, the Company engaged Internal Auditor, who is an external party, to examine and evaluate the Company's operations and report directly to the Audit Committee, thus providing thorough and transparent examination on operations and counterbalancing the Board of Directors.

General Information and Other Information

1. General Information of the Company

Company Name	:	**Alla Public Company Limited**
Head Office	:	933 935 937 939 Soi Onnut 46, Onnut Road, Suanluang, Suanluang, Bangkok 10250
Branch		
Branch 1 (Factory)	:	2/1 Moo 4, Watpimpawad-Klongkoadon Road, Koarai, Banpho, Chachoengsao 24140
Branch 2 (Service Center)	:	255/22 Moo 3, Route 331, Bo Win, Sriracha, Chonburi 20110
Branch 3 (Office)	:	621 Soi Onnut 46, Onnut Road, Suanluang, Suanluang, Bangkok 10250
Registration No.	:	0107558000393
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	0 2322 1891-2
Website	:	www.alla.co.th

2. Registrar

Company Name	:	**Thailand Securities Depository Co.,Ltd**
Address	:	The Stock Exchange of Thailand Building 93 Rachadapisek Road, Din Daeng, Bangok 10400
Telephone	:	0 2009 9000
Fax	:	0-2009-9991

3. Auditor

Company Name	:	**Grant Thornton**
Head Office	:	18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road, Bangkok 10330
Telephone	:	0 2205 8222
Fax	:	0 2654 3339

4. Investor Relations

Name	:	Miss Rawiphun Tantiauschariyakul and Miss Rachaya Rattanasrithong
Address	:	933, 935, 937, 939 Soi Onnut 46, Onnut Road, Suanluang, Suanluang, Bangkok 10250
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	0 2322 1891-2
Email	:	ir@alla.co.th

Securities and Major Shareholders Information

Registered and paid-up capital

As at 31 December 2016, the Company has Baht 300 million in registered and paid-up capital dividing into 600,000,000 common shares at Baht 0.50 par value.

Shareholders

The Company has top ten shareholders and their shareholdings as at the latest book closing date on 10 January 2017 as follows:

Name	Number (Shares)	%
1. Puntuyakorn Group		
1.1 Mr. Ong-ard Puntuyakorn	202,500,000	33.75
1.2 Mrs. Vallaya Putuyakorn	135,000,000	22.50
1.3 Miss Chalumporn Puntuyakorn	45,000,000	7.50
Total Puntuyakorn Group	**382,500,000**	**63.75**
2 Mr. Tratorn Rattanasrithong	67,500,000	11.25
3. Mr. Chaowarat Vespinyo	20,914,800	3.49
4. Mr. Anuchit Rueaksomboondee	3,000,000	0.50
5. Mr. Pairoj Chokesakul	2,457,400	0.41
6. Mr. Somkiart Tavintermsup	2,000,000	0.33
7. Mr. Yuenyong Leelachow	1,797,000	0.30
8. Mr. Sataporn Ngamdaecho	1,790,000	0.30
9. Mrs. Pornpana Sakdakrai	1,700,000	0.28
10. Mrs. Ladda Chantanavanich	1,400,000	0.23
Total	**485,059,200**	**80.84**

Source : The Thailand Securities Depository Co., Ltd.

Dividend Policy

The Company and the Subsidiary have prescribed a dividend payment policy as follow

1. The company's policy is to pay dividends at not less than 50% of the company's net income after tax deduction and statutory reserves from the separate financial statement and must be comply with Public Limited Company Act. However, dividend payment subjects to cash flow, investment plan and financial needs that could materially affect the company's operations.
2. The subsidiary's policy is to pay at not less than 50% of net income and subjects to investment plan or unless the payment of dividends would materially affect the subsidiary's cash flow and financial standing.

However, the policy will be subject to change should the Board of Directors consider the operating performance, financial standing, liquidity, future projects and find that it is appropriate to propose the shareholders otherwise.

The dividend payment must be approved by the Shareholders' Meeting. The Board may pay interim dividends to shareholders occasionally, if they find that the Company has sufficient profits to do so, and report to the subsequent Shareholders' Meeting.

Management Structure

Management structure of the Company consists of the Board of Directors and four subcommittees, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee (appointed by the Board of Directors Meeting No. 1/2017, held on 22 February 2017) The Company's Board of Directors and executives have complete qualifications and do not possess any prohibitive attributes pursuant to Section 68 of the Public Company Act B.E. 2535 (including amendments). In addition, they do not have any prohibitive attributes and attributes that lack of appropriateness to be trusted to manage and administrate business, whose shareholders are public under Section 89/3 and Section 89/6 of the Securities and Exchange Act B.E. 2535 and the notification of The Capital Market Supervisory Board.

Detail of management structure are as follow:

The Board of Directors

As at 31 December 2016, the Board of Directors comprised of eight members details as follow:

	Name - Surname [1/]	Position
1	Mr. Weerachai Ngamdeevilaisak	Chairman of the Board of Directors/Chairman of the Audit Committee/Independent Director
2	Prof. Dr. Sahaton Rattanapijit	Vice Chairman of the Board of Directors/ Member of the Audit Committee/Independent Director
3	Mr. Ong-ard Puntuyakorn	Director/ Chairman of the Executive Committee/ Chairman of the Risk Management Committee/ Chief Executive Officer
4	Mrs. Vallaya Puntuyakorn	Director/Executive Director/Chief Administrative Officer
5	Miss Chalumporn Puntuyakorn	Director
6	Mr. Tratorn Rattanasrithong	Director/Executive Director/Vice Chairman of the Risk Management Committee/Chief Operating Officer
7	Mr. Chirawat Srisawadi	Director/ Member of the Audit Committee/Independent Director
8	Mr. Patai Bunmark	Director/ Member of the Audit Committee/Independent Director

Mr. Sukitt Naval acts as the Board of Directors Secretary and Company Secretary.

Note : [1/] All Directors hold the positions of one year and six months from the date of conversation to a public company on 17 September 2016.

Authorized Directors are as follow:

Mr. Ong-ard Puntuyakorn or Mrs. Vallaya Puntuyakorn co-signs with either Miss Chalumporn Puntuyakorn or Mr. Tratorn Rattanasrithong, and affix the Company Seal.

Attendance of the Board of Directors' Meeting in 2016 and 2015 can be summarized as follow:

Name - Surname	Presence / Total Meeting (times)	
	2016	2015
1. Mr. Weerachai Ngamdeevilaisak	6/6	7/7
2. Prof. Dr.Sahaton Rattanapijit	5/6	6/7
3. Mr. Ong-ard Puntuyakorn	6/6	7/7
4. Mrs. Vallaya Puntuyakorn	6/6	7/7
5. Miss Chalumporn Puntuyakorn	5/6	6/7
6. Mr. Tratorn Rattanasrithong	6/6	7/7
7. Mr. Chirawat Srisawadi	6/6	7/7
8. Mr. Patai Bunmark [1/]	6/6	6/6

Note : [1/] In Extraordinary General Meeting of the shareholders No. 8/2014, held on 30 December 2014, Mr. Patai Bunmark was appointed as Director and Member of the Audit Committee effective from the date of registration of Director with the Department of Business Development on 9 January 2015 and first attended the Board of Directors' meeting No. 2/2015, held on 27 February 2015.

Term in the Office of the Board of the Directors

In every Annual General Meeting of the Shareholders, at least one out of three of total numbers of the directors must resign. If the number of directors cannot be divided into three portions, the number of directors to resign must be nearest to one out of three of total numbers of the directors. To identify which directors to resign in the first year and in the second year after the registration of the Company, this shall base on draw lots. Thereafter, directors with the longest tenure will resign and they can be reappointed.

Authorities, Duties and Responsibilities of the Board of Directors

1. Set vision, policy, strategy, target, business plan, annual budget, management structure and management authorities of the Company, and policy on good corporate governance.
2. Monitoring and supervision the administration and management of the executives or person who are assigned to efficiently and effectively perform those duties to achieve the targeted policy, plan and budget as well as to ensure that the Company follows the policy on good corporate governance.
3. Set management structure, hold the authority to appoint or set scope of authority of the executive committee, chief executive officer and other subcommittees.

   However, the delegation of authority within a scope of authority shall not allow the executive committee, chief executive officer and other subcommittees to consider and approve transaction, which might have a conflict of interest or possible conflict of interest with the Company or its subsidiary (if any), except for transaction in compliance with policy and guidelines considered and approved by the Board of Directors.
4. Regularly evaluate the Management's performances, including appropriately review remuneration of executives and employees.

5. Provide accounting systems, financial reporting and reliable auditing as well as system for books and records keeping, which is auditable afterwards.
6. Ensure the Company's financial statements with accuracy in order to exhibit true, complete and accurate financial positions and operating performances of the past accounting period and comply with generally accepted accounting standards. Financial statements as at the end of accounting period must be audited by the Company's auditor before proposing to the shareholders' meeting, including report of the Board of Directors' responsibility on financial reporting together with the auditor report in the Company's annual report.
7. To ensure efficient and effective internal control and internal audit, comprehensive risk management process with effective reporting and monitoring system and procedures for tipping, including administration and management in accordance with policy good corporate governance.
8. To ensure clear and transparent administration process in relation related party transaction between the Company and related person in order to prevent conflict of interest and provide disclosure of information accurately and adequacy, including regularly reporting to the Board of Directors.
9. To ensure continuous business operation for long term, human resource development, succession plan, efficient recruitment plan and succession plan for directors and executives.
10. Consider and approve and/or give opinion on connected transaction, acquisition or disposal of assets and investments, and other operations of the Company and its subsidiary (if any) in compliance with related notifications, rules and regulations, except for transaction, by law, required the approval from the shareholders' meeting.
11. Ensure interests of both major and minority shareholders equally and equitably in accordance with their rights, reporting on major operation, and financial reporting to shareholders and stakeholders accurately and in compliance with law. Directors must inform the Company in a reasonable period if they have common interests in any contract or agreement with the Company or increase or decrease in their shareholdings in the Company or its subsidiary (if any). As for transactions with directors or persons who may have a conflict of interest or possible conflict of interest with the Company or its subsidiary, the directors who have conflict of interest shall not vote on such transaction.
12. The Board of Directors may delegate authority to one or more directors, or other persons in conducting on their behalf under the supervision of the Board of Directors or delegate authority to the said person within scope and period as specified by the Board of Directors, which they may cancel, revoke, revise or amend such delegation of authority when deemed appropriate.

    However, the delegation of authority shall not be such that allows the said person to consider and approve the transactions, which the delegating director or persons, who may have a conflict of interest or possible conflict of interest with the Company or its subsidiary (if any), except for approval for transaction under normal course of business with normal terms and conditions or transaction in compliance with policy and guidelines considered and approved by the Board of Directors.

The Audit Committee

As at 31 December 2016, the Audit Committee included four persons with their attendance of the Audit Committee's meeting in 2016 and 2015 as follow:

Name - Surname	Position	Presence / Total Meeting (times)	
		2016	2015
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Audit Committee	5/5	8/8
2. Prof. Dr. Sahaton Rattanapijit	Member of the Audit Committee	4/5	7/8
3. Mr. Chirawat Srisawadi	Member of the Audit Committee	5/5	8/8
4. Mr. Patai Bunmark [1/]	Member of the Audit Committee	5/5	7/7

Note : [1/] In Extraordinary General Meeting of the shareholders No. 8/2014, held on 30 December 2014, Mr. Patai Bunmark was appointed as Director and Member of the Audit Committee effective from the date of registration of Director with the Department of Business Development on 9 January 2015 and first attended the Board of Directors' meeting No. 2/2015, held on 27 February 2015.

Miss Oranuch Phongamwong acts as Secretary of the Audit Committee.

Mr. Weerachai Ngamdeevilaisak and Mr. Chirawat Srisawadi are knowledgeable and experienced in accounting (Please see credentials of both audit committee members).

Term in the Office of the Audit Committee

The Audit Committee was appointed by the Board of Directors. The Audit Committee Members shall hold office for a term of three years, effective from the appointment date, and upon the expiration of their terms, they may be re-appointed. In case the Audit Committee position is vacant for other reasons than expiration of their term, the Audit Committee shall appoint person with complete qualifications as member of the Audit Committee in order to have the same number of Audit Committee Member as required by the Board of Directors. The substituting member of the Audit Committee shall hold the position for the remaining term of the member who was substituted.

Authorities, Duties and Responsibilities of the Audit Committee

1. Review and ensure that the Company acts in compliance with the law of securities and exchange, the Stock Exchange of Thailand's requirements and the law relating to the Company's business.
2. Review and ensure that the Company's financial reporting is accurate under generally accepted accounting standards and is adequately disclosed.
3. Review and ensure that the Company's internal control and internal audit systems are suitable and effective; determine independence of the internal department and approve the appointment, rotation and termination of employee of head of the internal audit department or any other department responsible for internal audit.
4. Select and nominate an independent person for appointment as the Company's auditor, propose remuneration for the auditor, and attend a non-management meeting with the auditor at least once a year.
5. Consider and ensure that connected transaction or transactions that may create a conflict of interest comply with the laws and regulations of the Stock Exchange of Thailand.
6. Ensure that the Company has a sound and effective risk management system.
7. Prepare report of the Audit Committee and disclose in the Company's annual report. Such report must be signed by Chairman of the Audit Committee and contain the information at least as required by the Stock Exchange of Thailand.

8. Give approval for the charter, audit plan, budget and work force of Audit Department.
9. Consider and review the scope of power, duties and responsibilities and performance evaluation of the Audit Committee on a yearly basis.
10. Inspect any conduct, which has reasonable grounds to suspect that the chief financial officer or person in charge of the Company's operation has committed an offence under the Securities Exchange Act (No. 4) B.E. 2551, which has been discovered and reported by the auditor. In this case, the Audit Committee shall repot the initial inspection results to the Board of Directors, the Office of the Securities and Exchange Commission, and the auditor within 30 days. The suspect conduct that must be reported and the procedure to derive financial information about such conduct shall conform to notification of the Capital Market Supervisory Board.
11. Have authority to inspect and examine the concerned parties within the scope of power and duties of the Audit Committee and to hire or recruit specialized personnel to assist tin such inspection and examination in accordance with the Company's regulations.
12. Perform any other duties assigned by the Board of Directors with the consent of the Audit Committee.
13. Present a report regularly to the Board of Directors to keep the Board of Directors informed of all activities of the Audit Committee.

The Executive Committee

As at 31 December 2016, the Executive Committee had four members as follow:

Name - Surname	Position
1. Mr. Ong-ard Puntuyakorn	Chairman of the Executive Committee
2. Mrs. Vallaya Puntuyakorn	Member of the Executive Committee
3. Mr. Tratorn Rattanasrithong	Member of the Executive Committee
4. Miss Rawiphun Tantiauschariyakul	Member of the Executive Committee

Mr. Sukitt Naval acts as the Executive Committee Secretary.

Attendance of the Executive Committee' Meeting in 2016 and 2015 can be summarized as follow:

Name - Surname	Presence / Total Meeting (times)	
	2016	2015
1. Mr. Ong-ard Puntuyakorn	9/9	6/6
2. Mrs. Vallaya Puntuyakorn	8/9	5/6
3. Mr. Tratorn Rattanasrithong	9/9	6/6
4. Miss Rawiphun Tantiauschariyakul [1/]	9/9	2/2
5. Miss Chalumporn Puntuyakorn [2/]	-	4/4
6. Miss Sasakorn Lertratanakul [3/]	-	3/3

Note : [1/] Miss Rawiphun Tantiauschariyakul was appointed as Executive Committee Member with reference to resolution of the Board of Directors' meeting No.1/2015 (Plc.), held on 18 September 2015, and first attended on the Board of Directors'meeting No.2/2015 (Plc.), held on 13 November 2015.

[2/] Miss Chalumporn Puntuyakorn resigned from Executive Committee Member on 15 October 2015.

[3/] Miss Sasakorn Lertratanakul resigned from Executive Committee Member on 31 August 2015.

Term in the Office of the Executive Committee

The Board of Directors appoints the Executive Committee, by considering education background and professional experiences. The member of the Executive Committee will vacate when decease, resign or lack of qualifications and having any prohibitive attribute prohibitive attributes pursuant to laws or the Executive Committee approves so. If any member of the Executive Committee resigns, the member shall submit the resignation letter to the Company and shall be effective on the date that the letter reaches the Company. If the member of the Executive Committee position is vacant, the Board of Directors shall select any person with qualification to be the member.

Authorities, Duties and Responsibilities of the Executive Committee

1. Give opinion and suggestion to the Board of Directors in decision making on crucial issues on the organization's strategy, business direction, investment plan, budget, resource allocation and create working system of the Company in the same direction prior to proposing to the Board of Directors for their approval.
2. Monitor, direct and control operation to achieve targeted of plans approved or assigned by the Board of Directors and of duty to report the operation performances to the Board of Directors' meeting regularly.
3. Consider and approve in important investment spending set in the annual budget as assigned by the Board of Directors or as per approved guidelines.
4. Hold authority in approval for investment or expense in the Company's business operation or other expenses relating to the Company's business operation within the limit amount set by the Board of Directors. This includes the approval for transactions in relation to procure raw materials from domestic that is in a normal course of business not exceeding Baht 30 million per transaction and from overseas, not exceeding Baht 30 million. The approval for purchase of fixed assets such as building and machine, not exceeding Baht 50 million per transaction. The approval for entering into hire/purchase/lease transaction of not exceeding Baht 50 million per transaction. If the amount exceeds the limit, the Executive Committee shall propose to the Board of Directors' meeting for their approval.
5. Set organization structure, authority in administration the organization, including appointment, hiring, transfer, termination, set salary, remuneration and bonus for management staff from general manager or equivalent and above, except for the Chairman of the Executive Committee.
6. Hold authority to delegate authority to one or more persons in conducting on their behalf under the supervision of the Executive Committee or delegate authority to the said person within scope and period as deemed appropriate by the Executive Committee, which they may cancel, revoke, revise or correct the said person or such delegation of authority when deemed appropriate.

   However, the delegation of authority and responsibility of the Executive Committee shall not be delegation or sub-delegation of authority that allows the said person to approve the transactions, which the delegating executives or persons, who may have a conflict of interest (definition under notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related authorities) or possible conflict of interest with the Company or its subsidiary and/or related company, the Executive Committee shall not have authority to approve on the said matter. The said matter shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (if required) for their approval, except for approval for transaction under normal course of business and normal terms and conditions in compliance with notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other related authority.
7. Conducting other duties as assigned by the Board of Directors.

The Risk Management Committee

As at 31 December 2016, the Risk Management Committee had five members as follow:

Name - Surname	Positon
1. Mr. Ong-ard Puntuyakorn	Chairman of the Risk Management Committee
2. Mr. Tratorn Rattanasrithong	Vice Chairman of the Risk Management Committee
3. Miss Rawiphun Tantiauschariyakul	Member of the Risk Management Committee
4. Mr. Manod Leelawattanakool	Member of the Risk Management Committee
5. Mr. Chumphol Chancharoen	Member of the Risk Management Committee
6. Mr. Sukitt Naval	Member of the Risk Management Committee

Miss Oranuch Phongamwong acts as Risk Management Committee Secretary.

Attendance of the Executive Committee' Meeting in 2016 and 2015 can be summarized as follow:

Name - Surname	Attendance / Total Meeting (times)	
	2016	2015
1. Mr. Ong-ard Puntuyakorn	4/6	2/2
2. Mr. Tratorn Rattanasrithong	6/6	2/2
3. Mrs. Vallaya Puntuyakorn [1/]	-	2/2
4. Miss Rawiphun Tantiauschariyakul	5/6	2/2
5. Mr. Manod Leelawattanakool [2/]	5/5	-
6. Mr. Chumphol Chancharoen [2/]	4/5	-
7. Mr. Sukitt Naval [3/]	4/4	-

Note : [1/] Mrs. Vallaya resigned from member of the Risk Management Committee on 26 February 2016.

[2/] Mr. Manod Leelawattanakool and Mr. Chumphol Chancharoen were appointed as member of the Risk Management Committee per resolution of the Board of Directors' meeting No.1/2016, held on 26 February 2016, and first performed their duties on in the Risk Management Committee's meeting No.2/2016, held on 28 April 2016.

[3/] Mr. Sukitt Naval was appointed as member of the Risk Management Committee per resolutions of the Board of Directors' meeting No.2/2016, held on 13 May 2016, and first performed duties in the Risk Audit Committee's meeting No.3/2016, held on 16 June 2016.

Term in the Office of the Risk Management Committee

The members of the Risk Management Committee shall hold office for a term of three years and may be re-appointed if deemed appropriated by the Board of Directors. The member of the Risk Management Committee will vacate when decease, resign or the Board of Directors approves so. The Board of Directors have authority to appoint additional member of the Risk Management Committee for the benefits of operation according to objectives or to substitute the member of the Risk Management Committee who is vacating. The appointed member of the Risk Management Committee shall hold the position for the remaining term of the member who was substituted.

Authorities, Duties and Responsibilities of the Risk Management Committee

1. Responsible for review and approve policy and guidelines in risk management.
2. Monitor the development, analysis and set guidelines in risk management.
3. Monitor identifying process and risk assessment.
4. Assess and approve Action Plan.
5. Report to the Risk Management Committee's meeting.
6. Communicate with the Audit Committee in important risk issues.
7. Consider the appropriateness of plan and budget arising from Action Plan for risk that is required to control or reduce in order to propose to the Audit Committee for their review.

The Nomination and Remuneration Committee

The Board of Directors' meeting No.1/2017, held on 22 February 2017, had resolutions to appoint the Nomination and Remuneration Committee. The members consist of Independent Committee and/or the Executive, which half of total members must be independent as follow:

Name - Surname	Position
1. Mr. Chirawat Srisawadi	Chairman of the Nomination and Remuneration Committee
2. Prof. Dr.Sahaton Rattanapijit	Member of the Nomination and Remuneration Committee
3. Mr. Ong-ard Puntuyakorn	Member of the Nomination and Remuneration Committee

Authorities, Duties and Responsibilities of the Nomination and Remuneration Committee

1. Set suitable qualifications of the Company's directors and members of the subcommittees, selection process and criteria in selection of the Company's director and member of the subcommittees, including selecting persons who are qualified for member position to seek approval from the Board of Directors and/or the shareholders' meeting (if required).
2. Consider form, criteria and amount of the remunerations, which must be clear, transparent and fair and reflect responsibilities and performances in the manner that can motivate and retain high quality and potential directors. Report to the Board of Directors before proposing to the shareholders' meeting.
3. Determine appropriate qualifications, selection process and criteria in selecting the executives, including recruiting the qualified and suitable person to propose to the Board of Directors for their approval.
4. Set up form and criteria for remunerations of the executives to propose to the Board of Directors to consider and approve. The form and criteria must be clear, transparent and fair and reflect duties, responsibilities and performances.
5. Prepare criteria and performance appraisal method of the executives for the Board of Directors' approval.
6. Appraise performances of the executives in accordance with criteria that were approved by the Board of the Directors. Consider annual remunerations by taking into consideration of results of their performances and propose to the Board of Directors to consider and approve.
7. Prepare succession plan for the Chief Executive Officer position and the executive positions, and propose to the Board of Directors to consider and approve.

8. Review charters of the Nomination and Remuneration Committee on a yearly basis. In case the Committee view that there is need to amend the charters to be suitable for orders, regulations and changing circumstances, the Committee shall propose to the Board of Directors to consider for amendment.
9. Perform other duties assigned by the Board of Directors.

The Executives

As at 31 December 2016, the Company's executives comprises of six persons as follow:

Name - Surname	Position
1. Mr. Ong-ard Puntuyakorn	Chief Executive Offficer
2. Mrs. Vallaya Puntuyakorn	Chief Administrative Officer
3. Mr. Tratorn Rattanasrithong	Chief Operating Officer
4. Miss Rawiphun Tantiauschariyakul	Chief Financial Officer
5. Mr. Manod Leelawattanakool	General Manager
6. Mr. Chumphol Chancharoen	General Manager

Authorities, Duties and Responsibilities of the Chief Executive Offficer

The Chief Executive Offficer has authorities and duties in managing the Company as assigned by the Board of Directors, including matter or other business as follow:

1. Supervise administration, general operation and approval for matters relating to business operation and/or daily administration for the benefits of the Company and achieve objectives, regulations, rules, orders, resolutions from the Board of Directors' meeting and resolutions from the shareholders' meeting of the Company in compliance with related law and authorities that the Board of Directors defined.
2. Prepare policy, strategy, goals, business plan and annual budget, including management structure and management authority of the Company to propose to the Executive Committee for their review before proposing to the Board of Directors for their approval.
3. Operate or manage in accordance with policy, strategy, goals, business plan and budget that were approved.
4. Monitor, investigate, control and report overall operating performances of the Company to the Board of Directors on a quarterly basis.
5. Supervise staff in various departments to operate efficiently and effectively, including continuously developing organization and human resource, and maintaining good company image.
6. Hold authority to hire, appoint, transfer, promote, suspend, terminate, and set salary rates, other compensation including rewards, salary adjustment and bonus. However, the said activities in relation to the management (level higher than general manager, director or equivalent) must be approved by the Executive Committee, prior to implementation.
7. Hold authority in issue, correct, add, amend or cancel orders, regulations, memo and regulations relating to working in order for the operation to be in the same direction as policy and the Company's benefits and maintain order and discipline in the organization.

8. Hold authority in approval for investment or expense in the Company's business operations or other expenses relating to the Company's business operations within the limit amount set by the Board of Directors. This includes the approval for transactions in relation to procure raw materials from domestic that is in a normal course of business not exceeding Baht 10 million per transaction and for raw material from overseas not exceeding Baht 15 million. The approval for purchase of fixed assets such as building and machine, not exceeding Baht 15 million per transaction. The approval for entering into hire/purchase/lease transaction of not exceeding Baht 10 million per transaction. If the amount exceeds the limit, the Chief Executive Offficer shall propose to the Executive Committee's meeting or the Board of Directors' meeting for their approval.
9. Hold authority to procure, enter and operate normal business within approved budget.
10. Perform other duties assigned by the Board of Directors and/or the Audit Committee.
11. Ability to sub-delegate authority to other employees to conduct on behalf of the Chief Executive Offficer but shall be responsible for the action in that period of the person who is delegated the authority. However, the authority of the Chief Executive Offficer and the delegation of authority to other persons deemed appropriated by the Chief Executive Offficer, shall not include authority or delegation of authority that allows the Chief Executive Offficer or the said persons to approve the transactions, which the Chief Executive Offficer or other persons, who may have a conflict of interest (definition under notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related authorities), or other interests that are conflict with interests of the Company or its subsidiary and/or related company, the Chief Executive Offficer shall not have authority to approve on the said matter. The said matter shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (if required) to consider and approve in accordance with the Company's regulations or related law, except for approval for transaction under normal course of business and normal terms and conditions in compliance with notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other related authority.

Company Secretary

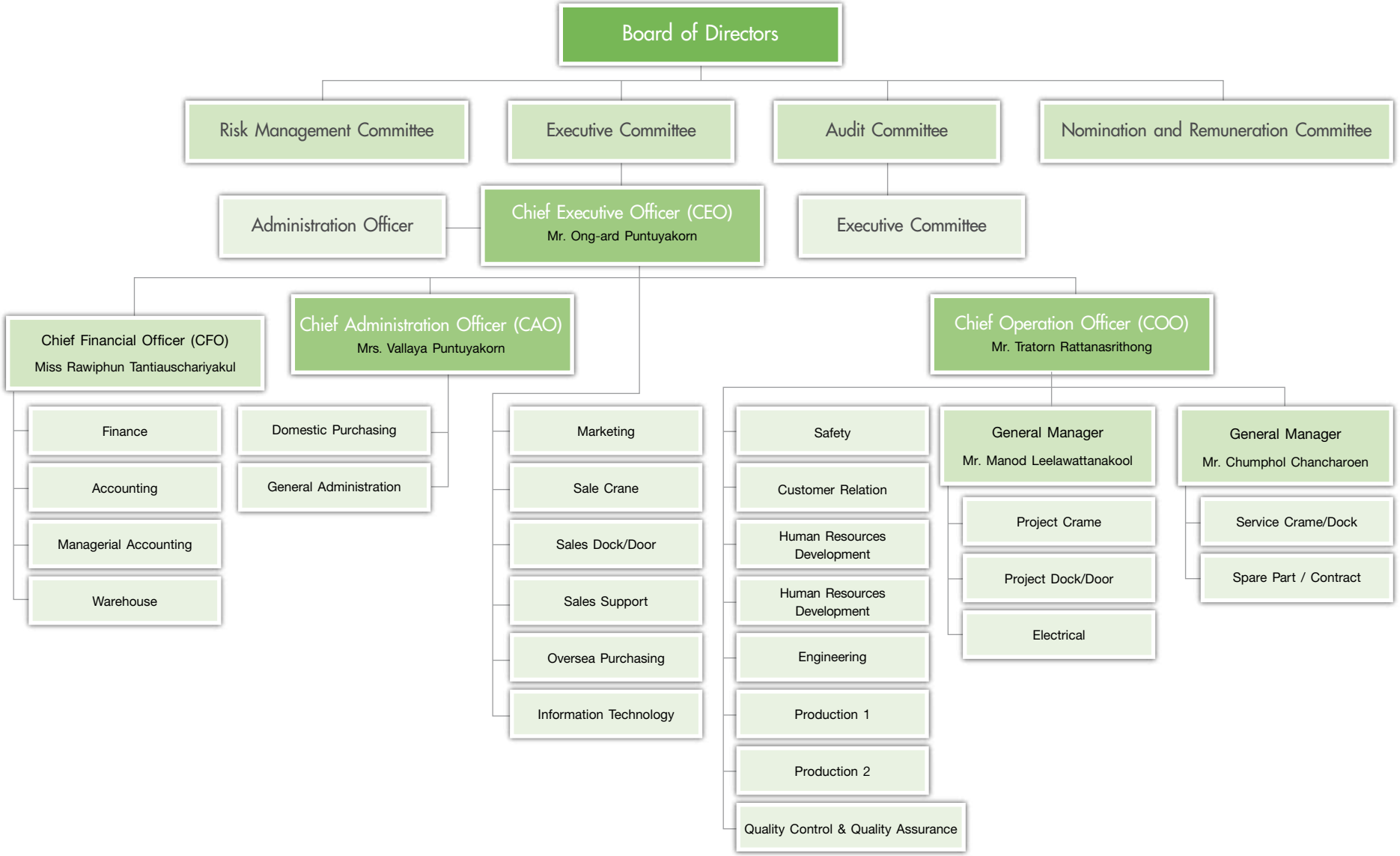
The Board of Directors' meeting No. 3/2014, held on 4 April 2014, had a resolution to appoint Mr. Sukitt Naval as Company Secretary in accordance with Section 89/15 of the Securities and Exchange Act B.E.2535 amended by the Securities and Exchange Act (No. 4) B.E.2551. The duties and responsibilities of Company Secretary include:

1. Provide preliminary advice to directors about law, government-related instructions and guidelines, the Company's rules and regulations; monitor to ensure these are followed accurately and regularly and report significant change to the directors.
2. Promote knowledge and understanding of corporate governance, provide information, encourage directors to follow, and monitor results.
3. Prepare meeting agenda, documents, notice of the shareholders' meeting and notice of the Board of Directors' meeting.
4. Ensure the shareholders' meeting and the Board of Directors' meeting are in accordance with laws, regulations of the company and good practices.
5. Promote knowledge and understanding of corporate governance, provide information, encourage directors to follow, and monitor results.

6. Record minutes of the shareholders' meeting and the Board of Directors' meeting, including monitor actions in accordance with resolutions of the shareholders' meeting and the Board of Directors' meeting.
7. Prepare and maintain directors' registration, annual report, notice of the shareholders' meeting and notice of the Board of Directors' meeting, minutes of the shareholders' meeting and minutes of the Board of Directors' meeting.
8. Ensure that directors and the executives prepare conflict of interest report of their own and related person.
9. Maintain conflict of interest report of directors or executives and provide copy to Chairman of the Board of Directors and Chairman of the Audit Committee as required by law.
10. Ensure the disclosure of information and report to compliance unit in accordance with the government-related rules and regulations.
11. Contact and communicate with shareholders to inform shareholders' rights and Company news and to coordinate between shareholders and the Board of Directors and the executives.
12. Observe activities of the Board of Directors and arrange for the appraisal of the Board of Directors' performances and report results of this appraisal to the Board of Directors.
13. Monitor the update and the change of law, regulations and code of conducts in relation to business, company and director.
14. Communicate policy, regulations or orders from resolutions of the Board of Directors' meeting.
15. Control and supervise all departments/divisions in the organizations both the Company and its subsidiary to ensure the operation in accordance with law.
16. Liaise with the Board of Directors, the executives, shareholders, and the Securities and Exchange Commission, Thailand.
17. Maintain document of directors, shareholders, the Company and the Securities and Exchange Commission, Thailand.
18. Perform investor relation duties to provide the Company's information to public in relation to management and administrative of organization's business.
19. Perform duties as assigned by the Board of Directors without conflicting with law and good ethics.

Internal Management Structure

Exhibit internal management structure which has been approved at the Board of Directors' meeting No.1/2017, held on 22 February 2017 as follow:



Director and Executive Remunerations

The Board of Directors

In 2016 and 2015, the remunerations for the Board of Directors and the Audit Committee are as follow:

Position	Director Remunneration[1/]			
	2016		2015	
	Remuneration Per month (Baht/Person/Month)	Meeting Allowance (Baht/meeting)	Remuneration Per month (Baht/Person/Month)	Meeting Allowance (Baht/meeting)
Chairman of the Board of Director	20,000	15,000	20,000	-
Director	15,000	10,000	15,000	-
Chairman of the Audit Committee	-	15,000	-	15,000
Member of the Audit Committee	-	10,000	-	10,000

Note : [1/] Conditions on remuneration

- The remunerations above were paid to independent directors and non-executive directors in each committee only. Non-executive directors entitled for remunerations must not be shareholder.
- Special bonus for directors is considered on year-by-year basis, depending on the Company's performances and at shareholder's discretion.

In 2016 and 2015, the Company paid remunerations to the directors as follow:

Name	Remuneration (Baht)			
	Director		Member of the Audit Committee[1/]	
	2016	2015	2016	2015
1. Mr. Weerachai Ngamdeevilaisak	315,000	225,000	75,000	95,000
2. Prof. Sahaton Rattanapijit	220,000	180,000	40,000	70,000
3. Mr. Ong-ard Puntuyakorn	-	-	-	-
4. Mrs. Vallaya Puntuyakorn	-	-	-	-
5. Miss Chalumporn Puntuyakorn	-	-	-	-
6. Mr. Tratorn Rattanasrithong	-	-	-	-
7. Mr. Chirawat Srisawadi	230,000	180,000	50,000	105,000
8. Mr. Patai Bunmark	230,000	165,000	50,000	70,000
Total	**995,000**	**750,000**	**215,000**	**340,000**

Note : [1/] Mr. Patai Bunmark was appointed as director and member of the Audit Committee on 9 January 2015, and received remuneration from February 2015 onwards.

The Executives

In 2016 and 2015, the Company paid remuneration to the executives as follow:

Remuneration	2016[1/]		2015	
	Number (person)	Remuneration (Baht million)	Number (person)	Remuneration (Baht million)
Salary Bonus Other remunerations include life insurance premiums, social security contribution, other welfares	6	15.42	7	16.97

Note : [1/] Mr. Viyakorn Srihanern, the general manager of Alla Public Company Limited, transferred to Onvalla Co., Ltd. as general manager on 26 March 2016 with continued benefits and service years.

Personnel

General Information

As at 31 December 2016 and 2015, the Company and its subsidiary had 479 and 493 employees, respectively (excluding executives). Employees of the Company by department as follow:

The Company's employee	31 December 2016	31 December 2015
Sales and admiration	93	93
Production and after-sales services	226	240
Total	**319**	**333**

Employee remunerations

In 2016 and 2015, the Company and its subsidiary paid for employee remunerations in a total amount of Baht 144.38 million and Baht 162.10 million, respectively, comprising of salary, bonus and other benefits.

Provident fund

The Company and its subsidiary and their employees jointly set up a provident fund under the Provident Fund Act B.E. 2530. They will contribute monthly to the fund for an amount of 5% of the monthly salary. This provident fund is managed by BBL Asset Management Co., Ltd. The fund will pay out to the employees when resign in accordance with regulations of the provident fund of the Company and its subsidiary.

For the year ended 31 December 2016, according to consolidated financial statements and separate financial statements, the contribution to provident fund were Baht 2.20 million and Baht 1.79 million (2015: amount to Baht 2.66 million and Baht 2.37 million, respectively).

Policy on human resource development

The Company realizes that employees are the crucial factor to drive and support the Company's business to reach its goal. As such, the Company set policy to develop employees at all levels regularly in order to create knowledge and capability for employees, thus enabling employees to perform their job efficiently. The Company plans to provide both internal and external trainings in order to enhance employees' skills in their respective area of responsibilities, resulting in benefits to overall work development of the Company.

The Company focuses on human resource development by emphasizing on all-around development, thus enhancing effectiveness in work. Each employee has long-term development and training road map. This is the coordination between human resource department and the department of employees. The trainings comprise of internal and external training. All-around training includes knowledge and capability development, skill and behavior development, attitude and emotion development.

Knowledge comprises of core competency, management competency and functional competency. Examples of knowledge development course includes risk assessment and management, crane operation and maintenance, crane design, budgeting, internal control etc.

Apart from knowledge development, the Company places importance on developing working skills, upgrading kills and specific-area staff, and sending staff for training and testing on standards skill such as welders, electricians.

Moreover, the Company realizes safety and occupational health of employees at all levels. Hence, the Company supports and provides training, seminar and personal development in accordance with law required, such as training course on electrical safety course, training courses on safety, occupational health and safety at workplace, training for security officer both supervisor and executive, including training course on basic fire extinction.

Corporate Governance

Policy

The Company places importance on management system that is efficient, transparent and auditable. This leads to obtained trust from concerned parties and sustainable growth of business under ethical business operation and in compliance with applicable law. As such, the Company set policy on corporate governance to elevate the existing operation system to be a clear standard system and this system will spread to the Company' staff at all levels, thus truly creating culture of good corporate governance. The Company adopts guidelines of good corporate governance for listed company stipulated by the Stock Exchange of Thailand, encompassing five sections with guidelines as follow:

Section 1 The Rights of Shareholders

The Company is aware of the importance on basic rights of the shareholders both as investors and as founder. Besides, the Company promotes and facilitates rights of shareholders as follow:

1. Shareholders' Meeting

1.1 The Company's policy is to encourage or promote all categories of investors, including institution investors, to attend shareholders' meeting.

1.2 The Company will prepare invitation letter to the shareholders' meeting specified venue, date, time, agendas and matters to propose to the meeting with clarifications, reasons and opinion of the Board of Directors in each agendas or resolutions sought as specified in the invitation letter to the shareholders' meeting. The Company will send out notice of the shareholders' meeting together with information relating to each agenda in advance as required by law. The Company will disseminate information and the invitation letter to the shareholders' meeting through the Company's website not less than 7 days prior to the date of the shareholders' meeting. The Company informed the Stock Exchange of Thailand via SET Portal. The dissemination of the invitation letter to the shareholders' meeting on the Company website www.alla.co.th under "investor relations" helps expand channels to provide information to all investors equitably.

1.3 The Company will facilitate shareholders to exercise their rights and cast their vote, and the Company will not act in any way to limit the opportunity of shareholders to attend the shareholders' meeting.

1.4 Prior to the date of the meeting, the Company offers the opportunity for shareholders to send opinion, suggestion and questions before the date of the meeting. The Company will set clear criteria in sending question in advance and inform the shareholders, and send out the invitation letters, including disseminating criteria on sending questions in advance on the Company's website.

1.5 In case shareholders are unable to attend the meeting, the Company offers an opportunity for shareholders to provide proxy to independent director or other person to attend the meeting on their behalf by using any of proxy forms that the Company sends with the invitation letter. The Company will nominate at least one independent director as an alternative for shareholders to give their proxy.

2. On Shareholder's Meeting Date

2.1 The Company supports the Board of Directors, the Executives, other concerned parties and auditor to join the shareholders' meeting.

2.2 In each meeting, the Company will give opportunity to shareholders equitably. Prior to the meeting, the Chairman of the meeting will inform how to cast the vote, count the vote of shareholders in each agendas and offer an opportunity for all attendees to share ideas, suggestion and inquire on each agendas freely within appropriate time prior to casting the vote on each agendas, including follow the order of the agendas. In the shareholders' meeting, concerned directors and executives attend the meeting to answer questions. The questions and major discussions will be recorded in the minutes of the meeting in order for shareholders to review.

2.3 In the meeting to select the directors, the Company offers an opportunity to vote and select one director at a time, which shareholders have the right to select candidate, which has suitable qualifications to perform director role and to protect their interest. This will create diversity and truly representative of shareholders.

2.4 The Company supports independent person to count the votes in the shareholders' meeting and disclose to the meeting, and records in the minutes the shareholders' meeting.

2.5 The Company provides the ballot for the important agendas such as connected transaction, acquisition or disposal of assets, for transparency and auditability.

3. Minutes of the Meeting and Disclosure of Resolutions

3.1 After the meeting, the Company will prepare minutes of the meeting by demonstrating adequate and accurate information, which includes question, answer and vote results of each agenda by separating into vote for, vote against and abstain, including name of directors who were presence and absence from the meeting.

3.2 The Company will disclose the vote results of each agendas in the shareholders' meeting on the next day on the Company's website and will disseminate minutes of the meeting on the Company's website for the shareholders to review.

Section 2 The Equitable Treatment of Shareholders

The Company has policy to treat all shareholders and groups with equitability, no matter they are major shareholders, retail investors, executive shareholders and non-executive shareholders. The Company offers an opportunity for shareholders to provide proxy to other person to attend the meeting and vote on their behalf.

The Company has measures to prevent directors and executives from using internal information to benefit themselves or others in a wrongful way (Abusive Self-dealing), taking advantage on other shareholders such as insider trading, sharing internal information with persons related to directors and executives, which is taking advantage on or may damage to all shareholders.

The Company ensures that its directors and executives disclose information relating to personal interest and related party's interest for the Audit Committee to be able to consider the Company's transaction, which may have a conflict of interest, and to decide for the benefit of the Company as a whole. The director and executive, who are interest persons, shall not vote on the said transaction.

The Company set guidelines to equitable treatment of shareholders as follow:

1. Provide information before meeting

1.1 The Company informs meeting schedule, agenda and opinion of the Board of Directors to the shareholders in the invitation letter to the shareholders' meeting and other channels, which are appropriate, before the meeting date not less than the period required by law.

1.2 Prior to the meeting, the Chairman of the meeting will inform shareholders of various rules applied to the meeting, process of casting the vote, rights to vote and method for vote count of each agenda.

2. Protection rights of minority shareholders

The Company sets criteria in allowing minority shareholders to add agenda prior to the date of the shareholders' meeting, demonstrating of fairness and transparency in considering whether to include agenda proposed by minority shareholders. The qualifications of shareholders, who wants to propose the said agenda, must comply with the Securities and Exchange Act Section 89/28. The Company reserves the right to reject to include the proposed matter in agenda for of meeting in case the minority shareholders do not abide by law and matters that violate law, regulations and orders of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand.

3. Protect the use of inside information

The Company ensures the strict oversight the application of inside information in order to protect utilization of inside information to benefit to oneself or other in a wrongful way (Abusive Self-dealing), and to be fair to all stakeholders. The Company set guidelines in keep and maintain inside information of the Company and guidelines to protect the use of inside information to benefit oneself in writing, and to inform all staff in the organization to follow. In addition, the Company ensures that directors, executives and employee must not buy or sell the Company's share by using confidential information and/or inside information and/or enter into transaction by using confidential information and/or inside information of the Company, which create damage to the Company either directly or indirectly. However, directors, executives and employee in the departments that obtain inside information shall not trade the Company's securities by themselves, spouse and child younger than eighteen years old, either directly or indirectly (nominee, private fund) within one month prior to the disclosure of quarterly and yearly financial statement and consolidate financial statements and at least 3 days after the disclosure the said information. This is to comply with notification of the Securities and Exchange Commission and the Securities and Exchange Act.

4. Director's interest

The Company adheres to equitable treatment of shareholders and set guidelines on managing the interest person transparently and auditability. In case it happens, the interest person must immediately report to the Company. In the Board of Directors' meeting, interest director shall not vote on the said matter.

Section 3 The Role of Stakeholders

The Company places importance on rights of all stakeholders, either internal stakeholders such as shareholders, executives and employee or external stakeholders such as creditor, customer, trade partner, competitor, government, social and community. The Company realises that the supports and comments from all stakeholders will benefit business operation and development of the Company. Hence, the Company abides by the law and regulations to ensure that rights of stakeholders will be well taken care. Besides, the Company's business operations consider rights of all stakeholders per the following guidelines.

Shareholder

The Company has policy in doing business with integrity, moral and ethics, and tries to develop the business for growth and good performance to create returns suitable for investment by shareholder and investor. The Company adheres to equitable treatment of shareholders and ensures that directors, executives and employee conduct their duties with integrity and make decision with transparency carefulness and fairness to all shareholders with equitability to maximize benefit of all shareholders. The Company will report on performances, financial information, accounting and other reports required by the Stock Exchange of Thailand and the Securities Exchange and Commission.

Customer

The Company is aware of the importance of customers' satisfaction. As such, the Company adopts ISO 9001 standard for the organization by setting policy on quality as "create value for customers by continuous development in quality, service, spare parts, deliver, safety and price".

Competitor

The Company has policy to treat business competitor based on fair competition. The Company does not seek confidential information of competitor by a wrongful way. The Company conducts business under good competition framework, and does not discredit competitor by false accusation and does not obtain competitor's confidential trade information by unethical way.

Employee

The Company place great importance on employee, a resource supports and propels the organization to achieve its business goals. As such, the Company sets policy to improve quality of life by providing fair employment, appropriate benefits, development opportunity and safety and hygienic workplace, and strictly abides by law and regulations relating to employee. The Company provides sound workplace; treats employee politely; and respect employee's individuality and dignity. The Company provides fair compensation and considers promotion, transfer, rewards and punishment by taking into account knowledge, ability, and suitability of employee. The Company recognizes the importance of employee development by offering opportunity adequately and regularly, and avoid unfair treatment, which affect employee's job security, threat and pressure on employee's mentality. Employees have rights to file complaints in case they are unfairly treated through provided process and system. The Company opens for observations and suggestions from employee at all levels equally and equitably.

Government

The Company operates its business to support the development of the country by adhering to law, rules, regulations and normal business practice.

Community, Social and Environment

The Company operates its business with community and social responsibility by emphasizing on complying with all standards relating to safety, health, environment and its impact on resources and environment. The Company continuously instills social and environment responsibility to employees at all level and gives back through activities that helps develop social, environment and quality of life of people. The Company follow, cooperate and ensure strictly operation in accordance with law and orders relating to activity of community and social, by focusing on generating development of social, community environment and natural resources conservation.

Section 4 Disclosure and Transparency

The Board of Directors places importance on disclosure of the Company's important information, financial and non-financial, to be accurate, adequate, timely, transparent easy access and equitably available to all parties. The Company disseminates its information to shareholders, investors and public through various medium, including the Stock Exchange of Thailand, the Company's website, Annual Registration Statement (Form 56-1) and Annual report.

The Board of Directors is responsible of Company's financial statements and financial information in annual report. These financial statements are prepared in accordance with generally accepted accounting standards in Thailand by selecting suitable accounting policy consistently, including disclosure of information adequately in the financial statements. The Audit Committee will review quality of financial report, internal control and adequacy of information disclosure in notes to financial statements, and will report to the Board of Directors.

As for investor relation, the Board of Directors met with analysts and investors in several occasions. This provides another channel to communicate the Company's information to investors and press regularly.

Section 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

1.1 The Board of Directors comprises of directors with various qualifications in terms of skills, experiences and expertise in specific field, to benefits the Company. The Board of Directors plays a key role in setting up policy and business plan, and overseeing, examining, evaluating operation performances to ensure that it meets targeted plan. The Board of Directors ensures that the Company's operations comply with laws, rules, and resolutions from the shareholders' meeting, and with integrity, ethics and code of conducts. The Board of Directors also oversees and ensures that the business operations by the executives follow guidelines, achieve targets and provides highest benefits to the Company and shareholders. The structure of the Board of Directors must comprise at least 1 non-executive director with experience in accounting and finance.

1.2 The Board of Directors must be sufficient number of members to oversee the Company's business. It should comprise of members with sufficient knowledge, experience and ability to perform their roles efficiently. The number of members on the Board of Directors must not less than five members.

1.3 The Board of Directors must comprise independent director in compliance with the requirements of the Securities and Exchange Commission. The independent director can freely give opinion on business operation by the executives. This creates check and balance when consider business matters and review the operation by the executives to benefits the Company.

As at 31 December 2016, the Board of Directors had eight members, consisting of five non-executive directors, (four of which are independent directors, which is in compliance with the requirements of the Securities and Exchange Commission, which requires the number of independent directors must be at least one out of three of total directors, and requires the Audit Committee must comprise at least three members, who have the qualifications in accordance with the related notification of the Securities Exchange Commission), and three executive directors, consisting of one Chief Executive Officer, one Chief Operating Officer and one Chief Administration Officer.

1.4 The Board of Directors represents all shareholders, not representative of any particular groups.

1.5 The Board of Directors has policy to have number of non-independent directors in fair proportion of investment of controlling shareholders in the Company.

1.6 According to article of association and related law, appointment of directors must be transparent. The selection process must conduct through corporate governance process and consider education background and professional experiences of the candidate with sufficient detail for decision making of the Board of Directors and shareholders.

According to article of association, at every annual General Meeting of the Shareholders, at least one out of three of total numbers of the directors must resign. If the number of directors cannot be divided into three portions, the number of directors to resign must be nearest to one out of three of total members of the directors. Directors with the longest tenure will resign and they can be reappointed.

1.7 Directors' term in office is defined in article of association. There is no limit on number of reappointment of vacated directors. As for qualifications of independent director, the Board of Directors' policy stated that independent director who has been in such position for nine years or three terms, the Board of Directors will review the true independence of the said independent director every year.

1.8 The Board of Directors clearly segregates authorities and responsibilities in setting up policy on corporate governance and day-to- day business operations. Chairman of the Board of Director and the Chief Executive Officer are elected by the Board of Directors and both positions cannot not be held by same person in order for clear responsibilities between setting up policy and oversight, and managing business. The Company clearly segregates roles and responsibilities between the Board of Directors and the executives. This provides check and balance in that the

Board of Directors sets policy and oversee, at policy level, business operation by the executives, while the executives manages business in different areas in accordance to policy. The Chairman of the Board of Directors is not involved in day-to-day business but supports and provides advice in business operation of executives through the Chief Executive Officer regularly, while the Chief Executive Officer is responsible for administration and management of the Company with the authority provided by the Board of Directors.

1.9 The Board of Directors limits number of company, that each director can have any position in, at five companies. This is due to the consideration of efficiency of directors with several positions in other companies and sufficiency of time to perform duties of the Company.

1.10 According to article of association, the Board of Director sets policy in assuming position in other companies of the Company's director. The Company's director must not operate or be partner of a company with or without limited liability, or be a director of a company or a public company that has the same business and competes with the Company's business, except that the director informs the shareholders' meeting prior to appointment.

Moreover, the Board of Directors does not have policy to nominate executive to be other company's director except for the company in the Company's group. In case the Company's executive will assume positon in other companies, it must be approved by the Executive Committee, except for a position in not for profit organization. The position must not violate law and regulation in relation to the Company's business and the said executive must not use current position at the Company to promote other business.

1.11 The Board of Directors appointed the company secretary who possesses relevant qualifications and experiences. According to the Securities and Exchange Act, the company secretary has duties and responsibilities to advice on law and regulations necessary for the Board of Directors, oversee and assist the Board of Directors' activities, and ensure that resolutions of the Board of Directors are conducted. The Company disclosed the qualifications and experiences of the company secretary in annual report and on the Company's website.

1.12 The Board of Directors promotes and supports the company secretary in training and continuous developing in the area of law, accounting and duties of the company secretary.

2. Sub-committee

The Company appointed sub-committees, namely the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

3. Roles, Duties and Responsibilities of the Board of Directors

3.1 Duties and Responsibility of the Board of Directors

The Board of Directors considers and approves important issue relating the Company's business operations such as vision, policy, strategy, goal, business plan, an annual budget, internal control and risk management, oversee the management/executive to operate in accordance with policy and plan efficiently and effectively.

However, the Board of Directors is responsible for the Company's financial statements; assigns the Audit Committee to review financial report; and ensures that financial report is prepared in accordance with generally accepted accounting standards; and ensures transparently and adequately discloses the Company's important information. The accounting department and/or auditor propose financial report to the Board of Directors/the Audit Committee every quarter. The Board of Directors is responsible for the Company's financial statements and financial information (The Board of Directors' Report on its Responsibility to the Financial Statements) in annual report.

3.2 Corporate Governance

The Board of Directors ensures written policy on corporate governance and this policy is communicated to all employees in the organization to understand policy on corporate governance, and to adopt and to follow this policy. The Board of Directors regularly reviews the policy and its implementation at least once a year.

3.3 Code of Conduct

The Board of Directors adheres to operation business with fairness and has policy to set written code of conduct to implement and disseminate to executive directors and all employers to understand ethics and to be guidelines in operating business. Code of conduct serves as intention to operate business with transparency, responsibility to stakeholders, consideration of social and environment. Code of conduct reflects value and guidelines for employees to follow. The Company publishes and announces code of conduct and ensures that all employees strictly follow this code of conduct. The Board of Directors monitors that code of conduct are strictly adopted and followed.

3.4 Conflict of Interest

The Board of Directors carefully considers the matter of conflict of interest and has clear guidelines when considers transaction that may have a conflict of interest for the benefits of the Company and shareholders. The policy does not allow directors, executives and employees, including related person to the said parties, to seek personal interests that conflict with the Company's interest. The policy also encourages the person to avoid any act that causes a conflict of interest. The person, who relates to, has interest or is connected to the transaction that is under reviewed and considered, must make it known to the Company of how the said person is related or connected to this transaction. The said person shall not be involved in the decision on this transaction.

The Audit Committee shall present to the Board of Directors of connected transaction and transaction with conflict interest, which is carefully reviewed. The Company ensures the compliance with the Securities and Exchange Commission and the Stock Exchange of Thailand in pricing and other conditions with the person that may have a conflict of interest, to be the similar conditions as transaction with other parties without conflict of interest.

The Board of Directors oversees and ensures that the Company follows requirements on process and disclosure accurately and adequately of transaction that may have a conflict of interest, by disclosing these transactions in the financial statements, annual report and annual registration statement (Form 56-1).

3.5 Internal Control

The Board of Directors places important on efficient oversight and internal control both executive level and operation level. Internal control system is a major mechanism to help provide confidence to administrative and management to reduce business risk; operate business efficiently by allocating proper resource and achieve targeted goal; protect assets from escaping or losing due to corruption or wrongdoing; support accuracy of financial reporting; staff to operate in accordance with law, order, regulation; and protect investment of shareholders. Hence, the Company clearly defines duty and authority of staff and executive in writing; monitors of utilization of assets; segregates duty of operator, monitor and evaluator, to provide suitably check and balance system.

The Board of Director assigns the Audit Committee to review the efficiency and suitability of the internal control system that the management provides; prepare and review control system in operation, financial reporting, compliance, corporate governance and risk management; and focus on early warning sign in business operation and unusual transaction.

The Company hires external party, who is independent in performing task, to be responsible for the Company's internal control. Multiplus Audit and Consulting Co., Ltd. is the Company's internal auditor to perform audit function in order to be confident that the Company has adequate and suitable internal control system. The internal auditor will report directly to the Audit Committee. The Company monitors and evaluates performance regularly, in order to be certain that the system is efficient. The Company will evaluate of the adequacy of internal control system and other important systems at least once a year and disclose the results in the Company's annual report.

3.6 Risk Management Policy

The Board of Directors set up risk management policy that covers all organization and assigns the management to implement this policy. This includes report regularly to the Board of Directors and provide review and evaluate of its effectiveness of risk management at least once a year and disclose in the Company's annual report or any time when the level of risks change, including focus on early warning sign in business operation and unusual transaction.

3.7 The Audit Committee gives opinion relating to adequacy of internal control system and risk management system in the Company's annual report.

3.8 The Board of Directors give clear guidelines for persons who intends to provide tips or interest person via website or in-person. The person can inform independent director or member of the Audit Committee to order for validate and investigate in accordance with the Company's process and report to the Board of Directors.

4. The Board of Directors' Meeting

4.1 The Company set meeting schedule and agenda in advance and informs each director about the said schedule, in order for the directors to manage their schedule to accommodate the meeting.

4.2 The Company set the policy to have the Board of Directors' meeting at least five times a year, including other special meeting as necessary. However, to provide more flexibility in operating business, the executive committee meeting is held once a month, which will consider and approve business matters within authorities and responsibilities assigned by the Board of Directors. At each Board of Directors' meeting, the executive committee will inform the approved transaction by the executive committee to the Board of Directors in order to oversee, control and supervise the operation of the executive and management continuously and in timely manner.

4.3 In arranging the Board of Directors' meeting, Chairman and the Chief Financial Officer will consider and select matter or topic to include in the meeting agenda. Each director has an opportunity to propose matter freely that benefits the Company. It is each director's responsibility to attend the meeting not less than 75% of total number of the Board of the Directors' meeting held in one year.

4.4 The Board of Directors Secretary sends invitation letter together with agenda and supporting document to directors not less than seven days before the meeting, in order for directors to study the issue. With an exception for urgent case that needs to protect the Company's rights or benefits, the notification of the meeting will be informed by other processes and the date of the meeting can be earlier.

In the Board of Directors' meeting, the Board of Directors Secretary attends and records minutes of the meeting, and send to Chairman of the Board of Directors to consider and sign, and propose to the meeting to acknowledge in the next meeting. The Board of Directors Secretary also keeps and maintains information and document relating to meeting for convenience for searching and reference. Normally, members of the Board of Directors attend all meetings except necessary case that they need to inform prior to the meeting.

4.5 The Chairman of the Board of Directors acts as Chairman of the meeting and is responsible for supervise and allocate sufficient time for each agenda. All directors can express their opinion freely on important matters for the benefits of shareholders and related party fairly.

In voting to reach resolution, the Board of the Directors' meeting follow simple majority. Each director has one vote. Interest director shall not attend and cast the vote on that resolution. If the result shows equal vote, the Chairman will vote and it is the deciding vote.

Each director has rights to check document supporting the meeting and other important document. If independent director or member of the Audit Committee have any question, other directors and executives must answer the question quickly and adequately.

In case director disagrees with the resolution, director can ask the Board of the Directors Secretary to record objection matter in the minutes or submit objection letter to Chairman.

4.6 The Board of Directors encourages executives or other concerned management to attend the Board of Directors meeting as needed and appropriate and present additional detail and beneficial information as concerned management/person for the decision making of the Board of Directors and offer the opportunity the Board of Directors to know senior management in order to consider succession plan.

4.7 The Board of Directors can have an access to additional necessary information from the Chief Executive Officer, the Board of Directors Secretary or other executives within set policy. If necessary, the Board of Directors may arrange for independent opinion from consultant or external professionals and this is considered as the Company's costs.

4.8 The Board of Directors allows non-executive directors to have meeting among themselves without executive directors or management's presence in order to provide opportunity discuss issues relating to business and other interested issues. The non-executive directors will inform the results of the meeting to the Chief Executive Officer, including report to Chairman of the Executive Committee and the Board of Directors. In the meeting, Chairman of the Board of Directors chairs the meeting. If Chairman of the Board cannot attend, the meeting selects one director to chair the meeting and the Company Secretary acts as secretary of the non-executive director meeting.

5. Director's Self-Assessment

5.1 The Board of Directors and sub-committees have self-assessment at least once a year in order for the committees jointly considers performances and problems in order to improve.

5.2 In the Board of Directors' meeting No.1/2017, held on 22 February 2017, the Board of Directors assessed itself in accordance with appraisal form by the Stock Exchange of Thailand. The assessment results were very good.

6. Remuneration

6.1 Remunerations for directors depend on duties, experiences, accountability and responsibility, including expected benefits from each director. The Board of Directors sets clear policy and criteria in paying remuneration to directors and proposes for approval at the shareholders' meeting every year. These remunerations are transparent, auditable and at appropriate level, compared to industry, size of business and sufficient to incentivize and retain qualified director, as required. In addition, director remuneration also takes into additional responsibility in sub-committee, such as member of the Audit Committee.

6.2 Remuneration of the Chief Executive Officer and executives are in accordance with criteria and policy set by that the Board of Directors and/or the Executive Committee and for the highest benefits to the Company. Remunerations, including salary, bonus and incentives, are at the appropriate level and consistent with performance of each executive. The executive, who is assigned additional remunerations, will receive additional remunerations in accordance with additional responsibility. Besides, it has to be competitive within the same industry to retain qualified executives. Benefits to the Company and to shareholders are taken into account.

6.3 Non-executive directors assess the performances of the Chief Executive Officer every year in order to use in considering and setting remunerations of the Chief Executive Officer by comparing against criteria that was agreed with the Chief Executive Officer. These criteria include financial performances, long-term strategic performance and management development. The Board of Directors will consider and approve the said performances and Chairman of the Board of Directors will inform the results to the Chief Executive Officer.

7. Director and Executive Development

7.1 The Board of Directors promotes and facilitates training to related person in corporate governance to directors, member of the Audit Committee, Executives, Company Secretary in order to improve operation continuously.

7.2 Every time there is a new appointment of director, the administration will provide useful document and information for performing director's job, including introduction to nature of business and guidelines in business operation to the new director.

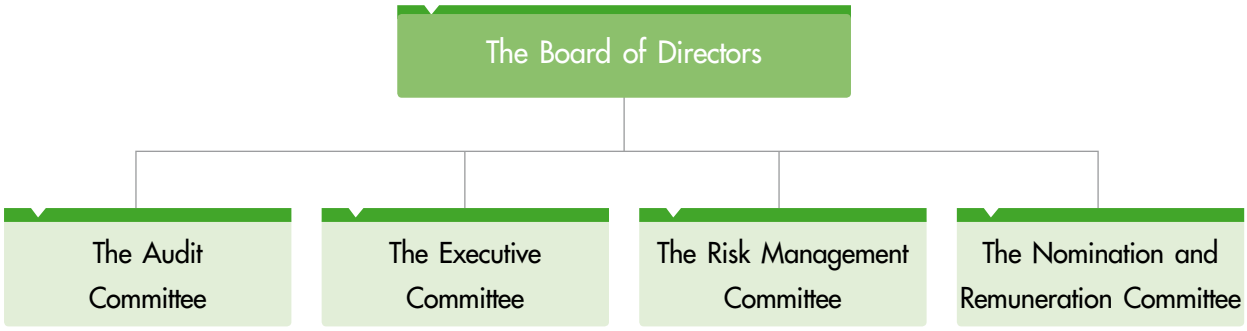
7.3 The Board of Directors requires the Chief Executive Officer regularly reports development and succession plan, which the Chief Executive Officer and the executives prepares the continuous plan to successor in case they cannot perform the duty.

7.4 The Board of Directors provides executive development project. The Chief Executive Officer will report every year on what is done during the year and consider together with the succession plan.

Sub-committee

Directors Structure

Sub-committees consist of the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee (appointed by the resolutions the Board of Directors' meeting No.1/2017, held on 22 February 2017) in order to perform specific area and propose to the Board of Directors consider or acknowledge as follow:



Nomination of Director and Top Executive

The Board of Directors

The company has nomination process for directors or executives. Major shareholder and/or representatives of each major shareholder group, expert in relevant field, director, independent director and the Company's executive nominates lists of persons with qualifications, experiences and potential, by focusing on skills and experiences necessary for the Company's business. Qualifications to be considered include:

1. Director must be person with knowledge and experiences that benefit to business; possess integrity, ethics in doing business; and have sufficient time to dedicate knowledge, capability and perform duty for the Company.
2. Director must have complete qualifications and does not possess any prohibitive attributes pursuant to the Public Limited Company Act and the Securities and Exchange Act. The Candidate does not have

attributes that lack of appropriateness to be trusted to manage and administrate business, whose shareholders are public pursuant to notification of the Securities and Exchange Commission and has to be the person whose name is in the system of director and executive of the issuers under notification of the Capital Market Supervisory Board.

3. Director shall not operate the same business and compete with the Company's business. Director shall not be partner or director of other entity in the same condition and compete with the Company's business, regardless of for own benefits or others, except that the director informs the shareholders' meeting prior to appointment.

4. Director shall inform with reasonable time, if director has interest in the contract the company enters either directly or indirectly, or increase or decrease in holding in shares or debentures of the Company or the subsidiary.

   The selection and appointment of director follows the process stated in article of association and appointed direct must be approved form the shareholders' meeting with simple majority of attending shareholders and cast their vote.

5. At shareholders' meeting, the Board of Directors is appointed and comprises of at least five directors, responsible for all businesses of the Company and authorized within law, objective, article or association and resolutions of the shareholders' meeting. Besides, it is authorized to act according to memorandum or association or any related matter. Direct can be a shareholder.

6. No less than half of total directors must be a resident and all directors shall have qualification and shall not have any prohibit attributes, required by law.

7. At shareholders' meeting, election of director follows criteria and procedures as follow:
   - 7.1 Each shareholder has number of votes equivalent to number of shares held.
   - 7.2 Each shareholder may use his votes for one or many directors. In case of using for many directors, shareholders cannot have uneven vote allocation.
   - 7.3 Person with highest votes in descending order shall be appointed as director equal to number of directors required in that meeting. In case numbers of persons in the next order, who have the same votes, are more than number of directors required, Chairman shall decide.

8. In every Annual General Meeting of the Shareholders, at least one out of three of total numbers of the directors must resign. If the number of directors cannot be divided into three portions, the number of directors to resign must be nearest to one out of three of total numbers of the directors.

   To identify which directors to resign in the first year and in the second year after the registration of the Company, this shall base on draw lots. Thereafter, directors with the longest tenure will resign and they can be reappointed.

9. Director resigns by submitting to the Company, effective on the date resignation letter arrives the Company.

   Director, who is resigning, may inform registrar under the Public Company Act.

10. In case the director positon is vacant for other reasons than expiration of its term, the Board of Directors shall appoint person with complete qualifications and does have any prohibitive attribute prohibitive attributes pursuant to the Public Company Limited Act, the Securities and Exchange Act, as director, in the next Board of Directors meeting. Except the remaining term is less than two months, the substituting director shall hold the position for the remaining term of the director who was substituted.

    The Board's resolutions for the above needs at least three out of four the remaining directors.

11. In case all directors are vacated, the vacating Board of Directors remains as acting in respective position to continue to operate the Company's business, on needed basis, until the new Board of Directors joins, except that the court orders otherwise. In case the Board of Directors vacates due to court order, the vacating Board of Directors shall arrange shareholders' meeting to elect the new Board of Directors within one month after the vacating date. Invitation letter shall be sent to shareholders not less than fourteen days prior to the meeting date. The meeting information shall be advertised in the newspaper three consecutive days of not less than three day prior to the meeting.
12. At shareholders' meeting, director can be voted out from position prior to the term ends with the votes not less than three out of four of shareholders attending the meeting and being entitled to cast vote. In addition, total number of shares must not be less than half of total numbers of shares held by shareholders attending the meeting and being entitled to cast vote.

Independent Director

The Company sets composition of the Board of Directors to comprise of Independent Director at least one out of three of total directors of the Company.

The Board of Directors or shareholders' meeting (whichever the case) appoints independent director to join the Board of Directors. The Company has policy to appoint independent director not less than one out of three of total number of directors in the committee and to have independent at least three persons.

Criteria in selecting independent director follows the criteria in selecting director, which qualifications of candidate follows qualifications and prohibitive attribute pursuant to the Public Company Limited Act, the Securities and Exchange Act; and related notification, rules and regulations. Independent director shall have education, skill in specific field, work experiences and other suitable qualification in order to propose to the shareholders' meeting to consider and approve. In case that any independent director is vacant before the expiration of his term, the Board of Directors shall appoint independent director which has the aforementioned qualification. The substituting independent director shall hold the position for the remaining term of the independent director who was substituted.

The Board of Directors set qualifications of independent director as follow:

1. Hold no more than 1% of total voting shares of the Company, parent company, subsidiary, associated company, major shareholder or controlling authority. This is inclusive of share held by anyone who is affiliated with him or her.
2. Is not involved in management, employee, consultant or controlling authority of the Company, subsidiary, associated company, major shareholder or of controlling authority of the Company, except that the period is not less than two years before the appointment date of member of the Audit Committee position.
3. Has no relation by blood or legal registration as father, mother, spouse, siblings and son/daughter, son/daughter-in-law of executive, major shareholder, controlling authority or person nominated to be executives or controlling authority of the Company or its subsidiary.
4. Does not have business relation with the Company, parent company, subsidiary, associated company, major shareholder or controlling authority in the Company in such way that might obstruct free judgement. The person is not a significant shareholder or the controlling authority of person who has business relationship with the Company, parent company, subsidiary, associated company, major shareholder or controlling authority, except that the period is not less than two years before the appointment date of member of the Audit Committee position.

5. Is not auditor of the Company, parent company, subsidiary, associated company, major shareholders or controlling authority and is not an implicit shareholder, controlling authority or partner of audit firm which has auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling authority are associated at present time, except that the period is not less than two years before the appointment date of member of the Audit Committee position.
6. Is not any professional service provider, including legal advisor or financial advisor, whose service fees is more than Baht 2 million per year from the Company, parent company, subsidiary, associated company, major shareholder or controlling authority of the Company. The person is not a significant shareholder, controlling authority or partner of professional service provider, except that the period is not less than two years before the appointment date of member of the Audit Committee position.
7. Is not a director who is appointed a nominee of a Director of the Company, a Major Shareholder or a Shareholder who is connected to a Major Shareholder.
8. Does not operate the same business and significant compete with the Company's business or its subsidiary's or not a significant partner in partnership or director with involvement in management, employee, consultant with monthly salary or hold more than 1% share of voting rights share of another company which has the same business and significant competition with the Company and its subsidiary.
9. Does not have any other characteristics that prevent from opining freely in relation to Company's operation.

Independent director will examine and certify his independence at least once a year by inform together with report of director at year-end for Annual Registration Statement (Form 56-1) and the Company's annual report

Member of the Audit Committee

The Board of Directors or shareholders' meeting (whichever the case) appoints the Audit Committee at least 3 persons to perform an audit committee of the Company. Each member of audit committee must be independent director and must not be director, which is delegated from the Board of Director to decide in company operation or the Company, parent company, subsidiary, associated company, major shareholder or controlling authority, and is not director of parent company, subsidiary. Member of the Audit Committee has the same duty as required in notification of the Stock Exchange of Thailand, section qualification and scope of work of the Audit Committee.

At least one of the Members of the Audit Committee must possess sufficient knowledge and experience to review the accuracy of the financial statements.

Executive Director

The Board of Directors appoints the Executive Committee by selecting from director, executive or senior staff of the Company. Executive director should be able to manage task relating to normal business operation and administration of the Company; to set policy, business plan, budget, management structure; and monitor and follow up performances of the Company in accordance with the policy by the Board of Directors.

Executive

The Company has policy to recruit executive by selecting candidate with knowledge and experiences relating to business. The selection process follows procedure relating to human resources. The candidate must be approved by the Board of Directors or a person, who is assigned.

The Board of Director considers a person to assume the Chief Executive Officer position and the appointment shall be approved by the Board of Director. The Chief Executive Officer is authorized to hire and appoint persons with knowledge and experiences in the Company's business, as the Company's employee in various levels, except management staff from general manager level and above. The Executive Committee considers persons who assume the position from general manager and above, except the Chief Executive Officer.

The appointment head or the responsible person for internal control must seek approval from the Audit Committee.

Oversight Operation of the Subsidiary and Associated Company

The Company has policy to invest in other business that relates and benefit the Company's core business. This business has potential and can generate profit for the Company in the long term. As for the subsidiary, the Company will control and set policy in managing the business, as a one of the unit of the Company. In addition, the Company nominates representatives from the Company to be director in proportion of its shareholding or as agreed by both companies. As for investment in associated company, the Company has no policy to control. However, the Company will nominate representative to be a director of the associated company as appropriately agreed with the partner. The representative must possess qualification and experiences that is suitable for managing the business of subsidiary and associated company; and monitor performance of subsidiary and associate company closely to achieve goal set by the Company.

Use of Inside Information

The Company ensures the strict oversight the application of inside information in order to protect utilization of inside information to benefit to oneself or other in a wrongful way (Abusive Self-dealing), and to be fair to all stakeholders. The Company set guidelines in keep and maintain inside information of the Company and guidelines to protect the use of inside information to benefit oneself in writing, and to inform all staff in the organization to follow. In addition, the Company ensures that director, executive and employee must not buy or sell the Company's share by using confidential information and/or inside information and/or enter into transaction by using confidential information and/or inside information of the Company which create damage to the Company either directly or indirectly. However, director, executive and employee in the units that obtain inside information shall not trade the Company's securities by themselves, spouse and child younger than eighteen years old, either directly or indirectly (nominee, private fund) within one month prior to the disclosure of quarterly and yearly financial statement and at least three days after the disclosure the said information.

The Company sets disciplinary actions for person who seeks benefits from using inside information or disclose. The punishments include verbal warning, warning in written, probation and termination.

Besides, the Company informs directors and executives about duty to report of holding shares of the Company and punishments under the Securities and Exchange Act B.E. 2535 and regulations of the Stock Exchange of Thailand.

Compensation for Auditor

Audit fee

The Company and its subsidiary paid audit fees to Grant Thornton Co., Ltd. for the year ended 31 December 2016 for an amount of Baht 1.36 million (included costs of the review of filling, reply to inquiries from SEC, and review annual registration statement (Form 56-1) and annual report of Baht 0.20 million) and Baht 0.63 million, respectively. Total audit fees of the Company and its subsidiary of Baht 1.99 million. This does not include miscellaneous expenses such as stamp, printing cost of financial statements, transportation, etc.

Non - audit fee

- None -

Corporate Social Responsibilities

Policy

The Company recognizes Corporate Social Responsibility (CSR), which is the guidelines in operating business under good corporate governance, ethics and good management, by focusing on generosity and public awareness in social development by supporting in every aspect that the Company possibly can, which is an element promoting sustainable business growth. The Company considers its vision, mission, values and objectives when developing CSR policy, which follows eight principles as follows.

1. Fair operations

The Company realizes moral and ethics and fairly treats all stakeholders, including trading partners, customers and commercial competitors. The Company builds its credibility through operating business with transparency, honoring agreements with all trading partners, providing accurate and adequate information relating to products and services and willingly listening to suggestions from customers in order for sustainable development. The Company refrains from discrediting or destroying competitors' reputation and remains political neutrality by not being involved in any political party and politician.

2. Anti-corruption

The Company places importance on anti-corruption and realizes impact of corruption. Hence, the Company prepared Anti-Corruption Policy, endorsed by the Board of Directors in the meeting No.1/2015, held on 13 January 2015, in order for organization to have sustainable management with integrity, efficiency and effectiveness and to provide guidelines for directors, management and staff. The guidelines are as follows.

2.1 Clearly define roles and responsibilities of the Board of Directors, the Audit Committee, Chief Executive Officer and staff at all levels in relation to Anti-Corruption Policy.

2.2 The Board of Directors, the management and staff at all levels must follow Anti-Corruption Policy and Codes of Ethics by not being involved directly or indirectly in corruption and not ignoring when witnessing the acts which could be in the scope of corruption.

2.3 Set procedures for staff when witnessing corruption by providing channels to report the acts, which could be within the scope of corruptions, investigation, punishment and measures to prevent fraud and corruption.

3. Respecting human rights

The Company is aware of the importance of Human Rights in organization with equality and parity in treating staff, trading partners and other concerned parties without discrimination based on gender, race, religion, including not directly or indirectly violate of individual rights and liberty.

The Company strictly abides by Law, Regulations and Rules by providing channels to report complaint and independently express opinion from internal and external parties in order for the sustainable development and management of the organization.

4. Fair treatment of labor

The Company realizes that each employee is a major driver for the Company to grow and attain business goals. Hence, the Company provides equal opportunity for employees at all levels to have good quality of life, appropriate compensation and benefits, and clean and safe working conditions. Furthermore, the Company promotes human resource development through relevant training to improve skills, increase efficiency and to provide opportunity for career advancement.

5. Responsibility to customers

The Company emphasizes on customers' satisfaction by producing and distributing good quality products, which meet internal standards at reasonable prices. Moreover, the Company focuses on after-sales services and warranty to ensure customers' confidence in products and to provide process to file complaints through electronic mail and telephone.

At present, the Company is certified for ISO 9001:2008, a Quality Management System by TUV NORD (Thailand) Company Limited. In addition, the Company is certified for TIS18001:2001 and OHSAS 18001:2007, an Occupational Health and Safety Management System from TUV NORD (Thailand) Company Limited.

6. Environmental protection

The Company places importance on environmental protection by not conducting anything that destroys environment in both workplace and public area and ensures that the Board of Directors, the management and employees at all levels abide by related Law, rule and regulation, such as Factory Act 1992.

The Company and its subsidiary annually check quality of environment at the workplace, including light intensity, noise level, noise accumulated level, temperature and air quality, by experts certified by Department of Labor Protection and Welfare.

Moreover, the Company sets various measures, which require all employees to follow consistently, such as energy conservation measure, including guidelines on how to use air-conditioner, light and computer with the consideration of best use to save costs and to promote awareness on sustainable energy conservation.

7. Community and social development participation

The Company is aware of the importance of community and social development by supporting volunteer staff to start and participate in projects, both Company-initiated project and project in cooperation with government, private sector and community, in order to improve quality of life of people in the community. The on-going project includes volunteer for rural school development camp and short-term projects are donation and recreational activities for disadvantaged person, school and government, for instance.

8. Development and innovation dissemination of CSR, environment and stakeholders

The Company will support innovation and participation of stakeholders in innovation that creates a balance between value and benefit to community, social and environment, and sustainable growth of the business.

Corporate Social Responsibilities Activity in 2016

"Support National Children's Day Events"

On 8 January 2016, the Company sponsored National Children's Day gifts for schools and police station, including Khlongwhang School, Suraojorakhenoi School, Suraokoarai and Saen Phu Dat Provincial Police Station, for their Children's Day Event.





"Water Tank for Youth"

The Company and its subsidiary realize that clean water is necessary for life and health. Adequately drinking clean water can prevent diseases and provide good health, longevity, revitalization and intelligence. Despite rapid development of the world, some schools are still lack of the access to potable water. On 6 December 2016, the Company initiated "Water Tank for Youth" Project, which provides water tank, water filter and water pump, to four schools, including Donyai School Pathumthani Province, Watketpapha School Pathumthani Province, Watjanglamhin School Pathumthani Province and Child Development Center Subdistrict Administrative Organization Koarai Chachoengsao Province.





"ALLA Blood Donation for Thai Society"

Due to the increase in requests for blood by hospitals throughout Thailand from The Thai Red Cross Society, on 9 December 2016, the Company's management and staff donated blood to The Thai Red Cross Society through mobile unit at Tepparad Municipality Chachoengsao Province.







"ALLA Grant for Volunteer for Rural School Development Camp"

On 13 December 2016, the Company initiated "ALLA Grant for Rural School Development Camp" Project at Banbobia School, 30 Moo 1, Bobia Sub-district, Ban Khok District, Uttaradit Province.



"ALLA Paint Fulfill Dream Share Smile for Disadvantaged Persons"

The Company and its subsidiary shared and gave back to society by developing disabled and disadvantaged Thais to be ready physically, mentally and intellectually and to be able to live happily in the society. "ALLA Paint & Fulfill Dream, Share Smile for Disadvantaged Persons" Project brought the Company's volunteer staff to train disabled persons to learn how to make things by themselves, donate consumer products and serve lunch for disabled and disadvantaged persons at Karunyawet Home for Persons with Disabilities, Chonburi Province on 21 December 2016.







"ALLA Sharing for Safe Society"

The Company places importance on public interests and government agency responsible for safety work by providing reflective traffic cones for police station, which will benefit public safety work.





Report of the Audit Committee

The Audit Committee, appointed by the Board of Directors, is comprised of four independent directors, each of which has experiences in management, engineering, financial accounting and law. Mr. Weerachai Ngamdeevilaisak serves as Chairman of the Audit Committee. Prof. Dr. Sahaton Rattanapaijit, Mr. Chirawat Srisawadi and Mr. Patai Bunmak are Members of the Audit Committee. Ms. Oranuch Phongamwong is Secretary to the Audit Committee.

The Audit Committee performs its duty within scope of responsibilities in accordance with assignments from the Board of Directors and the Audit Committee Charter. In term of the corporate governance, the Company purposes integrity and transparency of operation, which are responsible for shareholders. The Audit Committee ensures that the Executive Committee and the management operate correctly, completely and generally in accordance with Company's policies.

In 2016, the Audit Committee held five meetings upon consultations with the management, internal auditor and auditor to acknowledge, approve and discuss on various issues, which can be summarized as follows.

1. Review of Financial Statements

The Audit Committee reviewed quarterly and yearend 2016 consolidated financial statements before proposing to the Board of Directors for approval. The Audit Committee inquired and obtained clarification from the management and auditor in relation to accuracy of the financial statements, significant adjustment which impacts on financial statements, appropriateness of accounting method and scope of audit, and adequate and accurate disclosure. The Audit Committee and auditor had meeting without the management's presence to independently discuss important matters in relation to preparation of financial statements, disclosure of useful information and consider suggestions by the auditor to improve the Company's internal control more efficiently.

2. Review of Internal Control and Risk Management

The Audit Committee reviewed internal control and risk management in order to evaluate its adequacy and suitability in accordance with standards of internal audit and guidelines by the Securities Exchange Commission, Thailand. The Audit Committee quarterly monitored and discussed with the Risk Management Committee on its risk management operations and reviewed the report of internal audit, an external party hired by the Company. The Audit Committee was of the opinion that the Company has adequate and suitable internal control and risk management.

3. Review of Compliance with Law

The Audit Committee required the review and monitoring of the Company's operation to ensure that the Company abides by the security law, regulations of the Stock Exchange of Thailand and other related laws. This review was included in the scope of work for internal audit and was one of the agendas to be reported in the quarterly meeting of the Audit Committee.

The Audit Committee did not find any indication that the Company had intention to neglect and/or operate any transactions to violate the laws which was material.

4. Review of the guidelines for entering into Connected Transactions

The Audit Committee reviewed suitability and adequacy of the rules and procedures in entering into connected transactions or transactions that could be conflict of interests. The Audit Committee also

reviewed transactions that could be in scope of connected transaction or conflict of interests during the year and reviewed disclosure of the transactions in accordance with regulations and guidelines by the Stock Exchange of Thailand.

The Audit Committee was of the view that connected transactions occurred during the year were in the ordinary transaction of business and benefited the Company. Moreover, the disclosure of information of such transactions were adequate and suitable.

5. Oversight Internal Audit

The Management did not set up Internal Audit division. The Company currently engages external consultant to perform Internal Audit functions. The Audit Committee reviewed, approved audit plan and scope of Internal Audit work, monitored the results and suggested for operation improvement in order for efficient internal control and risk management.

Moreover, the Audit Committee discussed with the management on a plan to set up an internal audit division in the Company. The Company is in the process of planning on structure, staffing, training and staff development.

6. Appointment of External Auditor for 2016

The Audit Committee carried out the evaluation of auditor and their remuneration for 2016 by taking into consideration of performances, independence and ethical requirements under guidelines from the Security Exchange and Commission, Thailand (SEC). The Audit Committee proposed the Board of Directors to seek approval from the shareholders' meeting to reappoint Grant Thornton Co., Ltd. as auditor for 2016.

7. Report of Operation Results

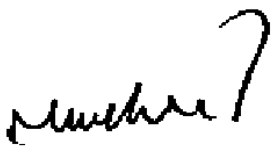
The Audit Committee reported operation results to the Board of Directors quarterly by providing useful suggestions to the management. The management proper improved operations in accordance with the suggestions.

In 2016, the Audit Committee performed its duty with competency, carefulness, independence and without limitation in obtaining information from the management, staff and other concerned parties. The Audit Committee opinioned and provided useful suggestions for all stakeholders equally.

In conclusion, the Audit Committee was of the view that the Board of Directors, the management and staff determined to perform their duties to achieve the Company's goal by emphasizing on operating under appropriate internal control and risk management systems and sufficient good corporate governance.

This report was reviewed and approved by the Audit Committee on 22 February 2017.

On behalf of the Audit Committee



Mr. Weerachai Ngamdeevilaisak
Chairman of the Audit Committee
22 February 2017

Internal Control and Risk Management

The Board of Directors' Opinions on Internal Control

The Company recognizes the importance of the internal control and risk management systems with an emphasis on internal control, which is adequate and suitable for business, by adopting the framework of COSO (the Committee of Sponsoring Organizations of the Tread Way Commission) which is comprised of five components as follows.

1. **Control Environment** The Company sets clear Vision, Mission, Business Strategy and Organization Structure, which supports business management and operation. The Company has built corporate culture as employees awareness of duty, responsibility dedicatedly and effectively, kind assistance, sacrifice for the benefits of organization, community and society, positive thinking, readiness of skills and health and integrity at work.
2. **Risk Assessment** The Company realizes the importance of risk management and hence perform risk assessment systematically by defining criteria and suitable method, ensuring all units to be aware of the Company's risk tolerance level, providing guidelines in managing risk and communicating with employees to follow.
3. **Control Activity** The Company has written policies and procedures for all employees to follow in the same direction by defining good control activities. For example, segreation of duty for review and approval staffs, setting up approval authority policy, which specifies approval limit at each level, and budgeting system by analyzing and controlling the worthiness of spending to maximize benefits. The Company regularly reviews policies and procedures by the senior management and performs sufficiently control by using KPIs as a tool for planning and monitoring.
4. **Information and Communication** In order to communicate with sufficiently accurate information for decision making of the Board of Directors, the management, shareholders and concerned parties, the Company has continuously developed information and communication system to achieve sound and efficient.
5. **Monitoring Activities** The Company has performances monitoring process, including arranging department meetings to track operation performances, preparing performances report to present to the management, setting up internal audit division to track, review and provide suggestions on ways to improve internal audit, if found flaws on internal control system. The monitoring and Enterprise Risk Management (ERM) are tools for the management to improve and develop internal control and risk management. In the Board of Directors' meeting of ALLA Public Company Limited 1/2017 held on 22 February 2017, which 4 independent directors attended the meeting, the Board of Directors assessed the adequacy of the Company's internal control system in accordance with the assessment form for adequacy of internal control system by the Securities and Exchange Commission, (SEC). The Board of Directors was of the opinion that the Company has suitable and adequate internal control system. All functions performed effectively in accordance with generally accepted accounting standards, notices of the Securities and Exchange Commission (SEC) and regulations of the Stock Exchange of Thailand (SET) in regular reporting its quarterly and annually financial statements and providing financial

statements disclosure in accurate, adequate and timely manner. The Company has adequate and suitable internal control system and improves efficiently to keep up with changing circumstances for the Company to achieve its objectives and abide by related laws and regulations. Any significant issue or mistake that may cause damage to the Company and subsidiary's operations was not found. The Company's internal control system in relation to transactions with major shareholder, directors and the management or the person related to the aforementioned parties, is adequate, thus Company's assets prevention from being misappropriate used by the management. The independent directors and the Audit Committee did not have different opinion than the Board of Directors. Moreover, the Audit Committee will increasingly supervise good corporate governance.

The Company realizes the indispensability of internal control, by providing good corporate governance, defining clear duties, responsibilities, order, regulations, policy, authority level in management and appropriate approval level in writing. The Company set up internal audit division, which independently monitors and evaluates internal control system and directly reports to the Audit Committee, to review operations and activities in order to achieve objectives and goals of the Company and its subsidiary. The results showed that no material mistake in internal control system. In the other areas of internal control, the Board of Directors was of the view that the Company and its subsidiary have adequate internal control.

Internal Audit Unit to Monitor Internal Control

Multiplus Audit and Consulting Co., Ltd. ("Independent Internal Auditor" or "Multiplus"), which is an independent internal audit firm (Outsource), was appointed by the Company to evaluate and monitor the Company and its subsidiary's internal control system in 2016. The Audit Committee was of the opinion that Mutiplus supervised by Mr. Surapol Tavalvijjajit has suitable qualifications and competent staff. Moreover, the Company initate to have its own internal audit division, which Ms. Oranuch Phongamwong is the Company's internal auditor to perform internal audit function and to support and facilitate Multiplus. The internal auditors report directly to the Audit Committee regularly, thus ensuring that the Company has adequate internal control.

Risk Management

The Company recognizes the importance of risk management and then organizes the Risk Management Committee, chaired by the Chief Executive Officer, to monitor and manage risk in order to achieve the highest effectiveness. In 2016, the Risk Management Committee held six meetings to review the numbers of incidents, action plan of each units responsibled for each risk factors and risks level in order to manage risk effectively. Risk management is the crucial element of every steps in the business operation and relates to all levels. The Company prepares manual and procedure in risk management and corporate risk profile every year. The corporate risk profile categorizes into strategic risk, operation risk, financial risk and compliance risk, which might affect the ability to achieve Company's goals. The Risk Management Committee also reviewed risk from various incidents occurred during the year, ranked the risk level, developed guidelines to treat risk, assigned responsible person to develop an action plan and manage risk within acceptable level in order to achieve the Company's goals and gain confidence from shareholders and stakeholders.

Related Party Transactions

Detail of individuals and juristic person who may have a conflict of interest

Summary of detail of related party transactions of the Company and its subsidiary, and individuals and juristic person who may have a conflict of interest as at 31 December 2016 and 2015

Individuals/Juristic Person with Possible Conflict of Interest	Nature of Relationship
1. Mr. Ong-ard Puntuyakorn	- Being an authorized director, executive and shareholder of the Company, holding 202,500,000 shares or 33.75% of the Company's paid-up registered capital (as at 31 December 2016) and being husband of Mrs. Vallaya Puntuyakorn. - Being an authorized director and executive of the subsidiary.
2. Mrs. Vallaya Puntuyakorn	- Being an authorized director, executive and shareholder of the Company, holding 135,000,000 shares or 22.5% of the Company's paid-up registered capital (as at 31 December 2016) and being wife of Mr. Ong-ard Puntuyakorn. - Being an authorized director of the subsidiary.
3. Mr. Tratorn Rattanasrithong	- Being anauthorized director, executive and shareholder of the Company, holding 67,500,000 shares or 11.25% of the Company's paid-up registered capital (as at 31 December 2016).
4. Mrs. Pojamarn Rattanasrithong	- Being wife of Mr. Tratorn Rattanasrithong.

Related party transactions between Alla Public Company Limited and individuals or juristic person who may have a conflict of interest as at 31 December 2016 and 2015

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2016	2015	
1. Mr. Ong-ard Puntuyakorn Mrs. Vallaya Puntuyakorn Mr. Tratorn Rattanasrithong Mrs. Pojamarn Rattanasrithong	**Credit facilities guarantee for the Company** As at 31 December 2016, the Company had credit facilities from one local financial institution totaling Baht 449.61 million. Consist of overdraft loan, L/G, L/C or T/R and P/N totaling Baht 284.00 million and forward contract USD 4.6 million or Baht 165.61 million (1 USD = Baht 36.0025, exchange rate as at 30 December 2016). **Collateral** : Land title deeds with improvements of the Company jointly guarantee with personal guarantees by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn, who are directors of the Company, guarantee in full amount and no guarantee fees from guarantee for the Company **Note** : During 2016, all guarantors of another financial institution were redeemed. As at 31 December 2015, the Company had credit facilities from two local financial institutions totaling Baht 854.27 million Credit facilities from local financial institution no. 1 Consist of long-term loan [1/], overdraft loan, L/G, L/C or T/R totaling Baht 400.00 million **Note** : L/C or T/R combined amount Baht 150.00 million and Standby L/C of Baht 10 million in totaling Baht 160.00 million is a shared facility with the subsidiary.	Personal guarantee under Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn in a total amount of Baht 449.61 million.	Personal guarantee for two financial institutions in a total amount of Baht 854.27 million.	**Opinion of the Audit Committee** The said credit facilities guarantee is subject to the condition set forth by the financial institutions. The Company needs such credit facilities to serve its working capitalrequirement in business operations. No guarantee fee is charged to the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.

Note : [1/] On 1 August 2016, there was an amendment of loan contract as to decrease loan facilities to Baht 100 million.

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2016	2015	
	Collateral : Corporate guarantee by the subsidiary and land title deeds of the subsidiary jointly guarantee with personal guarantees by Mr. Ong-ard Puntuyakorn, Mrs. Vallaya Puntuyakorn, Mr. Tratorn Rattanasrithong and Mrs. Pojamarn Rattanasrithong, who are directors and shareholders of the Company, guarantee in full amount and no guarantee fees from guarantee for the Company Credit facilities from local financial institution no. 2 Consist of long-term loan of Baht 3.50 million, overdraft loan, L/G, L/C or T/R and P/N totaling Baht 284.00 million and forward contract USD 4.60 million or Baht 166.77 million (1 USD = Baht 36.2538, exchange rate as at 30 December 2015) totaling Baht 454.27 million. **Collateral :** Land title deeds with improvements of the Company jointly guarantee with personal guarantees by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn, who are directors of the Company, guarantee in full amount and no guarantee fees from guarantee for the Company			

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2016	2015	
2. Mr. Ong-ard Puntuyakorn Mrs. Vallaya Puntuyakorn	**Vehicle hire purchase guarantee for the Company** As at 31 December 2016, the Company executed an automobile hire-purchase contract with one leasing companies The Company has 15 vehicles under hire-purchase contract, with guarantee furnished by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn totaling to Baht 9.40 million. The outstanding amount leasing payable is Baht 5.03 million. As at 31 December 2015, the Company executed an automobile hire-purchase contract with two leasing companies, with guarantee furnished by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn for 25 vehicles in a total amount of Baht 14.03 million. The outstanding leasing amount payable is Baht 9.76 million.	Guarantee in a total amount of Baht 9.40 million.	Guarantee in a total amount of Baht 14.03 million.	**Opinion of the Audit Committee** The said guarantee for hire purchase is subject to the condition set forth by the leasing companies. The Company needs such vehicles in its usual business operation. No guarantee fee is charged to the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.

Note : Please see related party transactions between individuals and related party in notes to financial statements (6) page 121, (21) and (22) page 135, (28.2) page 142 of the annual report.

The related party transaction between Onvalla Co., Ltd. (the subsidiary) and individuals or juristic person who may have a conflict of interest during year-end 31 December 2016 and 2015

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2016	2015	
1. Mr. Ong-ard Puntuyakorn Mrs. Vallaya Puntuyakorn Mr. Tratorn Rattanasrithong Mrs. Pojamarn Rattanasrithong	**Credit facilities guarantee for the subsidiary** As at 31 December 2016, the subsidiary did not have credit facilities from financial institutions that was under personal guarantee. As at 31 December 2015, the subsidiary had credit facilities with one local financial institution totaling Baht 205.16 million, consisting of long-term loan, overdraft loan and L/G in total amount of Baht 145.16 million as at year-end 2015 and L/C or T/R in total amount of Baht 60 million (shared facility with the Company). **Collateral :** Corporate guarantee by the Company and land title deeds of the subsidiary jointly guarantee with personal guarantees by Mr. Ong-ard and Mrs. Vallaya Puntuyakorn, Mr. Tratorn and Mrs. Pojamarn Rattanasrithong, who are directors and shareholders of the Company, guarantee in full amount and no guarantee fees from guarantee for the subsidiary.	-	Personal guarantee in a total amount of Baht 205.16 million (the credit line shared with the Company amounts to Baht 60 million).	**Opinion of the Audit Committee** The said loan guarantee is subject to the condition set forth by the financial institution. In 2008 and 2010, the subsidiary borrowed such credit facilities to finance the construction of its existing plant and to serve its working capital requirement in business operation. Such credit line has still been used up to present. No guarantee fee is charged to the subsidiary. Therefore, the transaction is deemed reasonable and beneficial to the subsidiary.

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2016	2015	
2. Mrs. Vallaya Puntuyakorn	**Vehicle hire-purchase guarantee for the subsidiary** As at 31 December 2016, the subsidiary executed automobile hire-purchase contract for business with one leasing company, with guarantee furnished by Mrs. Vallaya Puntuyakorn for three vehicles in a total amount of Baht 2.09 million. The outstanding amount leasing payable is Baht 0.97 million. As at 31 December 2015, the subsidiary executed automobile hire-purchase contract for business with two leasing companies, with guarantee furnished by Mrs. Vallaya Puntuyakorn for nine vehicles in a total amount of Baht 4.76 million. The outstanding amount leasing payable is Baht 2.47 million.	Guarantee in a total amount of Baht 2.09 million	Guarantee in a total amount of Baht 4.76 million	**Opinion of the Audit Committee** The said guarantee for hire purchase is subject to the condition set forth by the leasing companies. The subsidiary needs such vehicles in its usual business operation. No guarantee fee is charged to the subsidiary. Therefore, the transaction is deemed reasonable and beneficial to the subsidiary.

Necessity and rationale of related party transaction

In 2016 and 2015, the Company and its subsidiary's related party transactions include directors' guarantee on loans from financial institutions and vehicles hire-purchase contracts. These transactions are reasonable and necessary since they are under normal course of business and support the Company and its subsidiary's business. The Company did not pay for guarantee provided by directors and related parties.

The Audit Committee reviewed the said related party transactions and was of the opinion that the transactions are deemed reasonable and beneficial to the Company and its subsidiary (See detail of each transaction in the table above).

Measure or procedure in approving for related party transaction

In the Board of Directors' meeting No.1/2015, held on 18 September 2015 (the first meeting after being transformed into public company limited), there was a resolution to define policy and procedure on the approval for related party transaction between the Company and persons, who may have a conflict of interest, such as major shareholders, directors, executives, controlling persons, connected persons, related persons. The Company shall abide by the Security and Exchange Act, rules, orders and regulations required by the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board and the Security Exchange of Thailand (SET). The Company shall follow requirements relating to disclosure of related party transaction in accordance with accounting standards by the Institute of Certified Accountants and Auditors of Thailand. The person who may have a conflict of interest shall not be allowed to be involved or approve such transaction.

In case the law requires seeking approval for related party transaction from the Board of Directors or the shareholders' meeting, the Company shall invite the Audit Committee to consider and give opinion on the necessity and rationale of such transaction.

Principles of related party transaction that is a commercial transaction with normal terms and conditions and a commercial transaction without normal terms and conditions are as follow:

Commercial transaction with normal terms and conditions

In entering into a commercial transaction with normal terms and conditions, the Company and/or its subsidiary may enter into related party transactions that include sale and purchase of goods and services with directors, executives or persons, who may be related in the future. The Company defined framework for such transaction, which was reviewed and accepted by the Audit Committee, and subsequently approved by the Board of Directors. The Management can approve such transaction, provided that the terms of transactions are similar to which the reasonable normal terms to the party of contract under the same circumstance, without any influences on the bargaining power due to the status of the Company's director's, executives, or related parties. As such, the Company shall prepare a summary report on related party transactions with directors, executives or related persons and report quarterly to the meetings of the Audit Committee and the Board of Directors.

Commercial transaction without normal terms and conditions and other transactions

In entering into a commercial transaction without normal terms and conditions and other transactions between the Company and/or its subsidiary and persons, who may have a conflict of interest, the Company shall propose to the Audit Committee to consider and give opinion on the necessity and suitability to enter into such transaction. The Audit Committee shall consider the suitability of prices and conditions of such transactions, and compare prices with other parties or market prior to proposing to the Board of Directors and/or the shareholders' meeting, if required, for their approval. In case the Audit Committee does not possess expertise to consider possible related party transactions, the Company shall bring in independent expert or the Company's auditor to give opinion on the said transaction in order to support the Audit Committee, the Board of Director and/or the shareholders' meeting, if required, in their decision-making. The persons who may have a conflict of interest shall not be allowed to vote such transaction.

The Company shall disclose related party transaction in note to financial statements audited by the Company's auditor, annual report and annual registration statement (Form 56-1) as required by the Securities and Exchange Act.

Policy or future related party transaction

The Company expects related party transaction arising from normal course of business and supporting normal business with normal terms and conditions of the Company and/or its subsidiary, such as the directors' guarantee on credit facilities from financial institutions and guarantee on vehicles hire purchase for the Company and its subsidiary, will continue. As for the existing or future related party transaction, the Company shall clearly set policy on transfer pricing at fair market prices and conditions, avoid transferring of benefit and consider benefit to the Company and its subsidiary. The Audit Committee shall review and give opinion quarterly on related party transaction which is a normal business transaction or supporting normal business transaction. However, guarantee on credit facilities from financial institutions, automobile hire purchase by directors and/or assets of directors may be relaxed on the conditions of guarantee after securities of the Company are listed in the Stock Exchange of Thailand (SET). If the Company cannot redeem the said guarantees, the directors shall continue to guarantee without being paid any fees.

As for transaction between persons, who may have a conflict of interest that is different from the first paragraph, such as normal business and supporting normal business transactions without normal terms and conditions and other transactions, the Company set policy on measures and steps in approval for related party transaction and disclose of the said transactions.

As for future related party transaction, the Board of Directors must abide by the Security and Exchange Act, rules, orders and regulations required by the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET). This includes following requirements relating to disclosure of connected transactions of the Company and its subsidiary in accordance with standards by the Institute of Certified Accountants and Auditors of Thailand.

Key Financial Information

(Unit : Baht)

	Consolidated F/S			Separate F/S		
	31 December 2016	31 December 2015	31 December 2014	31 December 2016	31 December 2015	31 December 2014
Statements of Financial Position						
Current Assets	690,546,424	453,268,650	648,577,960	581,427,203	319,648,378	521,909,780
Non - Current Assets	209,495,045	192,098,721	183,647,368	248,974,660	224,223,605	216,089,507
Total Assets	900,041,469	645,367,371	832,225,328	830,401,863	543,871,983	737,999,287
Current Liabilities	127,006,662	234,773,573	429,149,881	91,401,410	160,838,262	363,303,503
Non - Current Liabilities	44,690,400	65,746,567	37,991,576	35,623,348	55,134,428	22,048,818
Total Liabilities	171,697,062	300,520,140	467,141,457	127,024,758	215,972,690	385,352,321
Total Shareholders' Equity	728,344,407	344,847,231	365,083,871	703,377,105	327,899,293	352,646,966

(Unit : Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Statements of Profit or Loss						
Revenue from Sales and Relevant services	599,709,508	870,273,286	1,065,109,326	430,815,133	649,640,832	718,999,209
Total Operating Income	607,464,100	866,238,035	1,075,036,899	441,426,546	651,310,689	729,448,114
Gross Profit	185,920,700	250,419,005	313,419,571	140,451,434	205,408,327	227,899,340
Profit before Finance costs and Income tax	77,501,339	129,456,273	220,108,572	66,163,319	122,646,492	161,367,988
Net Profit	59,010,651	100,619,914	173,003,104	50,991,287	96,377,831	127,670,316

(Unit : Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Statements of Cash flows						
Net Cash Provided from Operation Activities	55,516,127	116,155,279	184,821,157	29,739,836	126,070,667	147,687,522
Net Cash Used in Investing Activities	(238,645,220)	(18,591,232)	(197,421,362)	(226,902,922)	(18,898,748)	(163,056,235)
Net Cash Provided from (Used in) Financing Activities	259,737,636	(173,752,221)	(38,185,346)	280,344,268	(183,117,214)	3,470,890
Increase (decrease) in cash and cash equivalents - net	76,608,543	(76,188,174)	(50,785,551)	83,181,182	(75,945,295)	(11,897,823)

Key Financial Ratio

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Liquidity Ratio						
Current Ratio (x)	5.44	1.93	1.51	6.36	1.99	1.44
Quick Ratio (x)	4.17	0.97	0.72	5.20	1.03	0.72
Operating Cash Flow Ratio (x)	0.31	0.35	0.38	0.24	0.48	0.43
Account Receivable Turnover (x)	4.49	6.74	8.30	4.55	6.77	7.51
Average Collection Period (days)	81.33	54.17	44.00	80.16	53.92	48.62
Inventory Turnover (x)	2.38	2.37	1.86	2.65	2.38	1.68
Average Sales (Inventory) Period (days)	153.14	154.10	196.05	137.94	153.17	216.94
Account Payable Turnover (x)	6.02	9.09	8.53	5.63	9.35	8.87
Average Payment Period (days)	60.65	40.15	42.77	64.82	39.05	41.17
Cash Cycle (days)	173.81	168.13	197.28	153.28	168.04	224.39
Profitability Ratio						
Gross Profit Margin (%)	31.00	28.77	29.43	32.60	31.62	31.70
Operating Profit Margin (%)	12.92	14.88	20.67	15.36	18.88	22.44
Cash to Profit Margin (%)	71.63	89.73	83.97	44.95	102.79	91.52
Net Profit Margin (%)	9.71	11.62	16.09	11.55	14.80	17.50
Return on Equity (%)	11.00	28.35	51.14	9.89	28.32	38.45
Efficiency Ratio						
Return on Assets (%)	10.03	17.52	23.75	9.63	19.14	23.23
Fixed Asset Turnover (%)	356.15	529.97	730.53	762.46	1,134.03	1,382.00
Total Asset Turnover (x)	0.79	1.17	1.16	0.64	1.02	1.05
Financial Policy Ratio						
Total Liabilities to Equity (x)	0.24	0.87	1.28	0.18	0.66	1.09
Interest Coverage Ratio (x)	16.61	40.72	67.26	17.16	68.27	119.14
Dividend Payout Ratio (%)	50.84	80.50	68.21	58.83	84.04	92.43
Other Ratio						
Book Value per share (Baht per share)	1.21	0.77	0.81	1.17	0.73	0.78
Net Profit per share (Baht per share)	0.10	0.22	0.38	0.08	0.21	0.28
Dividend per share (Baht per share)	0.05	0.18	0.26	0.05	0.18	0.26
Par value (Baht per share) [1/]	0.50	0.50	0.50	0.50	0.50	0.50
Number of shares (Million shares)	600 [2/]	450 [1/]	450 [1/]	600 [2/]	450 [1/]	450 [1/]

Note : [1/] Adjusting the par value of each year to Baht 0.5 per share, for comparison, according to the Extraordinary Shareholders Meeting No. 2/2015, held on 8 September 2015, approved to change par value from Baht 100 to Baht 0.50 per share, therefore, registered share capital increased from 2.25 million common shares to 450 million common shares.

[2/] On 22 September 2016, the Securities and Exchange Commission approved the public offering of the Company's shares of 150,000,000 shares and commenced trading on 8 November 2016 on the Stock Exchange of Thailand.

Management Discussion and Analysis

For the year ended December 31, 2016

Major Development in 2016

Listing on the Stock Exchange of Thailand

The Company has listed and began trading shares on the Stock Exchange of Thailand on 8 November 2016 in Industrials industry, Industrial Materials & Machinery sector. The offering of common shares was 150 million shares with par at Baht 0.5 per share.

The signing of Memorandum of Understanding - International trade cooperation

In November 2016, the Company signed a MOU of International trade cooperation with a company in Indonesia to establish an associated company. This is an opportunity to grow with the ASEAN Economics Community (AEC) and to extend opportunities to invest in materials handling equipment such as cranes and electric hoists for further sustainable growth.

2016 Consolidated Financial Summary

Operating Income

Operating Income	2016 (Thousand Baht)	2015 (Thousand Baht)	Change (%)
Revenue from sales and relevant services	599,710	870,273	(31.09)
Gain (loss) on exchange rate	2,449	(7,115)	134.42
Other income	5,306	3,080	72.27
Total Operating Income	**607,465**	**866,238**	**(29.87)**

Revenues structure

	2016		2015		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales						
Crane and Hoist	367,650	60.52	532,908	61.52	(165,258)	(31.01)
Dock leveler and Industrial door	100,820	16.60	196,897	22.73	(96,077)	(48.80)
PVC strip curtain and Air curtain	10,245	1.69	14,011	1.62	(3,766)	(26.88)
Total revenue from sales	**478,715**	**78.81**	**743,816**	**85.87**	**(265,101)**	**(35.64)**
Revenue from services						
Crane and Hoist	106,468	17.53	114,384	13.20	(7,916)	(6.92)
Dock leveler and Industrial door	14,160	2.33	11,935	1.38	2,225	18.64
Training center	367	0.06	138	0.02	229	165.94
Total revenue from services	**120,995**	**19.92**	**126,457**	**14.60**	**(5,462)**	**(4.32)**
Other income	**7,755**	**1.27**	**(4,035)**	**(0.47)**	**11,790**	**292.19**
Total Operating Income	**607,465**	**100.00**	**866,238**	**100.00**	**(258,773)**	**(29.87)**

Total operating income for the year 2016 of the Company and its subsidiary were Baht 607 million, decreased from prior year of Baht 259 million or 30%. The mainly causes due to a decrease of revenue from sales of crane and hoist of Baht 165 million or 31%, and a decrease of revenue from sales of dock leveler and industrial door of Baht 96 million or 49%, while revenue from services were slightly decreased.

As the economic slowdown that has continued since 2015, which was evident from BOI applications that continuously declined since 2014, as a result, the Company and its subsidiary's customers have delayed and postponed their investments, especially the automotive sector. The revenue proportion of this sector, both sales and services, was 25% in 2015, and dropped to 11% in 2016. However, in 2016 the Company and its subsidiary also expanded their customer base to other business sectors i.e. steel and aluminum, power plants and construction materials etc.

In addition, the Company and its subsidiary had gain on foreign currency exchange rate, which increased of Baht 10 million, as a result of the Company's management policy, to closely monitor and manage the foreign currency exchange rate risk.

Operating Expenses

Operating Expenses	2016 (Thousand Baht)	2015 (Thousand Baht)	Change (%)
Cost of sales and relevant services	413,789	619,854	33.24
Selling expenses	25,010	27,311	(8.43)
Administrative expenses	91,164	89,617	1.73
Total Operating Expenses	**529,963**	**736,782**	**(28.07)**

Total operating expenses for the year 2016 of the Company and its subsidiary were Baht 530 million, decreased from prior year of Baht 207 million or 28%. The mainly causes due to

- A decrease of cost of sales and relevant services which was in line with a decrease of revenue from sales and relevant services.
- Selling expenses decreased from sales commission, which was in line with a decrease of revenue from sales and relevant services.
- There was no significant changed in administrative expenses, compared to prior year. However, in 2016 the Company had additional expenses related to the distribution of shares due to the capital increase on the Stock Exchange of Thailand i.e. public relations and roadshow expenses, as for the public offering etc.

Other Items

Other Items	2016 (Thousand Baht)	2015 (Thousand Baht)	Change (%)
Finance costs	4,667	3,179	46.81
Income tax	13,824	25,657	(46.12)
Total Other Items	**18,491**	**28,836**	**(35.88)**

- There was no significant changed in finance costs.
- Income tax decreased in line with an operating profit, as the economic slowdown.

Profitability Analysis

Profitability Analysis	2016	2015	Change (%)
Gross profit (Thousand Baht)	185,921	250,419	(25.76)
Gross profit margin (%)	31.00	28.77	
Net profit (Thousand Baht)	59,011	100,620	(41.35)
Net profit margin (%)	9.71	11.62	
Basic earnings per share (Baht)	0.12	0.22	(45.45)

- A decrease of gross profit was in line with a decrease of revenue from sales and relevant services. However, gross profit margin increased because the Company delivered high value of cranes and electric hoists, which were required experience and expertise in design, manufacture and installation procedure therefore it could be priced higher compared to other jobs.
- Net profit and net profit margin decreased due to a decrease of revenue from sales and relevant services, as a result of the economic slowdown.

Assets

Assets	2016 (Thousand Baht)	2015 (Thousand Baht)	Change (%)
Cash and cash equivalents	178,129	101,521	75.46
Short - term investments	210,078	-	100.00
Trade and other accounts receivable - net	142,674	137,871	3.48
Inventories - net	148,993	198,216	(24.83)
Property, plant and equipment - net	167,682	173,442	(3.32)
Other assets	52,485	34,317	52.94
Total Assets	**900,041**	**645,367**	**39.46**

The aged trade accounts receivable and accrued income - sales of goods and services, were as follow :

Trade accounts receivable and accrued income	2016		2015	
	Thousand Baht	%	Thousand Baht	%
Not yet due	79,774	56.57	45,655	36.17
Over due / Aging				
Less than 3 months	55,992	39.71	66,152	52.40
More than 3 months, not over 6 months	2,927	2.08	12,360	9.79
More than 6 months, not over 12 months	888	0.63	1,520	1.20
More than 12 months	1,479	1.05	1,098	0.87
Total	141,060	100.04	126,785	100.43
Less Allowance for doubtful accounts	(53)	(0.04)	(548)	(0.43)
Trade accounts receivable and accrued income - net	**141,007**	**100.00**	**126,237**	**100.00**

Total assets of the Company and its subsidiary increased of Baht 255 million or 39%, due mainly to

- Cash and cash equivalents and short-term investments increased as from the capital increase by initial public offering (IPO) for listing on the Stock Exchange of Thailand in November 2016. The Company also invested some portion of cash received from the capital increase, to get higher return.
- There was no significant changed in trade and other accounts receivable. However, the Company and its subsidiary have efficiently managed the debts collection which was evident from a decrease of the outstanding balance of overdue accounts receivable when compared to prior year.
- Inventories decreased as from a reduction of raw materials and work in process, which was in line with a declining of sales and also by well-managed of inventories, to stock raw materials on demand only.

Liabilities and Equity

Liabilities and Equity	2016 (Thousand Baht)	2015 (Thousand Baht)	Change (%)
Short - term loans from financial institutions	36,436	46,170	(21.08)
Trade and other accounts payable	27,711	45,637	(39.28)
Deposit received in advance	18,789	53,942	(65.17)
Long - term loan from financial institutions	3,000	49,275	(93.91)
Other liabilities	85,761	105,496	(18.71)
Total Liabilities	**171,697**	**300,520**	**(42.87)**
Total Shareholders' Equity	**728,344**	**344,847**	**111.21**

Total liabilities of the Company and its subsidiary decreased of Baht 129 million or 43%, due mainly to

- A decrease of short - term and long - term loans from financial institutions from repayment during the year
- Trade and other accounts payable decreased due to a reduction of raw materials purchasing, as in line with the operations, and for proper inventory management.
- Deposits received in advance decreased in line with a decrease of work in process.

Total shareholders' equity increased of Baht 383 million or 111%, due to the capital increase by initial public offering (IPO) for listing on the Stock Exchange of Thailand.

Liquidity and Capital Management

Cash Flows	2016 (Thousand Baht)	2015 (Thousand Baht)
Net cash from operating activities	55,516	116,155
Net cash used in investing activities	(238,645)	(18,591)
Net cash from (used in) financing activities	259,737	(173,752)
Net increase (decrease) in cash and cash equivalents	76,608	(76,188)
Beginning cash and cash equivalents	101,521	177,709
Ending cash and cash equivalents	178,129	101,521

For the year 2016, the Company and its subsidiary had net increase in cash and cash equivalent of Baht 77 million from the beginning balance of Baht 101 million. As a result, cash and cash equivalents at the end of the year was Baht 178 million. Details of cash flows by activities during the year were as follows:-

- Net cash from operating activities were Baht 56 million, resulting mainly from profit of 2016.
- Net cash used in investing activities were Baht 239 million, due mainly to an increase of short-term investments and restricted deposit with financial institution.
- Net cash from financing activities were Baht 260 million, due mainly to cash received from the capital increase by initial public offering (IPO) for listing on the Stock Exchange of Thailand, after deduction of expenses incurred from this offering, of Bath 423 million, dividend payment of Baht 99 million and long-term loans repayment of Baht 54 million.

Ratios Analysis

Key Financial Ratios	2016	2015
Return Ratio (%)		
Return on Assets	10.03	17.52
Return on Equity	11.00	28.35
Liquidity Ratio (x)		
Current Ratio	5.44	1.93
Quick Ratio	4.17	0.97
Assets and Liabilities Management (Day)		
Average Collection Period	81.33	54.17
Average Sales (Inventory) Period	153.14	154.10
Average Payment Period	60.65	40.15
Financial Policy Ratio		
Total Liabilities to Equity (x)	0.24	0.87
Interest Coverage Ratio (x)	16.61	40.72
Dividend Payout Ratio (%)	50.84	80.50

- Return on assets decreased by 7.49% and Return on equity decreased by 17.35% due to a decrease of profit, as a result of the economic slowdown, and including an increase of assets and shareholders' equity from the capital increase by public offering.
- Current ratio and Quick ratio increased by 3.51x and 3.20x, respectively, due to an increase of assets from cash received from the capital increase by public offering. Liabilities also decreased mainly from deposits received in advance and loans repayment.
- Average Collection Period increased 27 days since the outstanding accounts receivable balance as of year 2016 was quite high. This was because the Company recognised revenues from big project in December 2016. However, by comparing overdue accounts receivable balance, it was apparently declining. Average Payment Period increased 21 days since the Company and its subsidiary extended the payment period by using proper financial instruments.
- Total Liabilities to Equity decreased by 0.63x due to a decrease of total liabilities, from deposits received in advance and loans repayment. In addition, shareholders' equity also increased from the capital increase by public offering. Interest Coverage Ratio decreased by 24.11x as from a decrease of operating profit. Dividend Payout Ratio decreased by 30% as from the allocation of net profit to the appropriated legal reserve during the year 2016, to reaches 10% of the registered capital.

Factors affecting future operations

Irreplaceable technology of electronic cranes and hoists

Electronic Cranes and Hoists Industries can grow continually in the future as every industries need cranes and hoists for heavy materials lifting, which presently there is still no substitute of this technology.

Industry growth in Thailand and Future Public Investments

Industry trend in 2017 is expected to be a good momentum for the domestic economy, which could be continually recovered from 2016, led by the public investments, and then followed by the investments of the private sector. In particular, the growth of the investments in transport infrastructure, according to the BE 2560 Urgent Action Plan of Transportation, Infrastructure Development in Special Economic Zones, and Investment Support for the 10 Target Industries, the mechanism of Thai Economic.

Since the demand for electricity is increasing steadily in Thailand, and according to the BE 2558 - 2579 Power Development Plan and BE 2558 Alternative Energy Development Plan, as a result, the Electricity Generating Authority of Thailand and the Provincial Electricity Authority has increased the purchasing of electricity. This encourages entrepreneurs to become power producers, therefore, the power plant industry is likely to rise.

The trend of Automotive Industry in 2017 is expected to increase for domestic sales, compared to 2016. Since the automobiles of First Car Project reached five years in a mid-year of 2016, therefore, it is expected that the trend of the Automotive Industry will rise.

Logistics are very important to both domestic and international industries, to link all economic of each sectors. The government has realised the importance of this business. As evidenced by the development of the strategic plan logistics No. 2 (BE 2556 - 2560), the trend of the logistics business is expected to grow significantly, especially Modern Trade, which is expected to expand cover the nationwide. This also includes the entering to Asian Economic Community (AEC). As a result, the expansion of industrial business, that related to logistics, will increase such as Cold Storage, Warehouse Renting, and Domestic and International Transportations.

The expansion of ASEAN Industries

The expansion of ASEAN Industries, such as in Indonesia and CLMV (Cambodia. Laos, Myanmar and Vietnam), which have potential for future growth. This includes the public investments in the infrastructure of those countries. It could be a good opportunity for Thailand to grow together with the expansion of the neighboring regions.

Approach to the Future Operations

Risk diversification to other industry segments

The Company and its subsidiary have diversified its operations to other industry segments, by expanding the target groups to other industries that are likely to grow in the future, such as Power plants, Sugar Factory, Consturction Materials Industry, and the public investments also. The Company has readiness to design electric cranes and hoists to meet the needs of various customers and to support customer applications. This includes the good quality of the Company and its subsidiary's products which can gain trust from customers for a long time.

The expansion of Dock leveler and Industrial door

Since the trend of the logistics business that to grow steadily, which requires the good quality products for efficient storing and loading system. One of the main product of the Company and its subsidiary, that is, dock leveler and industrial door which are able to meet the needs of customers, with good quality and the trust from customers for a long time. Including the after-sales services that are available for 24 hours, the Company is able to expand and ready to grow with the growth of logistics as well in the future.

The expansion of After-Sales Service

The Department of Labour Protection and Welfare requires any company to test the components and devices of active crane, in accordance with the guidelines, for the safety of users. It is one more way that the Company can expand the after-sales services, specifically targeting the former customers, as well as finding new customers in the future. The Company is ready to serve with mechanic and car services that are available for 24 hours. Having spare parts for emergency case, which can be delivered to customers in a short time, in response to uninterrupted operations of customers.

The expansion of investment to ASEAN

The Company is studying the possibility of expanding investment to ASEAN. The starting point is to signing a memorandum of cooperation with a company in Indonesia, to set up an associated company. This is a significant step and is a model of oversea investment in the future, which the Company believes that it has good prospects of expansion of cities in neighboring countries. The Company also can relies on existing customers that have invested in overseas or having oversea production base. The Company emphasizes the use of the brand “ALLA” to expand investment, in order to be recognized in ASEAN in the future.

Manufacturing process improvement

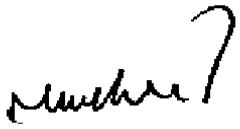
The Company has arranged a meeting to discuss the guidelines of reducing costs of every departments in the organization. The objectives are to improve production efficiency, to reduce costs from production, both in monetary and non-monetary, such as the duration of work etc., and also to reduce costs of back-office. This is to raise awareness, through the cooperation and participation of all departments. The result is to be monitored by management closely.

The Board of Directors' Report on its Responsibility to the Financial Statements

The Board of Directors recognizes its responsibility for the separate financial statements of Alla Pubic Company Limited and the consolidated financial statements of Alla Public Company Limited and its subsidiary, including financial information that appears in the Annual report. The financial statements have been prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547, including the Accounting Interpretations and Guidelines issued by the Federation of Accounting Professions, and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The Board of Directors has instituted and maintained appropriate internal controls to ensure that the financial statements have been accurately prepared and completely disclosed in the notes to the financial statements. The Board of Directors has appointed the Audit Committee to review the accuracy and reliability of the financial statements. This includes reviewing the accounting policies, related party transactions (if any), internal control system and internal audit. The opinion of the Audit Committee on such matters appears in the Audit Committee Report as shown in this Annual report.

It is the Board of Directors' opinion that the overall Company's internal control system is satisfactory and can reasonably assure that the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2016 are accurate, reliable and in accordance with the relevant financial reporting standards.



Weerachai Ngamdeevilaisak
Chairman of the Board of Directors



Ong-ard Puntuyakorn
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Alla Public Company Limited

Opinion

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

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and cash flows for the year then ended and the separate financial as at 31 December 2016, and its separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	Audit response
Revenue recognition The Group and the Company recognised revenue from sales and services for the year ended 31 December 2016 amounting to Baht 600 million and Baht 431 million, respectively. The revenues include the sale of cranes and docks including installation and after sales support. In addition, the Group provides a variety of support and quality services to its customers. I have focused on revenue recognition since each of agreements are different in terms of scope and the period which could impact the amount and timing of revenue recognition. Refer to Note 4.6 to the consolidated and separate financial statements.	My audit procedures included: - obtaining an understanding of the revenue process and the revenue recognition policy through inquiry with management and reviewing a sample of sales and services contract - evaluating the design and testing operating effectiveness of the controls over the revenue recognition and processing cycle - analysing the change in the sales and services during the year - substantively testing sales and services during the year including performing cut-off procedures on revenue recognized before and after the reporting period
Inventory - Work in progress As at 31 December 2016, the Group and Company have work in progress amounting to Baht 40 million and Baht 27 million, respectively. Inventory is required to be in the financial statements at the lower of cost and net realizable value, and management apply judgement in determining whether the costs incurred are recoverable. I have focused on the valuation of work in progress since management's assessment requires them to determine the total estimated costs and potential future losses which is highly judgmental. Refer to Notes 4.12 and 10 to the consolidated and separate financial statements.	My audit procedures included: - obtaining an understanding of managements process to develop estimated costs and future potential losses - evaluation the effectiveness of the key controls over the estimation process - substantively testing supporting evidence of the costs including in the work in process - examining actual costs after the end of the reporting period

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 consolidated and separate financial statements and 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 consolidated and separate financial statements does not cover the other and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether

other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am to request management and those charged with governance to correct the material misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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 internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

I communicate with those charged with governance regarding, among other matters, the planned 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 requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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



Miss Sansanee Poolsawat
Certified Public Accountant
Registration No. 6977

Grant Thornton Limited
Bangkok
22 February 2017

Statements of Financial Position

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	178,129,703	101,521,160	162,303,439	79,122,257
Short - term investments	8	210,077,848	-	210,077,848	-
Trade and other accounts receivable - net	6, 9	142,674,193	137,871,063	104,868,719	97,360,595
Inventories - net	10	148,992,611	198,216,116	96,557,939	122,905,701
Loan to subsidiary	6	-	-	-	10,000,000
Other current assets	11	10,672,069	15,660,311	7,619,258	10,259,825
Total Current Assets		690,546,424	453,268,650	581,427,203	319,648,378
NON - CURRENT ASSETS					
Restricted deposit with bank	12	25,457,456	300,000	25,157,456	-
Investment in subsidiary	13	-	-	151,999,560	151,999,560
Long - term investment	14	82,904	82,904	82,904	82,904
Property, plant and equipment - net	15	167,681,831	173,442,153	58,071,966	57,717,895
Intangible assets - net	16	6,444,656	8,032,810	6,049,005	7,352,416
Deferred trade right - net	17	237,548	1,187,540	-	-
Deferred tax assets - net	18	9,548,350	9,019,014	7,574,169	7,040,430
Deposits and guarantees		42,300	34,300	39,600	30,400
Total Non - Current Assets		209,495,045	192,098,721	248,974,660	224,223,605
TOTAL ASSETS		900,041,469	645,367,371	830,401,863	543,871,983

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (Continued)

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions	19	36,435,673	46,170,457	25,184,024	22,797,132
Trade and other accounts payable	6, 20	27,711,111	45,636,538	21,322,396	36,744,516
Accrued income tax	18	824,374	3,101,573	59,606	3,101,573
Deposit received in advance		18,789,043	53,942,036	15,059,558	34,468,107
Accrued expenses		18,779,270	33,022,027	13,808,418	24,161,155
Provision for after sales service		7,434,994	9,450,425	5,296,490	6,469,252
Current portion of					
- Liabilities under finance lease agreements	21	5,141,670	5,889,628	4,541,157	4,470,628
- Long - term loans from financial institutions	22	3,000,000	21,652,244	-	14,902,244
Other current liabilities		8,890,527	15,908,645	6,129,761	13,723,655
Total Current Liabilities		127,006,662	234,773,573	91,401,410	160,838,262
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreements - net	21	8,737,051	5,837,175	7,855,625	4,910,355
Long - term loan from financial institutions - net	22	-	27,622,896	-	24,622,896
Employee benefits obligation	6, 23	35,953,349	32,286,496	27,767,723	25,601,177
Total Non - Current Liabilities		44,690,400	65,746,567	35,623,348	55,134,428
TOTAL LIABILITIES		171,697,062	300,520,140	127,024,758	215,972,690

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (Continued)

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 0.5 par value					
- Registered 600,000,000 shares	24.1	300,000,000	300,000,000	300,000,000	300,000,000
- Issued and paid-up 600,000,000 shares (31 December 2015 : common stock 450,000,000 shares)	24.1	300,000,000	225,000,000	300,000,000	225,000,000
Share premium	24.2	348,486,525	-	348,486,525	-
Retained earnings					
- Appropriated for legal reserve	24.3	30,000,000	14,216,061	30,000,000	14,216,061
- Unappropriated	24.4	49,811,128	105,584,416	24,890,580	88,683,232
Other components of equity		46,314	46,314	-	-
Shareholders' equity of the Company		728,343,967	344,846,791	703,377,105	327,899,293
Non-controlling interests		440	440	-	-
TOTAL SHAREHOLDERS' EQUITY		728,344,407	344,847,231	703,377,105	327,899,293
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		900,041,469	645,367,371	830,401,863	543,871,983

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Revenue from sales and relevant services	6	599,709,508	870,273,286	430,815,133	649,640,832
Cost of sales and relevant services	6	(413,788,808)	(619,854,281)	(290,363,699)	(444,232,505)
Gross profit		185,920,700	250,419,005	140,451,434	205,408,327
Gain (loss) on exchange rate		2,448,682	(7,114,823)	1,645,421	(4,198,052)
Other income	6	5,305,910	3,079,572	8,965,992	5,867,909
Profit before expenses		193,675,292	246,383,754	151,062,847	207,078,184
Selling expenses		(25,009,732)	(27,310,752)	(16,170,687)	(18,223,323)
Administrative expenses	6	(91,164,221)	(89,616,729)	(68,728,841)	(66,208,369)
Total expenses		(116,173,953)	(116,927,481)	(84,899,528)	(84,431,692)
Profit before finance costs		77,501,339	129,456,273	66,163,319	122,646,492
Finance costs		(4,667,018)	(3,178,950)	(3,855,778)	(1,796,493)
Profit before income tax		72,834,321	126,277,323	62,307,541	120,849,999
Income tax	18	(13,823,670)	(25,657,409)	(11,316,254)	(24,472,168)
Net profit for the year		59,010,651	100,619,914	50,991,287	96,377,831
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will not be reclassified subsequently to profit or loss					
Actuarial loss	18, 23	-	(2,856,554)	-	(3,125,504)
Other comprehensive income (loss) for the year - net tax		-	(2,856,554)	-	(3,125,504)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		59,010,651	97,763,360	50,991,287	93,252,327
ALLOCATION OF NET PROFIT					
Portion of the Company's shareholders		59,010,651	100,619,914	50,991,287	96,377,831
Portion of non-controlling interests		-	-	-	-
		59,010,651	100,619,914	50,991,287	96,377,831
ALLOCATION OF TOTAL COMPREHENSIVE INCOME					
Portion of the Company's shareholders		59,010,651	97,763,360	50,991,287	93,252,327
Portion of non-controlling interests		-	-	-	-
		59,010,651	97,763,360	50,991,287	93,252,327
BASIC EARNINGS PER SHARE	27				
Profit of the Company's shareholders (Baht : Share)		0.12	0.22	0.11	0.21
Weighted average number of common shares (Unit : Shares)		474,180,328	450,000,000	474,180,328	450,000,000

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Shareholders' equity of the Company						Non-controlling interests	Total
		Issued and paid-up share capital	Share premium	Retained earnings: Appropriated for legal reserve	Retained earnings: Unappropriated	Other component of equity: Surplus from restructuring under common control	Shareholders' equity of the Company		
CONSOLIDATED F/S									
Balance as at 1 January 2015		225,000,000	-	3,000,000	137,037,117	46,314	365,083,431	440	365,083,871
Change in shareholders' equity									
Dividend payment	24.4	-	-	-	(118,000,000)	-	(118,000,000)	-	(118,000,000)
Legal reserve	24.3	-	-	11,216,061	(11,216,061)	-	-	-	-
Total comprehensive income for the year		-	-	-	97,763,360	-	97,763,360	-	97,763,360
Total change in shareholders' equity		-	-	11,216,061	(31,452,701)	-	(20,236,640)	-	(20,236,640)
Balance as at 31 December 2015		225,000,000	-	14,216,061	105,584,416	46,314	344,846,791	440	344,847,231
Balance as at 1 January 2016		225,000,000	-	14,216,061	105,584,416	46,314	344,846,791	440	344,847,231
Change in shareholders' equity									
Increase share capital	24.1, 24.2	75,000,000	348,486,525	-	-	-	423,486,525	-	423,486,525
Dividend payment	24.4	-	-	-	(99,000,000)	-	(99,000,000)	-	(99,000,000)
Legal reserve	24.3	-	-	15,783,939	(15,783,939)	-	-	-	-
Total comprehensive income for the year		-	-	-	59,010,651	-	59,010,651	-	59,010,651
Total change in shareholders' equity		75,000,000	348,486,525	15,783,939	(55,773,288)	-	383,497,176	-	383,497,176
Balance as at 31 December 2016		300,000,000	348,486,525	30,000,000	49,811,128	46,314	728,343,967	440	728,344,407

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity (Continued)

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
SEPARATE F/S						
Balance as at 1 January 2015		225,000,000	-	3,000,000	124,646,966	352,646,966
Change in shareholders' equity						
Dividend payment	24.4	-	-	-	(118,000,000)	(118,000,000)
Legal reserve	24.3	-	-	11,216,061	(11,216,061)	-
Total comprehensive income for the year		-	-	-	93,252,327	93,252,327
Balance as at 31 December 2015		-	-	11,216,061	(35,963,734)	(24,747,673)
		225,000,000	-	14,216,061	88,683,232	327,899,293
Balance as at 1 January 2016		225,000,000	-	14,216,061	88,683,232	327,899,293
Change in shareholders' equity						
Increase share capital	24.1, 24.2	75,000,000	348,486,525	-	-	423,486,525
Dividend payment	24.4	-	-	-	(99,000,000)	(99,000,000)
Legal reserve	24.3	-	-	15,783,939	(15,783,939)	-
Total comprehensive income for the year		-	-	-	50,991,287	50,991,287
Total change in shareholders' equity		75,000,000	348,486,525	15,783,939	(63,792,652)	375,477,812
Balance as at 31 December 2016		300,000,000	348,486,525	30,000,000	24,890,580	703,377,105

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash Flows From Operating Activities				
Income before income tax	72,834,321	126,277,323	62,307,541	120,849,999
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	21,823,752	22,806,061	13,316,650	12,886,795
Amortization of deferred trade rights	949,992	949,992	-	-
Allowance for doubtful debts (reversal)	(229,685)	48,334	(154,685)	(26,666)
Allowance for obsolete and defective inventories, and cost excess net realisable value (reversal)	2,050,520	(2,519,905)	1,538,836	(1,743,160)
(Gain) loss on fixed asset disposal	(2,561,443)	908,194	(2,593,302)	155,836
Unrealized (gain) loss on exchange rate	(468,168)	463,734	(260,023)	830,473
Gain from fair value adjustment of securities	(77,848)	-	(77,848)	-
Provision for employee benefits obligation	3,963,853	4,606,678	2,441,247	2,952,209
Interest income	(902,137)	(360,750)	(1,078,442)	(706,593)
Interest expense	4,667,018	3,178,950	3,855,778	1,796,493
Cash Flows Provided from Operations before changes in Operating Assets and Liabilities	102,050,175	156,358,611	79,295,752	136,995,386
Decrease (increase) in operating assets:				
Trade and other accounts receivable	(4,150,924)	(2,747,400)	(6,930,918)	11,827,357
Inventories	47,172,985	129,495,803	24,808,926	128,766,721
Other current assets	4,787,336	(3,189,729)	2,602,045	(2,522,939)
Deposits and guarantees	(8,000)	246,570	(9,200)	46,900
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	(34,310,035)	(10,584,156)	(27,045,888)	(8,646,536)
Deposit received in advances	(35,152,993)	(104,613,212)	(19,408,549)	(102,480,646)
Other current liabilities	(7,018,118)	(6,858,125)	(7,593,894)	(2,837,829)
Paid for employee benefit obligation	(1,425,000)	(1,530,000)	(1,125,000)	(1,245,000)
Cash Provided from Operations Activities	71,945,426	156,578,362	44,593,274	159,903,414
Income tax paid	(16,429,299)	(40,423,083)	(14,853,438)	(33,832,747)
Net Cash Provided from Operation Activities	55,516,127	116,155,279	29,739,836	126,070,667

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows (Continued)

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash Flows from Investing Activities				
Increase in short-term investments	(210,000,000)	-	(210,000,000)	-
Cash paid for acquisition of subsidiary - net	-	-	-	(80,000,000)
Increase in restricted deposit with bank	(25,157,456)	-	(25,157,456)	-
Increase in loan to subsidiary	-	-	-	(10,000,000)
Cash received from loan to subsidiary	-	-	10,000,000	80,000,000
Purchase of property, plant and equipment	(6,207,631)	(16,272,454)	(4,641,578)	(7,758,636)
Purchase of intangible assets	(453,578)	(3,639,375)	(453,578)	(2,806,552)
Cash received from sales of assets	2,693,829	945,053	2,693,769	945,053
Cash received from interest income	479,616	375,544	655,921	721,387
Net Cash Used in Investing Activities	(238,645,220)	(18,591,232)	(226,902,922)	(18,898,748)
Cash Flows from Financing Activities				
Interest paid	(3,542,431)	(2,129,903)	(3,006,207)	(1,010,925)
Increase (decrease) in short - term loans from financial institutions	(9,136,783)	44,444,744	2,745,912	22,162,542
Cash paid for liabilities under finance lease agreement	(5,794,535)	(9,871,758)	(4,356,822)	(7,073,527)
Increase in long-term loans from financial institutions	8,000,000	40,000,000	8,000,000	40,000,000
Cash paid for long - term loans from financial institutions	(54,275,140)	(10,850,860)	(47,525,140)	(1,850,860)
Dividend payment	(99,000,000)	(235,344,444)	(99,000,000)	(235,344,444)
Cash received from increase in share capital	432,000,000	-	432,000,000	-
Payments of expenses relating to the share offering	(8,513,475)	-	(8,513,475)	-
Net Cash Provided from (Used in) Financing Activities	259,737,636	(173,752,221)	280,344,268	(183,117,214)
Increase (decrease) in cash and cash equivalents - net	76,608,543	(76,188,174)	83,181,182	(75,945,295)
Cash and cash equivalents at beginning of year	101,521,160	177,709,334	79,122,257	155,067,552
Cash and cash equivalents at end of year	178,129,703	101,521,160	162,303,439	79,122,257
Supplemental disclosures for cash flows information				
Non-cash item:				
- Purchase assets under finance lease agreements	7,946,453	12,378,767	7,372,621	9,971,963
- Earning appropriated for legal reserve	15,783,939	11,216,061	15,783,939	11,216,061
- Write off allowance for doubtful accounts	264,749	-	264,749	-

The accompanying notes form an integral part of these interim financial statements.

Notes to the Consolidated and Separate Financial Statements

ALLA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

FOR THE YEAR ENDED 31 DECEMBER 2016

1. NATURE OF OPERATIONS

Alla Public Company Limited and its subsidiary import and distribute cranes, industrial doors, electronic lifts, including relevant parts and other equipment. The Company and its subsidiary also provides installation and after sales-service.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH TFRSs

Alla Public Company Limited is a public limited company incorporated and domiciled in Thailand. The Company began trading on the Stock Exchange of Thailand on 8 November 2016.The address of its registered office and principal place of business is 933, 935, 937, 939, Soi On Nuch 46, Onnuch Rd., Suan Luang sub-district, Suan Luang district, Bangkok.

The accompanying consolidated and separate financial statements have been prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These consolidated and separate financial statements are officially prepared in the Thai language. The translation of these consolidated and separate financial statements to another language must conform to the official report in Thai.

The financial statements have been prepared on a historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	**Measurement bases**
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 23

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2016

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

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company and its subsidiary.

Those new and revised TFRS that may be relevant to the Company and its subsidiary's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below.

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 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
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 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
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 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Company and its subsidiary have made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall consideration

The consolidated and separate financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of consolidation

The Company and its subsidiary financial statements consolidate those of the parent company and its subsidiary as of 31 December 2016. The subsidiary has a reporting date of 31 December.

All transactions and balances between the Company and its subsidiary companies are eliminated on consolidation, including unrealised gains and losses on transactions between the Company and its subsidiary companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

4.3 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Thai Baht, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into Thai Baht, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.4 Segment reporting

The Company and its subsidiary have two operating segments: sales and relevant service and after sales service. In identifying these operating segments, management generally follows the Company and its subsidiary's operations representing its main operation (see Note 1).

Each of these operating segments is managed separately as each requires different marketing approaches and other resources.

For management purposes, the Company and its subsidiary use the same measurement policies as those used in its financial statements

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

4.5 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiary that give them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiary's operations.

4.6 Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding value added taxes, and reduced by any rebates and trade discounts allowed.

Sales of goods including installment services

A sale of goods including installment is recognised when the Company and its subsidiary have transferred to the buyer the significant risks and rewards of ownership, generally when the customer has accepted testing run goods result after installment.

Sales of goods

A sale of goods is recognised when the Company and its subsidiary have transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Rendering of services

The Company and its subsidiary generate revenues from after-sales service, maintenance and repair. Consideration received for these services is initially deferred, included in other liabilities, and is recognised as revenue in the period when the service is performed.

Other income

Other income is recognised on an accruals basis.

4.7 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have a restriction of use) that are readily convertible to cash with insignificant risk of change in value.

4.10 Short-term investments

Short-term investments consist of deposits at bank and debt securities.

- Deposits at bank is presented at cost.

- Debt securities

Debt marketable securities are held for trading purpose are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the profit or loss.

The fair value of financial instruments classified as held-for-trading is determined as the quoted bid price at the reporting date.

4.11 Accounts receivable

Accounts receivable are stated at the original invoice amount and less any allowance for doubtful accounts. Allowance for doubtful accounts is provided for on the basis of collection experience and payment ability of the debtors, taking into account overdue balance of each debtor.

4.12 Inventories

Inventories are at the lower of cost or net realisable value, by the following methods:

Raw materials and others	- At cost (first - in, first - out method)
Work in process	- Specific method

Cost includes all directly attributable expenses including salary and other direct costs.

Net realizable value is based on the estimate of the selling price in the ordinary course of business less the costs of completion (for work in process) and selling expenses. Provision is made, where necessary, for slow moving and defective inventories based on the Company and its subsidiary's experiences and the current information.

The Company and its subsidiary estimated allowance for obsolete and defective inventories by ageing as follow:

	(%)
Non-movement during 12 - 36 months	0
Non-movement during 36 - 60 months	20 - 50
Non-movement during 60 - 120 months	10 - 100
Non-movement over 120 months upward	50 - 100
Obsolete, ruined and awaiting to damage	100

4.13 Investment in subsidiary

Investment in subsidiary in the separate statement of financial position is accounted for by the cost method. The Company recognizes gain or loss on sale of investment in the statement of profit or loss in the year the investment is sold. In the case of impairment, the Company will recognize loss from impairment as expense in the statement of profit or loss. The Company recognizes dividend income upon the subsidiary's declaration of the payment.

4.14 Long-term investment

Long - term investment comprise of investments in non-marketable equity securities, which the Company carries at cost net of allowance for impairment loss (if any).

4.15 Property, plant and equipment

Land

Land is carried at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and other equipment

Buildings and other equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company and its subsidiary's management. Other equipment also include vehicles under finance lease (See note 21). Buildings and other equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any).

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings and other equipment. The following useful lives are applied:

	2016	2015
	(years)	(years)
Buildings and improvements	5 - 52	10 - 20
Machinery, tools and equipment	5 - 10	5 - 10
Office decoration and equipment	5	5
Vehicles	5 - 10	5

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.16 Intangible assets

Intangible asset comprises of computer software with definite useful lives which are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of 3 - 10 years.

4.17 Deferred trade rights

Deferred trade rights which has limited useful lives are presented at cost less accumulated amortization and impairment loss (if any). Amortization is charged to the statement of profit or loss on a straight-line basis over the 10 years.

4.18 Lease assets

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company and its subsidiary obtains ownership of the asset at the end of the lease term.

See Note 4.15 for the depreciation methods and useful lives for assets held under finance leases.

Operating leases

All other leases are treated as operating leases. Where the Company and its subsidiary are a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.19 Impairment testing of assets

Assets units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows

and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company and its subsidiary's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined to reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's recoverable amount exceeds its carrying amount.

4.20 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.21 Provision for after-sales service

The Company and its subsidiary provided 6 months - 6 years provision after delivering of crane and door sale and installation. The provision for after-sales service is estimated at 1.20% - 1.24% of sales in the consolidated financial statements and 1.20% of sales in the separate financial statements, respectively (2015 : 1.10% - 1.30% and 1.30%, respectively).

The change of estimated provision for after-sale service of the Company and its subsidiary during the year 2016 impacted to the Company and its subsidiary decreased on provision for after-sale service amounting to Baht 0.24 million in the consolidated financial statements and Baht 0.56 million in the separate financial statements. (2015 : increased Baht 5.70 million in the consolidated financial statements and Baht 4.04 million in the separate financial statements).

4.22 Shareholders

Shareholders equity comprises of the following :

- Share capital represents the nominal (par) value of shares that have been issued.
- Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- Retained earnings includes all current and prior period retained profits
- Other components of equity includes surplus from restructuring under common control is caused by the book value of the subsidiary exceed cash paid for investment as at restructuring date. This surplus amount will decrease if the Company disposes or decreases the portion of shareholding in the subsidiary.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a meeting of the shareholders or Board of Directors of the Company prior to the reporting date.

4.23 Short-term employee benefits, other long-term benefits and post-employment benefits

Short-term employee benefits

Short-term employee benefits, including salaries, bonuses and contributions to the social security are expensed when incurred.

Other long-term benefits

The Company and its subsidiary pay other long - term benefits to employees every 5 years of service up until 35 years for Baht 15,000, over 10 years for Baht 30,000, over 15 years for Baht 60,000 and over 20 years onward for Baht 120,000 and for every 5 year after the 20th year until 35th years for Baht 120,000. The employee benefits expenses are recognised in the statement of profit or loss to allocate the expense throughout the hiring period. Actuarial gains or losses arising from changes in actuarial assumptions are recognised in profit or loss when incurred.

Management estimates the provision for other long - term benefits annually with the assistance of independent actuaries.

Post-employment benefit plans

The Company and its subsidiary provide post-employment benefits through defined contribution, and defined benefit plans.

Defined contribution plans

The Company and its subsidiary set up a registered provident fund that is contributed to by employees and by the Company and its subsidiary for which assets are held in a separate trusteed fund and managed by an authorised fund manager. The Company and its subsidiary have no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

The Company and its subsidiary's has a legal obligation to pay retirement benefits by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company and its subsidiary. The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on salary growth rate, turnover and mortality. Discount factors are determined close to each year-end by reference to Thai government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains or losses arising from changes in actuarial assumptions are recognised in other comprehensive income when incurred and directly transferred to retained earnings.

4.24 Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company and its subsidiary's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although TAS 12 "Income Taxes" specifies limited exemptions.

4.25 Basic earnings per share

Basic earnings per share are calculated by dividing the income for the year by the weighted average number of common shares outstanding during the year.

4.26 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company and its subsidiary have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and its subsidiary and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company and its subsidiary are virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.27 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company and its subsidiary that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 4.22).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Account receivables

The Company and its subsidiary provide allowances for doubtful accounts to reflect the impairment for trade accounts receivable for estimated losses resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences coupled with a review of outstanding receivables at the end of year. Actual results may be substantially different. (See note 9).

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. (See note 10).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as salary, turnover, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Provision for after-sales service

According to the term of 6 months - 6 years after-sales warrantee after delivering of crane and door sale and installation, the Company and its subsidiary are required to estimate the provision for after-sales service which might occur in the future as a result of crane and door sale and installation during the year throughout the warrantee term. Management is required to use judgment and past-experience for set up such provision.

5. INTERESTS IN SUBSIDIARY

Composition of the Group

The consolidated financial statements include the financial statements of Alla Public Company Limited and its subsidiary as follows:

Subsidiary company	Establish in	Percentage of Shareholding		Type of business
		2016	2015	
Onvalla Co., Ltd.	Thailand	100	100	Import, distribution of cranes, industrial doors, electronic lift, PVC strip curtains, including relevant parts and other, equipment. Provide installation and sales - service.

Subsidiary

The subsidiary is an entity controlled by the Company. The Company controls an entity when it exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

6. RELATED PARTY TRANSACTIONS

The Company has transactions with related parties that are related through common and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which might be different from the basis used for transactions with unrelated parties.

Name of entities	Country of incorporation/ nationality	Nature of relationship
Subsidiary company		
Onvalla Co., Ltd.	Thailand	Direct shareholders
Key management	Thai	Directors and management

Pricing policy

Transactions	Pricing policies
Sales of goods and services	Cost plus margin
Purchase of goods and service charge	Cost plus margin
Rental and other service income	Mutually agreed price
Interest income	6.50%

Significant balances with related parties as at 31 December 2016 and 2015 were as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts receivable				
Subsidiary company	-	-	110,745	1,028,752
Other accounts receivable				
Subsidiary company	-	-	37,288	-
Short - term loans to				
Subsidiary company	-	-	-	10,000,000

Significant movements in loan to subsidiary for the year ended 31 December 2016 was as follows

(Unit : Baht)

	1 January 2016	During the year		31 December 2016
		Increase	Decrease	
Subsidiary company	10,000,000	-	(10,000,000)	-

Loan to subsidiary has been granted without collateral and bear interest rate at 6.50 percent per annum. Such loan was repaid in August 2016.

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts payable				
Subsidiary company	-	-	1,364,116	50,183
Other payables				
Subsidiary company	-	-	12,840	-
Key management	5,600	-	5,600	-
Total other payables	5,600	-	18,440	-

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Employee benefits obligation				
Key management personnel				
Short term benefits	1,078,550	3,008,000	743,548	2,348,400
Post-employment benefits	12,977,530	11,670,119	11,175,456	10,293,508
Other long - term employee benefits	763,590	704,479	638,321	592,955
Total employee benefit obligation	14,819,670	15,382,598	12,557,325	13,234,863

Significant transactions with the related parties for the years ended 31 December 2016 and were as follows:

(Unit : Baht)

Transaction with related parties	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
Sales of goods				
Subsidiary company	-	-	1,977,910	3,491,892
Sales of service				
Subsidiary company	-	-	222,400	47,300
Interest income				
Subsidiary company	-	-	239,966	453,420
Purchase of goods				
Subsidiary company	-	-	2,853,401	2,686,009
Service charge				
Subsidiary company	-	-	64,031	-
Rental and other service income				
Subsidiary company	-	-	2,039,641	2,648,800
Rental expenses				
Subsidiary company	-	-	1,530,900	750,300
Key management personnel compensation				
Short-term employee benefits	23,478,642	24,603,438	16,632,809	18,060,818
Post-employment benefits	2,180,671	1,398,260	1,562,114	860,246
Other long - term employee benefits	59,111	73,438	45,366	60,131
Total	25,718,424	26,075,136	18,240,289	18,981,195

As at 31 December 2016, the subsidiary's credit facility was collateralized by the Company totaling Baht 30 million. (See note 19).

7. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash	235,000	310,000	155,000	230,000
Cash at banks	177,894,703	101,211,160	162,148,439	78,892,257
Total	178,129,703	101,521,160	162,303,439	79,122,257

As at 31 December 2016, cash at banks had interest rates of 0.37% - 1.60% (2015 : 0.05% - 0.625%).

8. SHORT - TERM INVESTMENTS

(Unit : Baht)

	Consolidated and Separate F/S
	2016
Fixed deposit	100,000,000
Securities held for trading - Debt securities	110,077,848
Total	210,077,848

Fixed deposits had an interest rates of 1.60% and mature on 20 November 2017.

All short-term investments of the Company were denominated entirely in Thai Baht.

During the year ended 31 December 2016, movements of securities held for trading were as follows :

(Unit : Baht)

	Consolidated and Separate F/S
Balance as at 1 January 2016	-
Purchases securities	110,000,000
Unrealized gain from change in value of investments	77,848
Balance as at 31 December 2016	110,077,848

9. TRADE AND OTHER ACCOUNTS RECEIVABLE - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts receivable - other companies	103,697,475	76,471,733	69,705,625	44,634,350
Trade accounts receivable - related company	-	-	110,745	1,028,752
Accrued income - sale of goods and service	37,309,356	49,765,305	33,446,735	40,312,195
Other accounts receivable - other companies	1,667,362	11,634,025	1,568,326	11,385,298
Other accounts receivable - related company	-	-	37,288	-
Total	142,674,193	137,871,063	104,868,719	97,360,595

As at 31 December 2016 and 2015, the aged trade accounts receivable and accrued income - sale of goods and service, were as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts receivable				
Not yet due	79,773,628	45,654,655	58,655,773	30,352,042
Over due				
Less than 3 months	23,261,856	23,664,941	10,817,643	14,592,616
More than 3 months, not over 6 months	417,300	6,231,383	149,800	141,909
More than 6 months, not over 12 months	41,607	618,612	-	274,393
More than 12 months	203,084	849,741	193,154	774,741
Total trade accounts receivable	103,697,475	77,019,332	69,816,370	46,135,701
Less Allowance for doubtful accounts	-	(547,599)	-	(472,599)
Trade accounts receivable - net	103,697,475	76,471,733	69,816,370	45,663,102
Accrued income - sale of goods and service				
Aging:				
Less than 3 months	32,730,410	42,486,618	29,657,023	33,491,155
More than 3 months, not over 6 months	2,509,267	6,129,080	1,972,993	5,763,693
More than 6 months, not over 12 months	846,680	900,942	593,720	827,472
More than 12 months	1,276,164	248,665	1,276,164	229,875
Total accrued income	37,362,521	49,765,305	33,499,900	40,312,195
Less Allowance for doubtful accounts	(53,165)	-	(53,165)	-
Accrued income - net	37,309,356	49,765,305	33,446,735	40,312,195

During the year, the movements in allowance for doubtful accounts were as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	(547,599)	(499,265)	(472,599)	(499,265)
Add Allowance for doubtful accounts	(53,165)	(75,000)	(53,165)	-
Less Reversal of allowance for doubtful accounts	547,599	26,666	472,599	26,666
Balance as at 31 December	(53,165)	(547,599)	(53,165)	(472,599)

10. INVENTORIES - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Raw materials and others	108,581,229	127,475,471	69,549,040	81,745,252
Work in process	40,048,016	58,413,028	27,128,934	29,864,500
Goods in transit	5,378,264	15,291,995	4,077,921	13,955,069
Total	154,007,509	201,180,494	100,755,895	125,564,821
Less Allowance for obsolete and defective inventories	(4,613,293)	(2,810,547)	(3,918,943)	(2,659,120)
Allowance for cost excess net realisable value.	(401,605)	(153,831)	(279,013)	-
Net	148,992,611	198,216,116	96,557,939	122,905,701

During the year, the movements in the allowance for obsolete and defective inventories and the allowance for cost in excess of net realisable value were as follows:

(Unit : Baht)

	Consolidated F/S	Separate F/S
Balance as at 1 January 2016	(2,964,378)	(2,659,120)
Plus Increased in allowance during the year	(2,050,520)	(1,538,836)
Balance as at 31 December 2016	(5,014,898)	(4,197,956)

The costs of inventories which were recognized as expenses are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Costs of sales and relevant services	411,738,288	622,374,186	228,824,863	455,975,665
Add Allowance for obsolete and defective inventories (reverse)	1,802,746	(2,673,736)	1,259,823	(1,743,160)
Add Allowance for cost excess net realisable value (reversal)	247,774	153,831	279,013	-
Total costs of sales and relevant services	413,788,808	619,854,281	290,363,699	454,232,505

11. OTHER CURRENT ASSETS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Retention	3,827,029	8,664,988	3,765,650	6,458,888
Revenue department receivable, VAT receivable and prepaid tax	4,692,934	4,274,626	2,094,266	1,366,325
Prepayments	2,041,406	2,125,378	1,702,042	1,800,012
Others	110,700	595,319	57,300	634,600
Total	10,672,069	15,660,311	7,619,258	10,259,825

12. RESTRICTED DEPOSIT WITH BANK

As at 31 December 2016, in the consolidated and separate financial statements had fixed of Baht 25.46 million and Baht 25.16 million respectively (2015 : Baht 0.03 million in the consolidated financial statements), which are pledged as collateral for short -term loans from financial institutions and as collateral for credit cards.

13. INVESTMENT IN SUBSIDIARY

(Unit : Baht)

	Separate F/S					
	Paid-up capital		Percentage of shareholding		Cost	
	2016	2015	2016	2015	2016	2015
Onvalla Company Limited	150,000,000	150,000,000	100	100	151,999,560	151,999,560

During the year 2015, Onvalla Co., Ltd. (a subsidiary), increased registered share capital from Baht 70 million (700,000 common shares at par value of Baht 100) to Baht 150 million (1,500,000 common shares at par value of Baht 100) through the issuance of 800,000 common shares with a par value of Baht 100, totaling of Baht 80 million which the Company still has the same proportion.

14. LONG - TERM INVESTMENT

Long - term investment is equity securities which the Company classified as general investment and stated at cost as follows:

	No.	Baht		Percentage of shareholding
		Par value	Total	
Preferred stock	82,904	1	82,904	0.02%

15. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Baht)

	Consolidated F/S						
	Land	Buildings and improvements	Machinery tools and equipment	Office decoration and equipment	Vehicles	Assets under installation	Total
Cost							
1 January 2015	28,257,492	108,535,474	39,712,540	24,151,552	45,920,025	2,807,275	249,384,358
Acquisitions	-	75,400	4,347,268	2,605,852	12,406,892	9,215,809	28,651,221
Disposals /write-off	-	(36,200)	(4,641,900)	(4,783,962)	(3,576,850)	-	(13,038,912)
Transfer in / (out)	18,986,000	36,020	346,557	14,994	-	(4,497,571)	14,886,000
31 December 2015	47,243,492	108,610,694	39,764,465	21,988,436	54,750,067	7,525,513	279,882,667
Acquisitions	8,100	-	1,853,248	1,453,074	10,454,984	384,678	14,154,084
Disposals / write - off	-	-	(187,453)	(320,326)	(7,239,800)	-	(7,747,579)
Transfer in / (out)	-	71,016	60,650	41,523	-	(173,189)	-
31 December 2016	47,251,592	108,681,710	41,490,910	23,162,707	57,965,251	7,737,002	286,289,172
Accumulated depreciation							
1 January 2015	-	36,983,027	18,116,946	14,845,683	25,981,952	-	95,927,608
Depreciation for the year	-	5,361,878	5,280,318	3,328,436	7,727,939	-	21,698,571
Depreciation for disposals /write-off	-	(35,080)	(3,557,404)	(4,027,217)	(3,565,964)	-	(11,185,665)
31 December 2015	-	42,309,825	19,839,860	14,146,902	30,143,927	-	106,440,514
Depreciation for the year	-	3,637,462	4,879,544	2,925,248	8,339,766	-	19,782,020
Depreciation for disposals /write-off	-	(2,064)	(118,685)	(254,650)	(7,239,794)	-	(7,615,193)
31 December 2016	-	45,945,223	24,600,719	16,817,500	31,243,899	-	118,607,341
Net book value							
31 December 2015	47,243,492	66,300,869	19,924,605	7,841,534	24,606,140	7,525,513	173,442,153
31 December 2016	47,251,592	62,736,487	16,890,191	6,345,207	26,721,352	7,737,002	167,681,831
Depreciation for the year 2015							
Cost of sales and services							15,503,052
Administrative expenses							6,195,519
Total							21,698,571
Depreciation for the year 2016							
Cost of sales and services							14,024,435
Administrative expenses							5,757,585
Total							19,782,020

During the year 2015, the subsidiary transferred land under development amount of Baht 18.98 million to property, plant and equipment due to there was construction on such land.

(Unit : Baht)

	Separate F/S						
	Land	Buildings and improvements	Machinery tools and equipment	Office decoration and equipment	Vehicles	Assets under installation	Total
Cost							
1 January 2015	5,932,491	50,637,058	18,074,261	15,028,394	36,951,356	2,274,988	128,898,548
Acquisitions	-	63,000	3,235,028	2,300,780	10,000,088	2,131,703	17,730,599
Disposals / write off	-	(36,200)	(2,990,905)	(3,515,892)	(3,569,250)	-	(10,112,247)
Transfer in / (out)	-	36,020	255,677	14,994	-	(4,406,691)	(4,100,000)
31 December 2015	5,932,491	50,699,878	18,574,061	13,828,276	43,382,194	-	132,416,900
Acquisitions	8,100	-	996,404	975,221	9,683,963	350,511	12,014,199
Disposals / write-off	-	-	(143,155)	(274,393)	(7,239,800)	-	(7,657,348)
Transfer in / (out)	-	51,742	56,000	41,523	-	(149,265)	-
31 December 2016	5,940,591	50,751,620	19,483,310	14,570,627	45,826,357	201,246	136,773,751
Accumulated depreciation							
1 January 2015	-	27,286,648	11,947,523	9,504,660	23,011,226	-	71,750,057
Depreciation for the year	-	2,354,485	2,049,998	1,845,348	5,710,475		11,960,306
Depreciation for disposals / write-off	-	(35,080)	(2,375,181)	(3,042,731)	(3,558,366)	-	(9,011,358)
31 December 2015	-	29,606,053	11,622,340	8,307,277	25,163,335	-	74,699,005
Depreciation for the year	-	1,587,791	1,842,372	1,945,614	6,183,884	-	11,559,661
Depreciation for disposals / write-off	-	-	(91,432)	(225,654)	(7,239,795)	-	(7,556,881)
31 December 2016	-	31,193,844	13,373,280	10,027,237	24,107,424	-	78,701,785
Net book value							
31 December 2015	5,932,491	21,093,825	6,951,721	5,520,999	18,218,859	-	57,717,895
31 December 2016	5,940,591	19,557,776	6,110,030	4,543,390	21,718,933	201,246	58,071,966
Depreciation for the year 2015							
Cost of sales and services							8,145,272
Administrative expenses							3,815,034
Total							11,960,306
Depreciation for the year 2016							
Cost of sales and services							7,692,553
Administrative expenses							3,867,108
Total							11,559,661

The Company and its subsidiary changed the estimated useful life of buildings from 10 - 20 years to 24 - 52 years to reflect the more realistic estimated useful life of such assets. The effective date is 1 July 2016. As a result, the depreciation change from the Company and its subsidiary for the year ended 31 December 2016 decreased by Baht 1.54 million.

As at 31 December 2016, in the consolidated and separate financial statements have mortgaged lands and buildings as collaterals for credit lines facilities with financial institutions with net book value of Baht 101.45 million and Baht 22.99 million, respectively. (2015 : amount of Baht 103.76 million and Baht 24.42 million, respectively).

As at 31 December 2016, in the consolidated and separate financial statements had vehicles carrying amount of Baht 19.87 million and Baht 17.26 million, respectively, are under finance lease agreements as disclosed in Note 21 to the financial statement. (2015 : amount of Baht 18.33 million and Baht 14.00 million, respectively).

As at 31 December 2016, in the consolidated and separate financial statements had fully depreciated assets which are remained in use amounted to Baht 45.75 million and Baht 38.67 million, respectively. (2015 : amount of Baht 36.81 million and Baht 33.58 million, respectively.)

16. INTANGIBLE ASSETS - NET

Movements of computer software for the years ended 31 December 2016 and 2015 were as follows:

(Unit : Baht)

	Consolidated F/S	Separate F/S
Cost		
1 January 2015	2,956,300	2,920,300
Purchase	3,639,375	2,806,552
Transfer in / (out)	4,100,000	4,100,000
31 December 2015	10,695,675	9,826,852
Purchase	453,578	453,578
31 December 2016	11,149,253	10,280,430
Accumulated amortization		
1 January 2015	1,555,375	1,547,947
Amortization for the year	1,107,490	926,489
31 December 2015	2,662,865	2,474,436
Amortization for the year	2,041,732	1,756,989
31 December 2016	4,704,597	4,231,425
Net book value		
31 December 2015	8,032,810	7,352,416
31 December 2016	6,444,656	6,049,005
Amortization for the year 2015		
Administrative expenses	1,107,490	926,489
Amortization for the year 2016		
Administrative expenses	2,041,732	1,756,989

17. DEFERRED TRADE RIGHT - NET

(Unit : Baht)

	Consolidated F/S	
	2016	2015
Net book value as at 1 January	1,187,540	2,137,532
Less Amortization during the year	(949,992)	(949,992)
Net book value as at 31 December	237,548	1,187,540

18. DEFERRED INCOME TAX AND INCOME TAX

18.1 Income tax recognised in profit or loss

Reconciliation of income tax expenses are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
Income before income tax	72,834,321	126,277,323	62,307,541	120,849,999
Applicable tax rate (%)	20	20	20	20
Tax multiplied by applicable tax rate	14,566,864	25,255,465	12,461,508	24,170,000
Effects :				
Add non - deductible expenses	606,857	440,746	506,752	326,270
Less for tax - exempt income :	(1,656,247)	(38,802)	(1,652,006)	(24,102)
Related transactions	(306,196)	-	-	-
Income tax	13,823,670	25,657,409	11,316,254	24,472,168

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Income tax recognized in profit and loss				
Current income tax	14,353,006	26,959,897	11,849,993	25,322,323
Deferred income tax	(529,336)	(1,302,488)	(533,739)	(850,155)
Total	13,823,670	25,657,409	11,316,254	24,472,168
Brought forward accrued income tax	3,101,573	14,583,998	3,101,573	11,611,977
Add Income tax for the year under the Revenue Code	14,353,006	26,959,897	11,849,993	25,322,323
Less Income tax paid during the year	(16,630,205)	(40,423,083)	(14,891,960)	(33,832,727)
Accrued income tax	824,374	3,101,573	59,606	3,101,573
Prepaid income tax	-	(1,980,761)	-	-

18.2 Income tax recognised in other comprehensive income

(Unit : Baht)

	Consolidated F/S					
	2016			2015		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Actuarial loss	-	-	-	(3,570,693)	714,139	(2,856,554)

(Unit : Baht)

	Separate F/S					
	2016			2015		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Actuarial loss	-	-	-	(3,906,880)	781,376	(3,125,504)

18.3 Deferred income tax asset and liability

Deferred income tax assets and liabilities as at 31 December 2016 and 2015 were as follow:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deferred tax assets from :				
Employee benefits obligation	7,190,670	6,457,299	5,553,544	5,120,235
Allowance for obsolete and defective inventories	922,658	562,109	783,789	531,825
The cost of goods excess net realizable value	80,321	-	55,803	-
Allowance for doubtful account	10,633	109,520	10,633	94,520
Provision for after-sales service	1,535,905	1,890,086	1,170,400	1,293,850
Total	9,740,187	9,019,014	7,574,169	7,040,430
Deferred tax liabilities from :				
Differences from depreciation	(191,837)	-	-	-
Total	(191,837)	-	-	-
Net deferred tax assets from :	9,548,350	9,019,014	7,574,169	7,040,430

The movements in deferred income tax assets and liabilities are as follows:

(Unit : Baht)

	Consolidated F/S			
		Recognised as income (expense)		
	1 January 2016	Statement of profit or loss	Other comprehensive income	31 December 2016
Deferred tax asset from :				
Employee benefits obligation	6,457,299	733,371	-	7,190,670
Allowance for obsolete and defective inventories	562,109	360,549	-	922,658
The cost of goods excess net realizable value	-	80,321	-	80,321
Allowance for doubtful account	109,520	(98,887)	-	10,633
Provision for after-sales service	1,890,086	(354,181)	-	1,535,905
Total	9,019,014	721,173	-	9,740,187
Deferred tax liabilities from :				
Differences from depreciation	-	191,837	-	191,837
Total	-	191,837	-	191,837
Net deferred tax assets from :	9,019,014	529,336	-	9,548,350

(Unit : Baht)

	Consolidated F/S			
		Recognised as income (expense)		
	1 January 2015	Statement of profit or loss	Other comprehensive income	31 December 2015
Deferred tax asset from :				
Employee benefits obligation	4,919,584	823,576	714,139	6,457,299
Allowance for obsolete and defective inventories	1,096,856	(534,747)	-	562,109
Allowance for doubtful account	99,853	9,667	-	109,520
Provision for after-sales service	886,094	1,003,992	-	1,890,086
Net deferred tax asset from :	7,002,387	1,302,488	714,139	9,019,014

(Unit : Baht)

	Separate F/S			
		Recognised as income (expense)		
	1 January 2016	Statement of profit or loss	Other comprehensive income	31 December 2016
Deferred tax asset from :				
Employee benefits obligation	5,120,235	433,309	-	5,553,544
Allowance for obsolete and defective inventories	531,825	251,964	-	783,789
The cost of goods excess net realizable value	-	55,803	-	55,803
Allowance for doubtful account	94,520	(83,887)	-	10,633
Provision for after-sales service	1,293,850	(123,450)	-	1,170,400
Net deferred tax asset from :	7,040,430	533,739	-	7,574,169

(Unit : Baht)

	Separate F/S			
	Recognised as income (expense)			
	1 January 2015	Statement of profit or loss	Other comprehensive income	31 December 2015
Deferred tax asset from :				
Employee benefits obligation	3,841,082	497,777	781,376	5,120,235
Allowance for obsolete and defective inventories	880,455	(348,630)	-	531,825
Allowance for doubtful account	99,853	(5,333)	-	94,520
Provision for after-sales service	587,509	706,341	-	1,293,850
Net deferred tax asset from :	5,408,899	850,155	781,376	7,040,430

19. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trust receipts	36,435,673	46,170,457	25,184,024	22,797,132
Total	36,435,673	46,170,457	25,184,024	22,797,132

As at 31 December 2016, short-term loans from financial institutions had interest rate at 1.73% - 3.45% per annum (as at 31 December 2015 : 2.00% - 2.59% per annum) and are collateralized by the mortgage of land and building of the Company and its subsidiary (Note 15). In addition, during the year, the Company increased collateral as deposit with bank of Baht 25.16 million (Note 12).

20. TRADE AND OTHER ACCOUNTS PAYABLE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts payable - other companies	21,460,506	33,456,247	15,453,291	27,033,424
Trade accounts payable - related company	-	-	1,364,116	50,183
Other accounts payable - other companies	6,245,005	12,180,291	4,486,549	9,660,909
Other accounts payable - related company	-	-	12,840	-
Other accounts payable - key management	5,600	-	5,600	-
Total	27,711,111	45,636,538	21,323,396	36,744,516

21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Liabilities under finance lease agreements				
Due within 1 year	5,719,826	6,226,130	5,064,108	4,729,623
Due over 1 year but not later than 5 years	9,455,309	6,006,918	8,533,860	5,032,396
Total	15,175,135	12,233,048	13,597,968	9,762,019
Less Deferred interest	(1,296,414)	(506,245)	(1,201,186)	(381,036)
Present value of liabilities under finance lease agreement	13,878,721	11,726,803	12,396,782	9,380,983
Less Current portion	(5,141,670)	(5,889,628)	(4,541,157)	(4,470,628)
Liabilities under finance lease agreements - net	8,737,051	5,837,175	7,855,625	4,910,355

The Company and its subsidiary have hire purchase agreements for vehicles that are being in operations with instalment periods of 24 - 60 months and has been granted a collateralised by the Company's directors as personal guarantees.

22. LONG - TERM LOANS FROM FINANCIAL INSTITUTEIONS - NET

As at 31 December 2016 and 2015, the Company and its subsidiary had long - term loans as follows:

(Unit : Baht)

Loan	Principal	Term (years)	Maturity	Repayment	Consolidated F/S		Separate F/S	
					2016	2015	2016	2015
1	3,500,000	5	December 2016	Monthly installment of Baht 59,000, last installment Baht 19,000	-	668,000	-	668,000
2	30,000,000	5	June 2017	Monthly installment of Baht 500,000	3,000,000	9,000,000	-	-
3	15,000,000	5	March 2016	Monthly installment of Baht 250,000	-	750,000	-	-
4	40,000,000	5	August 2017	Monthly installment of Baht 1,186,187	-	38,857,140	-	38,857,140
Total					3,000,000	49,275,140	-	39,525,140
Less Current portion					(3,000,000)	(21,652,244)	-	(14,902,244)
Balance due more than one year					-	27,622,896	-	24,622,896

Movements of long - term loans for the years ended 31 December 2016 and 2015 were as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Beginning balance	49,275,140	20,126,000	39,525,140	1,376,000
Add Additions	8,000,000	40,000,000	8,000,000	40,000,000
Less Repayments	(54,275,140)	(10,850,860)	(47,525,140)	(1,850,860)
Ending balance	3,000,000	49,275,140	-	39,525,140

Long - term loans from domestic financial institutions are secured by mutual mortgage of the Company's and its subsidiary's lands and buildings at the monthly interest rate of MLR - fixed rate per annum as per agreements.

Under conditions of loan agreements, the Company and its subsidiary have to maintain financial ratios such as Debt to Equity Ratio (D/E) and Debt Service Coverage Ratio (DSCR). Moreover, when the Company has finished Initial Public Offering (IPO), the Company has to repay loans not lower than Baht 40 million. During the year 2016, the Company has repaid such loan.

23. EMPLOYEE BENEFITS

23.1 Defined benefit plans and other long-term employee benefits

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
The statement of financial position				
Obligation in statement of financial position for				
Post - employee benefits	27,682,113	24,099,879	22,035,838	19,655,261
Other long-term employee benefits	8,271,236	8,186,617	5,731,885	5,945,916
Total	35,953,349	32,286,496	27,767,723	25,601,177

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
The statement of profit or loss and other comprehensive income				
Recognised in profit or loss				
Post - employee benefits	3,582,233	3,179,978	2,380,575	1,899,512
Other long-term employee benefits	1,509,620	2,467,907	910,971	1,834,374
Total	5,091,853	5,647,885	3,291,546	3,733,886
Recognised in other comprehensive income				
Defined benefit plan actuarial loss during the year	-	3,570,693	-	3,906,880

During the years ended 31 December 2016 and 2015, movements in employee benefits obligation are as follow:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	32,286,496	24,597,918	25,601,177	19,205,411
Provision expense for the period in statements of profit or loss	3,963,853	3,551,337	2,441,247	1,967,172
Interest expense for period in statements of profit or loss	1,128,000	1,041,207	850,299	781,677
Loss from actuarial estimated in statement of profit or loss	-	1,055,341	-	985,037
Loss from actuarial estimated in statement of other comprehensive income	-	3,570,693	-	3,906,880
Paid during the year	(1,425,000)	(1,530,000)	(1,125,000)	(1,245,000)
Balance as at 31 December	35,953,349	32,286,496	27,767,723	25,601,177

Actuarial loss recognised in other comprehensive income for the year ended 31 December 2015 arising from:

(Unit : Baht)

	Consolidated F/S	Separate F/S
Demographic assumptions	524,570	787,575
Financial assumptions	2,019,711	1,670,561
Experience adjustment	1,026,412	1,448,744
Total	3,570,693	3,906,880

Principal actuarial assumptions are as follows:

	Alla Public Co., Ltd.	Onvalla Co., Ltd.
Discount rate	3.21% per annum	3.68% per annum
Future salary expense increment rate	9.11% per annum	7.66% per annum
Mortality rate	100% of Thai mortality table B.E. 2551	100% of Thai mortality table B.E. 2551
Disability rate	10% of Thai mortality table B.E. 2551	10% of Thai mortality table B.E. 2551
Number of employees	327 persons	160 persons
Normal Retirement age	60 Years	60 Years

Actuarial gains or losses occurred from the change in the salaries and wages and other factors for the computation of post-employee benefits are presented under shareholders' equity.

Sensitivity analysis

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

(Unit : Baht)

	Defined benefit obligation			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Defined benefit obligation				
Discount rate (0.5% increment)	34,306,068	30,747,267	26,575,342	24,460,627
Discount rate (0.5% decrement)	37,727,565	33,940,751	29,007,370	26,821,094
Future salary expense increment rate (0.5% increment)	37,431,361	33,540,658	28,834,444	26,548,039
Future salary expense increment rate (0.5% decrement)	34,571,540	31,107,353	26,729,163	24,706,274
Employee turnover (1.0% increment)	32,283,645	29,162,562	25,104,572	23,281,173
Employee turnover (1.0% decrement)	37,454,149	33,498,684	28,702,423	26,403,085

23.2 Defined contribution plan

The Company and its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 with the contribution to the fund at monthly rate 5% of basic salary. The fund is managed by Sinstaporn's Securities Co., Ltd. and will be paid to the employees upon the termination in accordance with the fund rules.

For the year ended 31 December 2016, in the consolidated and separate financial statements has the contribution into the provident fund to amounting to Baht 2.20 million and Baht 1.79 million, respectively. (2015 : Baht 2.66 million and Baht 2.37 million, respectively).

24. EQUITY

24.1 Registered and paid-up capital

Registered share capital

	2016			2015		
	Share number (shares)	Per share (Thousand (Baht)	Common share Baht)	Share number (shares)	Per share (Thousand (Baht)	Common share Baht)
Balance as at 1 January	600,000,000	0.5	300,000	2,250,000	100.00	225,000
Increase in registered share capital	-	-	-	150,000,000	0.50	75,000
Increase from changing par value	-	-	-	447,750,000	0.50	-
Balance as at 31 December	600,000,000	0.5	300,000	600,000,000	0.50	300,000

Issued and paid-up share capital

(Unit : Baht)

	2016			2015		
	Share number (shares)	Per share (Thousand (Baht)	Common share Baht)	Share number (shares)	Per share (Thousand (Baht)	Common share Baht)
Balance as at 1 January	450,000,000	0.5	225,000	2,250,000	100.00	225,000
Increase in registered share capital	150,000,000	0.5	75,000	-	-	-
Increase from changing par value	-	-	-	447,750,000	0.50	-
Balance as at 31 December	600,000,000	0.5	300,000	450,000,000	0.50	225,000

On 22 September 2016, the Company made an initial public offering of 150,000,000 ordinary share from Stock Exchange of Thailand which receive cash from paid-up capital amounting Baht 432 million. The Company registered the increase in its issue with the Department of Business Develop on 3 November 2016, and shares of the Company began trading on the Stock Exchange of Thailand on 8 November 2016.

At the Extraordinary Shareholders Meeting No. 2/2015 (before registered a public company), held on 8 September 2015, the significant passed the resolution are as follow:

- Approval to change par value from Baht 100 to Baht 0.50; therefore, registered share capital increased from 2.25 million common shares to 450 million common shares
- Approval to increase registered share capital from Baht 225 million to Baht 300 million composed of 150 million common shares at par value of Baht 0.50 totalling Baht 75 million

24.2 Share premium

Section 51 of the Public Companies 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.

Proceeds received in addition to the nominal value of the Company made an initial public offering of 150,000,000 ordinary share during the year ended 31 December 2016 have been included in share premium amounting to Baht 432 million, less related costs such as registration and other regulatory fees and net of related tax benefits amounting to Baht 8.51 million. The balance of share premium was Baht 348 million.

24.3 Legal reserve

For the year ended 31 December 2016, the Company appropriated legal reserve of Baht 15.78 million. Therefore, as at 31 December 2016, the Company has legal reserve of Baht 30.00 million.

At the Extraordinary Shareholders Meeting No. 2/2015, held on 8 September 2015, the meeting passed the resolution to register the Company as a public company on 17 September 2015. Therefore, the Company has to appropriated for legal reserve as per the Public Limited Company Act B.E. 2535. The Company is required to set aside as a statutory reserve at least 5% of its net income for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

For the year ended 31 December 2015, the Company appropriated legal reserve of Baht 11.22 million due to dividend payment of Baht 6.38 million which was approved by the Ordinary Shareholders Meeting No. 1/2015, held on 24 March 2015 and the Annual General Meeting of 2016, held on 20 April 2016, was approved to set up legal reserve from net profit for the year ended 31 December 2015 amounting to Baht 4.84 million. Therefore, as at 31 December 2015, the Company has legal reserve of Baht 14.22 million.

24.4 Dividend payment

Dividends	The consolidated and separate financial statements			
	Approved by the Meeting (Held meeting date)	Dividend per share (Baht)	Number of Common share (Shares)	Dividend paid (Thousand Baht)
For the year ended 31 December 2015 and for the six-month period ended 30 June 2016	Board of directors meeting No.3/2016 (on 15 August 2016)	0.12	450,000	54,000
For the year ended 31 December 2015	Annual General Meeting of Shareholders of 2016 (on 20 April 2016)	0.10	450,000	45,000
For the year ended 31 December 2014	Board Extraordinary Shareholders' meeting No.1/2015 (on 29 September 2015)	52.44	2,250	118,000

25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Raw materials used	253,113,602	321,346,046	187,891,974	225,326,526
Decrease in finished goods and goods in process	18,365,012	116,336,699	2,735,566	96,454,138
Salaries, wage and employee benefit	167,860,467	186,706,925	119,315,141	130,573,540
Depreciation and amortization	21,823,752	22,806,061	13,316,650	12,886,795
Subcontractor expense	5,860,408	14,143,300	4,179,137	9,195,512
Freight and import expense	8,748,952	12,561,976	6,835,804	9,407,427
Transportation expenses	7,300,579	9,604,370	5,161,490	7,219,079
Utilities expense	5,210,923	5,660,515	3,676,868	3,939,326
Commission	7,550,698	8,448,458	5,298,210	5,983,263
Allowance for obsolete and defective inventories, and cost excess net realisable value (reversal)	2,050,520	(2,519,905)	1,538,836	(1,743,160)
Provision for after - sale service expenses (reversal)	(1,675,994)	5,779,981	(960,390)	3,765,804
Repair and maintenance expenses	2,624,035	3,037,426	1,674,995	1,865,948
Professional fee	3,613,590	2,527,500	2,623,651	1,719,000
Rental expense	813,801	837,007	2,094,097	1,324,976

26. SEGMENTAL FINANCIAL INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiary' business operations are categorized mainly into 2 principal segments : (1) sales and relevant service and (2) Service. Below are revenues of the Company and its subsidiary for the years ended 31 December 2016 and 2015.

(Unit : Thousand Baht)

	Consolidated F/S					
	2016			2015		
	Sales and relevant service	Service	Total	Sales and relevant service	Service	Total
Income from sale and service						
- Third parties	478,715	120,995	599,710	743,816	126,457	870,273
Interest income	720	182	902	309	52	361
Interest expense	3,725	942	4,667	2,717	462	3,179
Depreciation and amortization	17,421	4,403	21,824	19,492	3,314	22,806
Segment profits before tax	58,139	14,695	72,834	107,928	18,349	126,277
Segment assets	718,452	181,589	900,041	551,590	93,777	645,367
Increase of non - current assets of segment	13,886	3,510	17,396	7,223	1,228	8,451
Segment liabilities	137,056	34,641	171,697	256,852	43,668	300,520

(Unit : Thousand Baht)

	Separate F/S					
	2016			2015		
	Sales and relevant service	Service	Total	Sales and relevant service	Service	Total
Income from sale and service						
- Third parties	332,552	96,063	428,615	541,106	104,996	646,102
- Related parties	1,978	222	2,200	3,492	47	3,539
Total	334,530	96,285	430,815	544,598	105,043	649,641
Interest income	837	241	1,078	593	114	707
Interest expense	2,994	862	3,856	1,506	290	1,796
Depreciation and amortization	10,341	2,976	13,317	10,803	2,084	12,887
Segment profits before tax	48,382	13,926	62,308	101,309	19,541	120,850
Segment assets	644,811	185,591	830,402	455,931	87,941	543,872
Increase of non - current assets of segment	19,219	5,532	24,751	6,819	1,315	8,134
Segment liabilities	98,636	28,389	127,025	181,051	34,922	215,973

Major customers

For the year ended 31 December 2016, in the consolidated and separate financial statements had revenues derived from 4 private companies, amounted to Baht 193 million and Bath 126 million, respectively (2015 : the consolidated and separate financial statements had revenues amounted to Baht 229 million and Baht 166 million).

27. BASIC EARNING PER SHEAR

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of common shares outstanding during the year, which in the year 2016, there were increase from initial public offering 150 million ordinary shares from 450 million ordinary shares to 600 million ordinary shares and in the year 2015, there were adjustments par value from Baht 100 to Baht per share 0.50 per share (Note 24.1). The details are as below.

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Numbers of common shares as at 1 January	450,000,000	450,000,000	450,000,000	450,000,000
Increase in numbers of common shares during the year	24,180,328	-	24,180,328	-
Basic numbers of common shares as at 31 December	474,180,328	450,000,000	474,180,328	450,000,000
Net profit of the Company (Baht)	59,010,651	100,619,914	50,991,287	96,377,831
Basic earnings per shares (Baht per share)	0.12	0.22	0.11	0.21

28. CONTIGENT LIABILITIES

As at 31 December 2016, the Company and its subsidiary had contingent liabilities as follows:

28.1 The Company and its subsidiary had contingent liabilities in respect of bank guarantees as collateral for contractors work amounting to Baht 39.15 million and Baht 35.98 million, respectively (2015 : Baht 47.93 million and Baht 40.10 million).

28.2 The Company and a subsidiary had credit facilities of Bank overdraft and other credits amounting Baht 944.07 million which collateralized by the mortgage of land and building of the Company and its subsidiary and personal guarantee of the director and pledge by deposit with bank.

29. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include and cash equivalents, restricted deposits with banks, trade and other accounts receivable and payable, loans and investments. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 4 to the financial statements.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The significant financial assets and liabilities are classified below, according to interest rate type:

(Unit : Thousand Baht)

	Consolidated F/S							
	Fixed interest rate		Float interest rate		No interest		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets								
Cash and cash equivalents	175,960	-	1,506	101,211	664	310	178,130	101,521
Short - term investments	100,000	-	110,078	-	-	-	210,078	-
Trade and other accounts receivable - net	-	-	-	-	142,674	137,871	142,674	137,871
Total	275,960	-	111,584	101,211	143,338	138,181	530,882	239,392
Financial Liabilities								
Short - term loans from financial institutions	-	-	36,436	46,170	-	-	36,436	46,170
Trade and other accounts payable	-	-	-	-	27,711	45,637	27,711	45,637
Liabilities under finance lease agreements	13,879	11,727	-	-	-	-	13,879	11,727
Long - term loans from financial institutions	-	-	3,000	49,275	-	-	3,000	49,275
Total	13,879	11,727	39,436	95,445	27,711	45,637	81,026	152,809

(Unit : Thousand Baht)

	Separate F/S							
	Fixed interest rate		Float interest rate		No interest		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets								
Cash and cash equivalents	160,576	-	1,154	78,892	573	230	162,303	79,122
Short - term investments	100,000	-	110,078	-	-	-	210,078	-
Trade and other accounts receivable - net	-	-	-	-	104,869	97,361	104,869	97,361
Total	260,576	-	111,232	78,892	105,442	97,591	477,250	176,483
Financial Liabilities								
Short - term loans from financial institutions	-	-	25,184	22,797	-	-	25,184	22,797
Trade and other accounts payable	-	-	-	-	21,322	36,745	21,322	36,745
Liabilities under finance lease agreements	12,397	9,381	-	-	-	-	12,397	9,381
Long - term loans from financial institutions	-	-	-	39,525	-	-	-	39,525
Total	12,397	9,381	25,184	62,322	21,322	36,745	58,903	108,448

Exchange rates risk

The Company and its subsidiary have an exposure on exchange rate risk arising from purchases denominated in foreign currencies. As at 31 December 2016 and 2015, the Company and its subsidiary had unhedged assets and liabilities in foreign currencies which are considered natural hedging as follows:

	Foreign Currencies (Unit : Thousand)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Liabilities in foreign currencies				
EURO	497	1,485	287	861
USD	141	155	116	126

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Company and its subsidiary within the normal terms of trade. To manage this risk, the Company and its subsidiary periodically assesses the financial viability of customers.

Risk on credit provision

The Company and its subsidiary are exposed to risk from credit provision. However, the Company and its subsidiary considers the majority of its sales to be to companies with a sound financial position and a good record of debt payment capability. The Company and its subsidiary have also established a long-term relationship with these companies. Moreover, the appropriate allowance for doubtful debt has been set by the Company and its subsidiary. The Company and its subsidiary believe that accounts receivable at the end of the year present recoverable value.

Fair Value of Financial Instruments

Fair value is the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Measurement of fair values

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

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Company and its subsidiary used methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents and trade and other accounts receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.
- Short term investments have been adjusted as per fair value at the end of period.
- Short term loans from banks, trade and other accounts payable and liabilities under finance leases agreements, the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity.
- Long - term loan, bearing floating MLR, which is considered market rate - the carrying value approximates their fair values.

As at 31 December 2016 and 2015, the Company and its subsidiary had forward exchange contract with a commercial bank to hedge receipt and payment of foreign currencies. The Company and its subsidiary have not recorded financial assets and liabilities in the financial statements. The maturity dates of open forward exchange contract not over 3 - 6 months are detailed as follow:

	Contract value Thousand Unit Consolidated F/S		Contract value Thousand Baht Consolidated F/S	
	2016	2015	2016	2015
EURO	658	808	25,425	31,783
USD	-	52	-	1,865

	Contract value Thousand Unit Separate F/S		Contract value Thousand Baht Separate F/S	
	2016	2015	2016	2015
EURO	479	371	18,465	14,637
USD	-	41	-	1,464

The fair value, which is fair value at level 2, of derivatives balance with open status on the gain (loss) as follow:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Fair value of forward foreign currency contract	(438)	163	(243)	74

In addition, other financial assets and liabilities are classified as current portion and interest rate is quietly same as market rate. The managements of the Company and its subsidiary believed that the carrying amounts of such assets and liabilities present the insignificant value differ from fair value.

30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in the management of capital is to safeguard its ability to continue a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment policy or issue new shares or new debentures to finance debts, or sell assets to reduce debts.

31. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors the Meeting No. 1/2017, held on 22 February 2017, the meeting a resolution to pay dividend for the second haft operations (July - December) of 2016 to 600 million common shares at Baht 0.02 per share totalling Baht 12 million.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 22 February 2017.

FIRST TRADING DAY

8 พฤศจิกายน 2559 | 8 NOVEMBER 2016















บริษัท ออลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED

บริษัท ออลล่า จำกัด (มหาชน)

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