บริษัท ออลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED



รายงานประจำปี 2560

ANNUAL REPORT 2017

20th ANNIVERSARY

The Trusted Brand

บริษัท ออลล่า จำกัด (มหาชน)
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

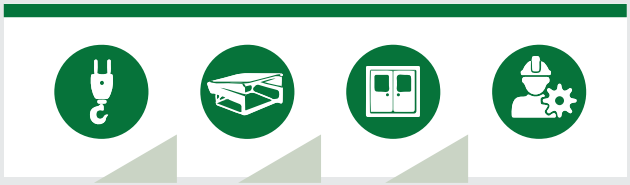
บริษัทมุ่งให้ความสำคัญและมุ่งมั่นพัฒนาในเรื่องของคุณภาพ ตลอดจนการบริการหลังการขายและความปลอดภัยในทุกขั้นตอนของการดำเนินงาน เพื่อเพิ่มคุณค่าให้แก่ลูกค้าอย่างต่อเนื่อง

Emphasize on quality development and after-sales service as well as safety concern in every process for customer value creation.





กลยุทธ์ในการดำเนินธุรกิจ
Business Strategy



บริษัทและบริษัทย่อยมีกลยุทธ์ที่จะสร้างความพึงพอใจสูงสุดให้กับลูกค้า ด้วยระบบคุณภาพของสินค้า บริการหลังการขายที่รวดเร็ว ความพร้อมของอะไหล่ การควบคุมความปลอดภัยด้วยระบบที่ได้มาตรฐานสากล การส่งมอบที่ทันเวลาและราคาที่ลูกค้ายอมรับได้ ซึ่งกลยุทธ์ดังกล่าวสามารถช่วยสร้างความได้เปรียบในการแข่งขันให้กับบริษัทในธุรกิจขนถ่ายวัสดุได้เป็นอย่างดี

Pursue clients' highest satisfaction through good quality of products, prompt after-sales service, availability of spare parts, international standards 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

Over the past twenty-five years, Alla Public Company Limited has been the manufacturer and distributor of material handling equipment including hoist and crane, dock leveler and industrial doors as well as after-sales service of the Company's products. In accordance with our mission, the Company mindfully concentrates on not only quality of production and services, but effectiveness and safety also. The Company has gone through the rigorous quality control of production and services in order to maintain international standards. As the aforementioned, the Company has been appointed to be the sole agent of German products known as STAHL, while its subsidiary has been appointed to be the sole agent of ABUS which is from the same country of origin. With international standards, both STAHL and ABUS are the leading player in crane and hoist market in Germany.

Furthermore, the Company prioritizes organization management and comply with good corporate governance. The Company operates with good internal control, proficient and accountability as well as adhere to execute related regulations, laws and rules. The Company also concern in ethics, rights of shareholders, equality treatment of shareholders, role of stakeholders and disclosure and transparency. The Board of Directors together with the sub-committees consisted of Executive Committee, Audit Committee, Risk Management Committee and Normination and Remuneration Committee are the great supporters who drive and contribute the good practice in corporate governance to the Company. It is believed that the good corporate governance is key factor for the Company's sustainable growth.

Finally, on behalf of the Board of Directors, I would like to thank all shareholders, business partners, financial institution and honored customers for all along great support. I also would like to thank management team and the staff for the great dedication and being the key driver to bring the Company moves forward with its mission and operation plan. I assure that the Company will devoted to continuously develop with the sustainability and concentrates on value creation for all shareholders and stakeholders.

(Mr. Weerachai Ngamdeevilaisak)
Chairman of the Board of Director



Message from the Chief Executive Officer

Among the domestic social change and global economic fluctuation in the year of 2017, many industries were diminishing growth, suspended investment project as well as challenged with high competition environment. However, with the good corporate governance, organization and risk management along with integrated cost management, we were able to cultivate the performance with Baht 621 million of revenues and Baht 60.29 million of comprehensive income.

We recently have numerous of customers in various industries such as automotive, steel and aluminum, power plant, construction materials, agribusiness and modern trade etc. For continuous improvement and sustainable growth, we not only concentrate on quality management including design, production and installation, but also be safety awareness in every single step. In term of after-sales service, we promptly provide both high-skilled service teams and spare components to service our honored customers. Moreover, we extremely intend to internationally expand the business.

Beside the intention of business improvement, we prioritize on sustainable corporate social responsibility, encourage our staff to be participated and constantly developed. We also give precedence to personnel in the aspect of quality of life enhancement.

On behalf of Chief Executive Officer, I would like to thank the shareholders, the Board of Directors, investor, financial institution, mass media, business allies, customers along with all staff for having confidence with the Company and being the great supporters all along. I would like to express the sincere gratitude to assure that we are cordially committed to good practices of corporate governance to deliver sustainable success in every business unit.



(Mr. Ong-ard Puntuyakorn)
Chief Executive Officer

Key Financial Information

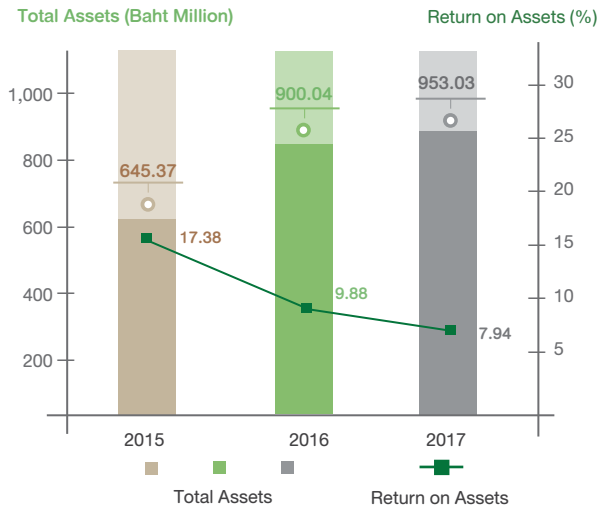
(Unit: Million Baht)

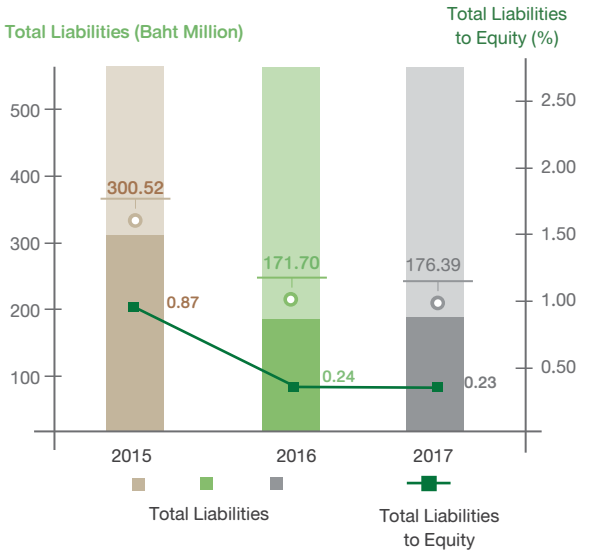
Financial Information (Consolidated Financial Statements)	2017	2016	2015
Total Assets	953.03	900.04	645.37
Total Liabilities	176.39	171.70	300.52
Total Shareholders' Equity	776.64	728.34	344.85
Revenues from Sales and Services	613.83	599.71	870.27
Total Operating Income	620.96	607.46	866.24
Gross Profit	183.64	185.53	250.06
Profit before Finance costs and Income tax	73.56	76.37	128.42
Net Profit	57.55	59.01	100.62
Total Comprehensive Income	60.29	59.01	97.76
Basic earnings per share (Baht)	0.10	0.12	0.22
Par value (Baht per share)[1/]	0.50	0.50	0.50

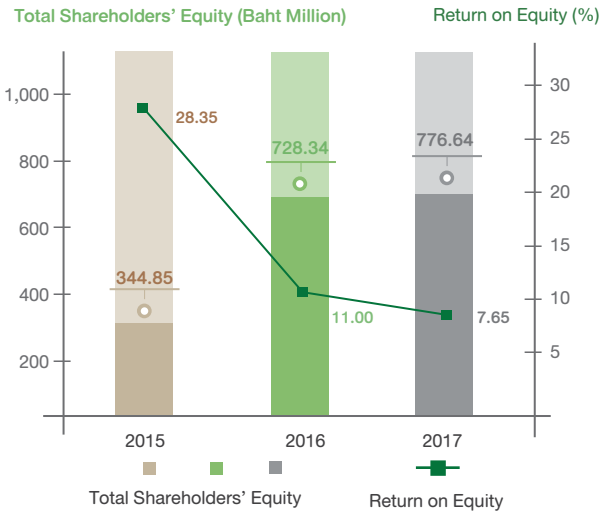
Note : [1/]Adjusting the par value of each year to Baht 0.5 per share, for comparison, according to the Extraordinary Shareholders Meeting No. 2/2015, held on 8 September 2015, approved to change par value from Baht 100 to Baht 0.50.

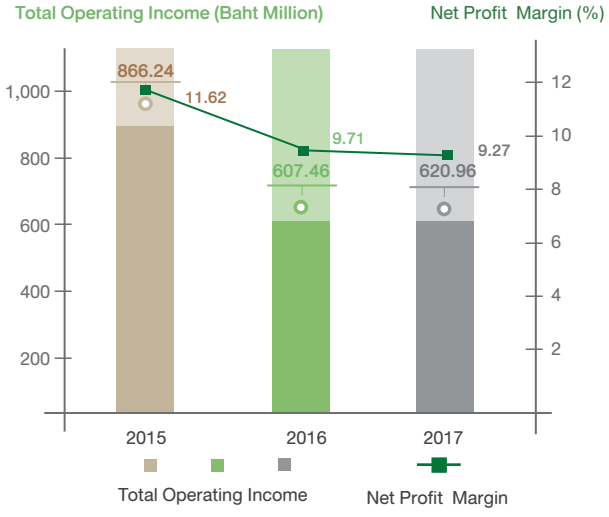
Financial Ratio (Consolidated Financial Statements)	2017	2016	2015
Current Ratio (%)	5.36	5.44	1.93
Total Liabilities to Equity (%)	0.23	0.24	0.87
Return on Assets (%)	7.94	9.88	17.38
Return on Equity (%)	7.65	11.00	28.35
Gross Profit Margin (%)	29.92	30.94	28.73
Operating Profit Margin (%)	11.98	12.74	14.76
Net Profit Margin (%)	9.27	9.71	11.62
Net Profit per share (Baht per share)	0.10	0.12	0.22
Dividend Payout Ratio (%)[1/]	68.96	58.83	84.04
Dividend per share (Baht per share)	0.07	0.06	0.18

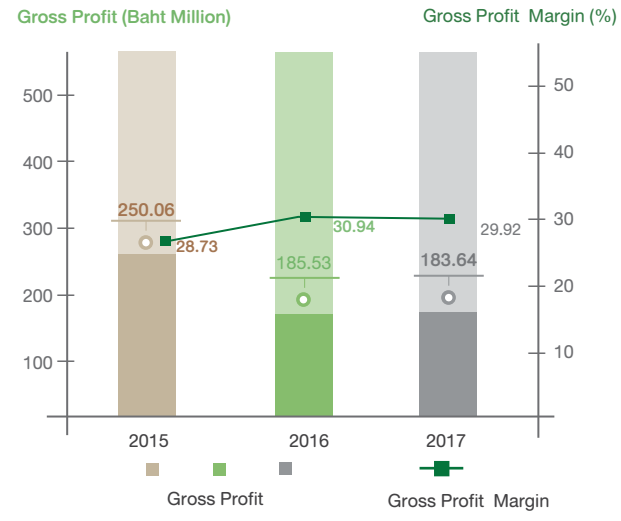
Note : [1/]Calculated from the separate financial statements.

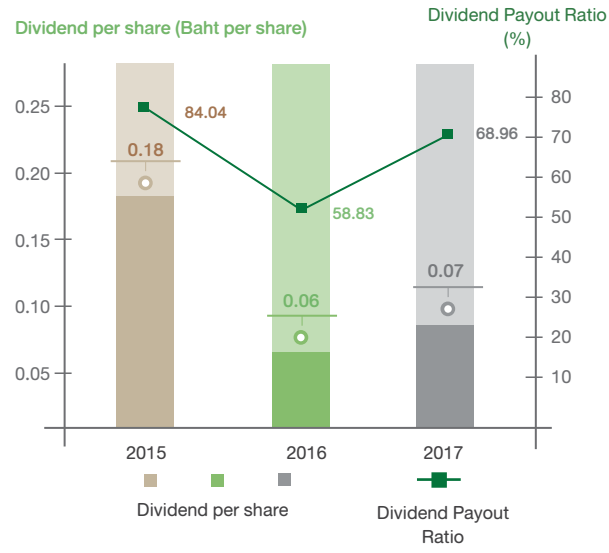

Total Assets (Baht Million)
Return on Assets (%)
1,000
800
600
400
200
30
25
20
15
10
5
645.37
900.04
953.03
17.38
9.88
7.94
2015
2016
2017
Total Assets
Return on Assets


Total Liabilities (Baht Million)
Total Liabilities to Equity (%)
500
400
300
200
100
2.50
2.00
1.50
1.00
0.50
300.52
171.70
176.39
0.87
0.24
0.23
2015
2016
2017
Total Liabilities
Total Liabilities to Equity


Total Shareholders' Equity (Baht Million)
Return on Equity (%)
1,000
800
600
400
200
30
25
20
15
10
5
344.85
728.34
776.64
28.35
11.00
7.65
2015
2016
2017
Total Shareholders' Equity
Return on Equity


Total Operating Income (Baht Million)
Net Profit Margin (%)
1,000
800
600
400
200
12
10
8
6
4
2
866.24
607.46
620.96
11.62
9.71
9.27
2015
2016
2017
Total Operating Income
Net Profit Margin


Gross Profit (Baht Million)
Gross Profit Margin (%)
500
400
300
200
100
50
40
30
20
10
250.06
185.53
183.64
28.73
30.94
29.92
2015
2016
2017
Gross Profit
Gross Profit Margin


Dividend per share (Baht per share)
Dividend Payout Ratio (%)
0.25
0.20
0.15
0.10
0.05
80
70
60
50
40
30
20
10
0.18
0.06
0.07
84.04
58.83
68.96
2015
2016
2017
Dividend per share
Dividend Payout Ratio

The Board of Directors



1. Mr. Weerachai Ngamdeevilaisak
Chairman of the Board of Directors
Chairman of the Audit Committee and
Independent Director

2. Prof. Dr. Sahaton Rattanapijit
Vice Chairman of the Board of Directors,
Member of the Audit Committee,
Independent Director and Member of
the Nomination and Remuneration Committee





3. Mr. Chirawat Srisawadi
Director, Member of the Audit Committee,
Independent Director and Chairman of
the Nomination and Remuneration Committee

4. Mr. Patai Bunmark
Director, Member of the Audit Committee
and Independent Director





5. Mr. Ong-ard Puntuyakorn

Director, Chairman of the Executive Committee,
Chairman of the Risk Management Committee,
Member of the Nomination and Remuneration
Committee and Chief Executive Officer

6. Mrs. Vallaya Puntuyakorn

Director, Executive Director
and Chief Administrative Officer





7. Mr. Tratorn Rattanasrithong

Director, Executive Director,
Vice Chairman of Risk Management Committee
and Chief Operating Officer

8. Miss Rachaya Rattanasrithong

Director



The Board of Directors



Mr. Weerachai Ngamdeevilaisak

Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director
Age 55

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 of Strategy Class 4/2009

% of Share holding -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

Other Position (s)

Listed companies

2016 - Present Chairman of the Audit Committee and Independent Director
Syn Mun Kong Insurance Public Company Limited

2016 - Present Audit Committee and Independent Director
Pruksa Holding Public Company Limited

2016 - Present Audit Committee and Independent Director
Srisawad Power 1979 Public Company Limited

Other companies

2005 - Present Audit Committee and Independent Director
Pruksa Real Estate Public Company Limited

2007 - Present Director F&A Solutions Co., Ltd.

2007 - Present Director Audit One Co., Ltd

2016 - Present Director Smile P Co., Ltd

2017 - Present Chairman of the Audit Committee and Independent Director
Autocorp Holding Company Limited

Past Experience

2003 - 2015 Managing Director
Accountancy and Business Advisory Co., Ltd

2003 - 2015 Managing Director
Professional Outsourcing Solution Co., Ltd



Mr. Chirawat Srisawadi

Director, Member of the Audit Committee, Independent Director and Chairman of the Nomination and Remuneration Committee
Age 61

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 114/2015

% of Share holding -None-

Family relationship between directors and executives -None-

Experience

2014 - Present Director, Member of the Audit Committee, Independent Director and Chairman of the Nomination and Remuneration Committee
Alla Public Company Limited

Other Position (s)

Other companies

2011 - Present Executive Director Amplus Chem Co., Ltd.

2007 - Present Executive Director Siam Chemicals Solutions Co., Ltd.



Prof. Dr. Sahaton Rattanapijit

**Vice Chairman of the Board of Directors,
Member of the Audit Committee,
Independent Director
and Member of the Nomination
and Remuneration Committee
Age 59**

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 Share holding -None-

Family relationship between directors and executives -None-

Experience

2014 - Present Vice Chairman of the Board of Directors,
Member of the Audit Committee,
Independent Director and Member of the Nomination
and Remuneration Committee
Alla Public Company Limited

Other Position (s)

Other institution

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

Past Experience

2001 - 2015 Associate Professor of the Faculty of Law
Thammasat University



Mr. Patai Bunmark

**Member of the Audit Committee
and Independent Director
Age 52**

Education/Training

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

% of Share holding -None-

Family relationship between directors and executives -None-

Experience

2014 - Present Member of the Audit Committee and Independent Director
Alla Public Company Limited

Other Position (s)

Other companies

2006 - Present Managing Director
Raiwin Maintenance and Services Co., Ltd.



Mr. Ong-ard Puntuyakorn

Director, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee and Chief Executive Officer
Age 58

Education/Training

- Master of Management, 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 Share holding 33.84

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, Member of the Nomination and Remuneration Committee and Chief Executive Officer Alla Public Company Limited

Other Position (s)

Other companies

1990 - Present	Director, Chairman of the Executive Committee, and Chief Executive Officer Onvalla Co., Ltd.



Mrs. Vallaya Puntuyakorn

Director, Executive Director and Chief Administrative Officer
Age 56

Education/Training

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

% of Share holding 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

Other Position (s)

Other companies

1990 - Present	Director, Onvalla Co., Ltd



Mr. Tratorn Rattanasrithong

Director, Executive Director,
Vice Chairman of Risk Management
Committee and Chief Operating Officer
Age 54

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 Share holding 11.25

Family relationship between directors and executives

Father of Miss Rachaya Rattanasrithong

Experience

1992 - Present	Director, Executive Director, Vice Chairman of Risk Management Committee and Chief Operationg Officer Alla Public Company Limited



Miss Rachaya Rattanasrithong

Director
Age 29

Education/Training

- Master of International Business, University of Newcastle, Australia
- Bachelor of Commerce and Accountancy, Thammasat University
- Director Accreditation Program (DAP) Class 144/2018

% of Share holding -None-

Family relationship between directors and executives

- Daughter of Mr. Tratorn Rattanasrithong

Experience

2017 - Present	Director Alla Public Company Limited

Other Position (s)

Listed companies

2014 – Present	Deputy Financial Manager Alla Public Company Limited

Past Experience

2013 - 2014	International Sales Representative Thai Flavor and Fragrance Company Limited

The Executive Committee



1. Mr. Ong-ard Puntuyakorn

Director, Chairman of the Executive Committee,
Chairman of the Risk Management Committee,
Member of the Nomination and Remuneration
Committee and Chief Executive Officer

2. Mrs. Vallaya Puntuyakorn

Director, Executive Director and
Chief Administrative Officer





3. Mr. Tratorn Rattanasrithong

Director, Executive Director,
Vice Chairman of Risk Management Committee
and Chief Operating Officer



4. Miss Rawiphun Tantiauschariyakul

Executive Director,
Member of the Risk Management Committee,
Chief Financial Officer
and Company Secretary

5. Mr.Manod Leelawattanakool

Executive Director,
Member of the Risk Management Committee
and General Manager





6. Mr. Chumpol Chanchareon

Executive Director,
Member of the Risk Management Committee
and General Manager

The Executive Committee



Mr. Ong-ard Puntuyakorn

Director, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee and Chief Executive Officer
Age 58



Mrs. Vallaya Puntuyakorn

Director, Executive Director and Chief Administrative Officer
Age 56



Mr. Tratorn Rattanasrithong

Director, Executive Director, Vice Chairman of Risk Management Committee, and Chief Operating Officer
Age 54



Miss Rawiphun Tantiauschariyakul

Executive Director, Member of the Risk Management Committee, Chief Financial Officer and Company Secretary
Age 35

Education/Training

- Bachelor of Accountancy (1st Class Honors), Prince of Songkla University
- Certified Public Accountant
- Young CFO Certificated program, Federation of Accounting Professions of Thailand
- Risk Management Program, Chulalongkorn University
- Advances for Corporate Secretaries

% of Share holding -None-

Family relationship between directors and executives -None-

Experience

2015 - Present	Executive Director, Member of the Risk Management Committee, Chief Financial Officer and Company Secretary Alla Public Company Limited

Other Position (s)

Other companies

2015 - Present	Director and Managing Director RT Audit and Consult Company Limited

Past Experience

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 and General Manager
Age 60

Education/Training

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

% of Share holding -None-

Family relationship between directors and executives -None-

Experience

2006 - January 2018	Executive Director, Member of the Risk Management Committee and General Manager Alla Public Company Limited

Other Position (s)

Other companies

2003 - Present	Director and Managing Director Tima Technology Company Limited



Mr. Chumpol Chanchareon

Executive Director, Member of the Risk Management Committee and General Manager
Age 51

Education/Training

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

% of Share holding -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

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 in order to meet customers’ need. As a result, Mr. Ong-ard has knowledge and ability and understanding of crane and hoist business in all aspects.

The Company and its subsidiary History and Significant Changes in brief

1992

Established by Mr. Ong-ard Puntuyakorn with Baht 1 million in registered.

1994

Authorized by STAHL Crane Systems 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 4,572 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 brand, Mr. Ong-ard nominated ONVALLA (Subsidiary)(Registered since 1990 but not operated) 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 Lamlukka, Phatumthani Province 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 3,687.50 square meters.

2012

Onvalla factory at Lumlukka Phatumthani Phase II has been completed with the area of 4,968.50 square meters totaling factory area approximately 8,656 square meters.



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.

The Company increased register capital to 100 million and during the period ALLA increased registered capital to Baht 225 million due to continuous growth in business.

ONVALLA (Subsidiary) increased registered capital to Baht 70 million.

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 stock symbol “ALLA”

2017

Onvalla (Subsidiary) increased registered Capital to Baht 250 million for construction new warehouse and working capital.



2008

ONVALLA (Subsidiary) invested in land with the area of 8,616 square meters in Lamlukka, Phatumthani Province 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 3,687.50 square meters.

2012

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ONVALLA (Subsidiary) increased registered capital to Baht 70 million.

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 stock symbol "ALLA"

2017

Onvalla (Subsidiary) increased registered Capital to Baht 250 million for construction new warehouse and working capital.



Nature of Business

Revenue Structure

Revenue structure of the Company and its subsidiary in 2017-2015

Particulars (Consolidated Financial Statements)	2017		2016		2015	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales						
• Crane and hoist	364.55	58.71	367.65	60.52	532.91	61.52
• Dock leveler and Industrial door	109.18	17.58	100.82	16.60	196.90	22.73
• PVC strip curtain and air curtain	9.32	1.50	10.24	1.69	14.01	1.62
Total revenues from sales	**483.05**	**77.79**	**478.71**	**78.81**	**743.82**	**85.87**
Revenues from services						
• Crane and hoist	103.89	16.73	106.47	17.53	114.38	13.20
• Dock leveler and Industrial door	26.51	4.27	14.16	2.33	11.93	1.38
• Training center service	0.39	0.06	0.37	0.06	0.14	0.02
Total revenues from services	**130.79**	**21.06**	**121.0**	**19.92**	**126.45**	**14.60**
Other revenues[1/]	**7.12**	**1.15**	**7.76**	**1.28**	**(4.03)**	**(0.47)**
Total	**620.96**	**100.00**	**607.47**	**100.00**	**866.24**	**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. Dock Leveler 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.



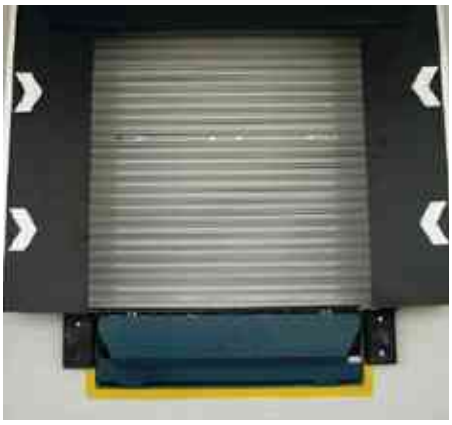
▲ Mechanical Dock Leveler



▲ 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 equipment installed in factory, warehouse or cold storage in order to block staff, trolley or forklift from passing through 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 and 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 used with PVC strip curtain to protect insects efficiently.



4. Services

4.1 After-sales services, other services for general customers

As at 31 December 2017, the Company and its subsidiary have 38 experienced teams with 78 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 service under warranty

The Company and its subsidiary have a warranty, 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 its 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 then allow the Company and its subsidiary will produce 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 (%)		
	2017	2016	2015
1. Motor vehicles	21.55	11.31	24.96
2. Steel and aluminum	11.78	19.73	10.69
3. Power plant	10.05	13.38	7.00
4. Agriculture and foods	9.54	5.29	5.86
5. Logistics	6.92	1.72	5.03
6. Hypermarket and convenient stores	4.48	1.38	8.37
7. Construction materials	4.13	13.17	5.26
8. Others[1/]	31.55	34.02	32.83
Total	**100.00**	**100.00**	**100.00**

Note: [1/]others include petrochemical sector and electronic parts sector and rail transit system 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. ISO 9001 : 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. TIS 18001 : 2011 for Occupational Health and Safety Management	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
3. OHSAS 18001 : 2007 for Occupational Health and Safety Management	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

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:

Foreign Direct Investment

In 2017, the overall Thai economy has expanded evidenced by records of the Board of Investment (BOI) for January to September 2016 and 2017 that investment amount from investment promotion soared from Baht 350.25 billion to Baht 376.57 billion, a 7.51% increase. The economic recovery resulted in an increase in investment from foreign investors. The investments were primarily made in metal, machine, transport equipment, electrical appliances and electronics 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. According to said investment promotion information, investments from foreign investors are likely to increase.

Table: BOI promotion application filed 2015-2016 and 9 months (January-September) 2016 and 2017

	Jan-Sep 2017	Jan-Sep 2016	2016	2015
Total Investment (Billion Baht)	376.57	350.25	526.92	221.49
Registered Capital (Billion Baht)	43.21	51.99	79.32	67.25
- Thai	15.64	31.23	47.64	52.69
- Foreign	27.57	20.77	31.69	14.56

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

Automotive and Parts Industry in 2017 (Source: Information from the Federation of Thai Industries)

Production of vehicle in 2017 totaled 1,988,823 units, an increase of 2.28% from the previous year. Production of passenger cars was 826,787 units or 41.57% of the total production, increased by 1.85% from 2016 whereas production of 1 ton pickup truck was 1,130,058 units equivalent to 56.82% of total production, raised by 2.47% from 2016.

In 2017, the exported vehicles being 1,139,696 units were more than the target, set at 1,100,000 units, 3.6% owing to the export of pickup trucks recovery in many partner markets. The export value was Baht 603,038 million, a decrease of 4.56% from the previous year. Export value of motorcycles were Baht 39,728 million, a decrease of 9.13% from the last year. Export of other automobile parts were Baht 202,488 million, an increase of 8.33% from the year 2016. Export of spare parts were Baht 36,127 million, a raise of 23.23% from the previous year. In summary, exports of vehicles, engine, automobile parts and spare parts were valued at Baht 881,380 million, a decrease of 1.17% from the previous year.

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 4 January 2018, 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 41 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	-	-	-	-	31	131.25	31	30.00
- Approved but have not yet signed PPA	1	540.00	4	253.44	7	29.25	12	870.52
- Signed PPA but have not yet COD	3	5,930.00	33	2,999.98	87	480.12	123	11,098.23
- COD	17	15,544.52	128	11,247.71	901	4,826.38	1,046	29,517.57
Total	**21**	**22,014.52**	**165**	**14,116.38**	**1,026**	**5,467.26**	**1,212**	**41,516.32**

Source : Power plant information as at 4 January 2018 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

Investment in Transport Infrastructure and the expansion of logistics business

The government plans to develop Thailand's Transport Infrastructure Development Strategy 2015-2022 under the accelerated plan the achievement of development goals, including the railway network between the cities and public transport network development, in order to solve traffic problems in Bangkok Metropolitan Region. The Company and its subsidiariy have well-experienced in installing overhead cranes in the Depot. As a result of the investment in the public transport network development, there are opportunities for the Company and its subsidiary to sale products and services to target customers related to the development plan. Meanwhile, the National Economic and Social Development Board (NESDB) drives Thailand's Logistics Development Strategy (2017 - 2021) to enhance the logistics system of the country, support to be the ASEAN trading and services center as well as increase competitiveness. The three main strategies consist of development of value added supply chain, development of infrastructure and facilities, and development of logistics support factors being opportunities for the Company and its subsidiaries to expand their customer base.

Eastern Economic Corridor Development – EEC

The government supports infrastructure developments and provide investment privilege. The 10 targeted industries are comprise of First S Curve, including next – generation automotive, smart electronics, affluent, medical and wellness tourism, agriculture and biotechnology and food for the future, and New S Curve consisting of robotics, aviation and logistics, biofuels and biochemicals, digital and medical hub, that four of ten promoted industries are in the target customer. The investment in industrial promotional zone of 3 provinces, including Rayong, Chonburi and Chachoengsao, tend to expand considerably. Therefore, it is the business opportunity to distribute industrial products such as crane and electric hoist, Industrial doors and offer services to customers located in the Eastern Economic Corridor.

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 Koh Don Road, Koh 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 2016-2017

Type of Crane	Maximum Annual Capacity (No. of Crane) 1/		Combined Utilization Rate (%)	
	Company	Subsidiary	2017	2016
Single girder crane, less than 15 meters long	102	94	17	17
Single girder crane, more than 15 meters long	76	75	17	7
Double girder crane, less than 15 meters long	60	43	12	6
Double girder crane, more than 15 meters long	42	36	31	41
Special-function crane, less than 15 meters long	32	-2/	12	-
Special-function crane, more than 15 meters long	25	-2/	32	-

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 local and abroad producers and suppliers 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 order 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.

Customer Satisfaction Level

The Company surveyed customer satisfaction, responsible by Customer Relations Department, the main survey area included sales and installation of crane and hoist, sales and installation of industrial door and dock leveler, as well as after-sales service. More than 2,200 questionnaires were issued, the result found that most customer satisfaction is excellent in line with the target. In addition, any recommendations received from customers and concerned department, directly report to Chief Operating Officer, then suggestions from customers will continue to improve.

Customer Satisfaction results for 2017 are consist of 5 areas, the satisfaction scores in each area are as follow:

- Product Quality has satisfaction score 97.80%
- Sales Representative Quality has satisfaction score 97.86%
- Performance Quality has satisfaction score 98.86%
- Safetyness has satisfaction score 99.57%
- Overall has satisfaction score 98.52%

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 and its subsidiary sell wood and paper waste to scrap dealers, registered with Department of Industrial Work. Other wet and dry waste are separated and collected by municipality.

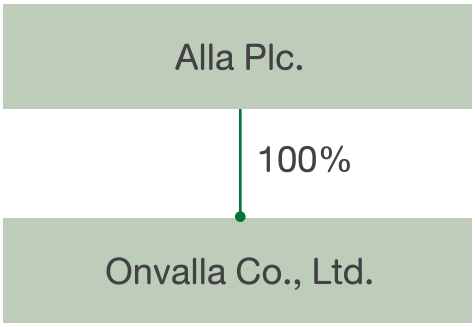
The Company and its subsidiary have engaged a private, recognized by the Department of Industrial Works, to conduct an environmental quality evaluation on yearly basis. The latest results from evaluation on the Company on 4 August 2017 and on the subsidiary on 22-23 June 2017 by C.E.M Technology (Thailand) Co., Ltd., demonstrate that the noise level and air quality meet legal requirements.

Backlog

As at 31 December 2017, the Company and its subsidiary have backlog amounting to Baht 301 million, increased 34% from the previous year amounting to Baht 224 million.

Shareholding Structure

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



Alla Public Company Limited

Alla Public Company Limited was established on 20 March 1991 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 Koh 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 but commenced operation in 2006. The subsidiary engages in production, distribution and installation of crane and hoist by using crane and hoist parts of ABUS brand. Moreover, the subsidiary imports, distributes and installs industrial door, leveler, PVC strip curtain and air curtain, including after-sales service and training 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 without 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 (2015-2017), the Company and its subsidiary's revenue was mainly contributed by customers in automobile and steel industry. Which are heavy industry growth mainly rely on economy Thailand. 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 The risk to rely on personnel and executives.

Personnel are one factor in the success of the Company if the Company loses personnel or Chief Executive Officer and / or key personnel of the directors are not being able to maintain the proper position and not a substitute for comparable properties, it may have negative impact significantly to the financial condition, performance and business prospects of the Company.

Mitigation Plan The Company recognizes the importance of maintaining human resources of the Company has a plan to develop human resources by focusing on talent development and personnel as well as guiding career path of the personnel in each level clearly, including the allocation of a reasonable return on the capability of the individual, and then compare with other operators in the industry. Moreover, The Company also has a policy about the succession plan to deligate the work, The Company has continued to recruit new staff to replace resigned staff in order to have enough staff in accordance with the plans of the Company.

1.6 The risk from the stability of the information technology system.

The Company introduced a system in the database management for their organizations to optimize operations and reduce capital of the group of the company. The risk associated with database of enterprise information system, which may cause the damage of sensitive data, the risk from the data theft of critical information such as customer data and information, the authorities to resolve data where a significant portion of the risks these are necessary to manage data, the impact on operations and its financial status.

Mitigation Plan The Company has also developed networks in the top income with care and maintenance schedules for IT. Management systems have enough information and to prevent the loss of data, set only to persons authorized to have access to a computer network and information, as well as the completion of the operation of the plan, repair and maintenance information technology systems of the Company and its subsidiaries to stability. As a result, the Company's systems in case the system quickly.

2. Financial Risks

2.1 Risk from Fluctuation in Foreign Exchange Rate

The Company and subsidiary's products have a lot of 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 63.84% 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-Klongkohdon Road, Kohrai, 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. Registor

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

3. Auditor

Company Name	:	**EY Office Limited**
Address	:	33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0 2264 0777
Fax	:	0 2264 0789

4. Investor Relations

Name	:	Miss Rawiphun Tantiauschariyakul and Miss Oranuch Phongamwong
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

Other Information

-None-

Securities and Major Shareholders Information

Registered and paid-up capital

As at 31 December 2017, 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 29 December 2017 as follows:

	Name	Number (Shares)	%
1.	**Puntuyakorn Group**		
	1.1 Mr. Ong-ard Puntuyakorn	203,017,100.00	33.84%
	1.2 Mrs. Vallaya Putuyakorn	135,000,000.00	22.50%
	1.3 Miss Chalumporn Puntuyakorn	45,000,000.00	7.50%
	Total Puntuyakorn Group	**383,017,100.00**	**63.84%**
2.	Mr. Tratorn Rattanasrithong	67,500,000.00	11.25%
3.	Mr. Chaowarat Vespinyo	21,312,800.00	3.55%
4.	Mr. Chaivat Taepaisitphongse	7,184,000.00	1.20%
5.	Miss Kalyarat Kruawan	2,999,900.00	0.50%
6.	Mr. Wichai Chotvichien	2,626,000.00	0.44%
7.	Mr. Bophit Phattrara-rangrong	2,580,000.00	0.43%
8.	Mr. Navaphon Nunthagangwan	2,095,800.00	0.35%
9.	Mr. Somchai Ungpanichkul	2,025,900.00	0.34%
10.	Mr. kwanchat leewatjanakul	2,020,700.00	0.34%
Total		**493,362,200.00**	**82.24%**

Source : The Thailand Securities Depository Co., Ltd.

Other Securities

- None -

Dividend Policy

The Company and the subsidiary have prescribed a dividend payment policy which has term and condition as follow:

1. The Company's policy is to pay dividends at not less than 50% of the Company's net profit after tax deduction and statutory reserves from the separate financial statement and must be comply with Public Limited Companies Act. However, such dividend payment subjects to cash flow, investment plan, necessity and appropriateness in the future.

2. The subsidiary's policy is to pay dividends at not less than 50% of net profit of its financial statements and subjects to appropriateness investment plan an it cash flow and financial position.

However, the dividend payout ratio could be able to change, subjects to the perating performance, financial position, liquidity and the needs of working capital investment, additional investment, business expansion, terms and restrictions of loan agreement and other factors related a administration as it deems appropriate by the Board of Directors and/or the shareholders.

The approved dividend payment by the Board of Directors, must be proposed to the Shareholders' Meeting for approval. The Board may have authority to pay interim dividends to shareholders and report to the Shareholders' Meeting subsequently.

History of Dividend payment

Separate Financial Statement	2017	2016	2015
Net Profit per share (Baht per share)	0.10	0.11	0.21
Dividend per share (Baht per share)	0.07	0.06	0.18
Dividend payout ratio (%)	68.96	58.83	84.04

Management Structure

Management structure of the Company consists of the Board of Directors and four Sub-Committees, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. The Company's Board of Directors and the Executives have complete qualifications and do not possess any prohibitive attributes pursuant to Section 68 of the Public Limited Companies 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 2017, the Board of Directors comprised of eight members details as follow:

Name - Surname	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/ Member of the Nomination and Remuneration Committee/ Independent Director
3. Mr. Ong-ard Puntuyakorn	Director/ Chairman of the Executive Committee/ Chairman of the Risk Management Committee/ Member of the Nomination and Remuneration Committee/ Chief Executive Officer
4. Mrs. Vallaya Puntuyakorn	Director/ Executive Director/ Chief Administrative Officer
5. Mr. Tratorn Rattanasrithong	Director/ Executive Director/ Vice Chairman of the Risk Management Committee/ Chief Operating Officer
6. Miss Rachaya Rattanasrithong	Director
7. Mr. Chirawat Srisawadi	Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee Independent Director
8. Mr. Patai Bunmark	Director/ Member of the Audit Committee/ Independent Director

Miss Rawiphun Tantiauschariyakul acts as the Company Secretary.

Authorized Directors

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

Attendance of the Board of Directors Meeting in 2017 and 2016 can be summarized as follow.

Name - Surname	Presence / Total Meeting (times)	
	2017	2016
1. Mr. Weerachai Ngamdeevilaisak	6/6	6/6
2. Prof. Dr. Sahaton Rattanapijit	6/6	5/6
3. Mr. Ong-ard Puntuyakorn	6/6	6/6
4. Mrs. Vallaya Puntuyakorn	6/6	6/6
5. Mr. Tratorn Rattanasrithong	6/6	6/6
6. Miss Chalumporn Puntuyakorn[1/]	5/5	5/6
7. Miss Rachaya Rattanasrithong[1/]	-	-
8. Mr. Chirawat Srisawadi	6/6	6/6
9. Mr. Patai Bunmark	5/6	6/6

Note : [1/]The Board of Directors No. 6/2017, held on 9 November 2017, approved the appointment of Miss Rachaya Rattanasrithong as the Company's Director in place of Miss Chalumporn Puntuyakorn, and attended the first meeting in 2018.

Office Term of the Directors

In every Annual General Meeting of the Shareholders, at least one-third of total directors must be retire. If the number of directors cannot be divided into three portions, the number of directors to retire must be nearest to one-third of total directors. To identify which directors to retire in the first and second year after the registration of the Company, this shall base on draw lots. Thereafter, directors with the longest tenure will be retired and can be reappointed. In addition to the expiration for retirement of rotation, the director will be vacated the office term upon his/her death or resignation or disqualification or having prohibitive attributes under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 (including amendments), or by the resolution of the meeting of shareholders. If the position of the director is vacant because of other reasons, apart from the expiration for retirement of rotation. The Board of Directors shall elect qualified person without prohibited characteristics as prescribed under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 (including amendments) to be the Company's directors. Unless the office term is less than 2 months, the appointed director will remain in the office term only for the remaining term of the director who he/she replaces of.

Scope of 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. Monitor and supervision the administration of the management or person who are assigned to perform those duties to achieve the defined targeted policy, plan and budget efficiently and effectively 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 authorities of the Executive Committee, Chief Executive Officer and other Sub-Committees appropriately.

4. Regularly evaluate the Sub-Committees and Management's performances.
5. Provide reliable accounting systems, financial reporting and 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 the financial positions and operating performances of the 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. Ensure efficient and effective internal control and internal audit, comprehensive risk management system and process with effective reporting and monitoring, and procedures for whistle blowing and action plan, including administration and management in accordance with good corporate governance policy.
8. 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. 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 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 minor 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. Prepare Annual Report of the Company in compliance with related laws and regulations, and propose to the shareholders for acknowledgement.
13. The Board of Directors has self-assessment on a regular basis which is divided into individual and group evaluation.
14. Review and assess the adequacy of the charter of the Board of Directors at least once a year and approve the amendment in the aspect deemed.
15. 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 2017, the Audit Committee included four members with their attendance of the Audit Committee meeting in 2017 and 2016 as follow:

Name - Surname	Position	Presence / Total Meeting (times)	
		2017	2016
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Audit Committee	6/6	5/5
2. Prof. Dr. Sahaton Rattanapijit	Member of the Audit Committee	6/6	4/5
3. Mr. Chirawat Srisawadi	Member of the Audit Committee	6/6	5/5
4. Mr. Patai Bunmark[1/]	Member of the Audit Committee	5/6	5/5

Miss Oranuch Phongamwong acts as the 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).

Office Term of the member of the Audit Committee

The office term of each member of the audit committee shall be in accordance with his/her office term of the director. The member of the audit committee can be re-appointed as the Board of Directors deems appropriate. It should not be automatically reappointed. Unless by the expiration for retirement of rotation, the member of the audit committee will be vacated the office term upon his/her death or resigns or by the resolution of the meeting of directors or disqualification under the charter of the Audit Committee or the notification of The Capital Market Supervisory Board, the Stock Exchange of Thailand or other regulations. When the member of the audit committee vacates the office at the end of their term or vacates the office during the term of appointment by other reasons. As a result, the number of the Audit Committee is less than three persons. The Board of Directors shall appoint a replacement immediately or within 3 months as of the date of deficient composition of the Committee, to ensure continually operation of the Audit Committee. The substituting member of the Audit Committee shall hold the position for the remaining term of the member who was substituted.

Scope of 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 audit 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. This is to ensure that the transaction is reasonable and beneficial to the Company.
6. Ensure that the Company has an appropriate and effective risk management system.
7. Review that the Company has adequate control and regulatory procedures to ensure that the Company follows the anti-corruption policy in consistently and effectively with the applicable regulatory requirements. This includes:
    - Provide whistle-blowing channels, in cases whereas employees and stakeholders have doubts or suspicions of a breach or not comply with the laws, rules, regulations, ethical requirements and the anti-corruption policy.
    - Provide a process to assure the reporter that the Company has an independent investigation process and have the appropriate follow-up action.
8. 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.
9. Review and assess the adequacy of the charter of the Audit Committee at least once a year and propose the change to the Board of Directors for approval.
10. The Audit Committee has self-assessment on a regular basis which is divided into individual and group evaluation.
11. In performing duties, if the Audit Committee detects or suspects that there is a transaction which may significantly affect the financial position and the operation of the Company, the Audit Committee is required to submit a report to the Board of Directors for improvement or correction within a timeframe considered appropriate by the Audit Committee.
    1. Conflict of interest transaction
    2. A fraudulent case, an irregularity or significant deficiency of in the Internal Control System
    3. Any violation of Securities and Exchange Law, and requirement of the Stock Exchange of Thailand, or laws relevant to the business of the Company

    If the Board of Directors or the Executives do not perform the improvement or correction within the time specified in the first paragraph. A member of the Audit Committee may report such transaction or action to the Securities and Exchange Commission of Thailand or the Stock Exchange of Thailand.
12. 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.
13. Perform any other duties assigned by the Board of Directors with the consent of the Audit Committee.

The Executive Committee

As at 31 December 2017, the Executive Committee had six members with their attendance of the Executive Committee meeting in 2017 and 2016 as follow:

Name - Surname	Position	Presence / Total Meeting (times)	
		2017	2016
1. Mr. Ong-ard Puntuyakorn	Chairman of the Executive Committee	7/7	9/9
2. Mrs. Vallaya Puntuyakorn	Member of the Executive Committee	7/7	8/9
3. Mr. Tratorn Rattanasrithong	Member of the Executive Committee	7/7	9/9
4. Miss Rawiphun Tantiauschariyakul	Member of the Executive Committee	7/7	9/9
5. Mr. Manod Leelawattanakol	Member of the Executive Committee	7/7	-[1/]
6. Mr. Chumpol Chancharoen	Member of the Executive Committee	7/7	-[1/]

Miss Rawiphun Tantiauschariyakul acts as the Executive Committee Secretary.

Note : [1/] Mr. Manod Leelawattanakol and Mr. Chumpol Chancharoen were appointed as Executive Committee Member with reference to resolution of the Board of Directors meeting No.6/2016, held on 7 December 2016, and first attended on the Executive Committee meeting in 2017.

Office Term of the member of Executive Committee

The Board of Directors appoints the member of the Executive Committee, by considering education background and professional experiences. The member of the Executive Committee will be vacaterd when decease, resign or lack of qualifications and having any prohibitive attributes pursuant to laws or the Board of Directors approves so. If any member of the Executive Committee would like to resign, 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 elect any person with qualification to be the member.

Scope of 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. 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 from general manager or equivalent and above, except for the Chairman of the Executive Committee.
6. The Executive Committee has self-assessment on a regular basis which is divided into individual and group evaluation.
7. Review and assess the adequacy of the charter of the Executive Committee at least once a year and propose the change to the Board of Directors for approval.
8. 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.
9. Conducting other duties as assigned by the Board of Directors with the consent of the Executive Committee.

The Risk Management Committee

As at 31 December 2017, the Risk Management Committee had six 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. Pracha Patthanawitthaykul	Member of the Risk Management Committee

Miss Oranuch Phongamwong acts as Risk Management Committee Secretary.

Attendance of the Risk Management Committee Meeting in 2017 and 2016 can be summarized as follow:

Name - Surname	Attendance / Total Meeting (times)	
	2017	2016
1. Mr. Ong-ard Puntuyakorn	4/4	4/6
2. Mr. Tratorn Rattanasrithong	4/4	6/6
3. Miss Rawiphun Tantiauschariyakul	2/4	5/6
4. Mr. Manod Leelawattanakool	4/4	5/5
5. Mr. Chumphol Chancharoen	3/4	4/5
6. Mr. Pracha Patthanawitthaykul[1/]	1/1	-
7. Mr. Sukitt Naval[1/]	3/3	4/4

Note : [1/] Mr. Pracha Patthanawitthaykul was appointed as member of the Risk Management Committee per resolutions of the Board of Directors meeting No.4/2017, held on 9 August 2017, in place of Mr. Sukitt Naval, and first performed duties in the Risk Management Committee meeting No. 4/2017, held on 8 November 2017.

Office Term of the member of the Risk Management Committee

The office term of each member of the risk management committee shall be in accordance with his/her office term of the director. The member of the risk management committee can be reappointed as the Board of Directors deems appropriate. It should not be automatically re-appointed. Upon by the expiration for retirement of rotation, the member of the risk management committee will be vacated the office term upon his/her death or resignation or by the resolution of the meeting of the Board of Directors or disqualified of being the member of the risk management committee.

Scope of Authorities, Duties and Responsibilities of the Risk Management Committee

1. Consider and approve the draft policy and risk management framework before submitting to the Audit Committee and the Board of Directors for approval. And assigne the management to follows the policy and guidelines. It also requires the management to report the results to the Risk Management Committee.
2. Consider and give opinion on the acceptable risk appetite and risk tolerance of the organization to be in accordance with the corporate strategy.
3. Review and improve the Company's risk management system to be continual effective and efficiency. Consistently evaluate and monitor the risk management to be in accordance with policy and guidelines.
4. Provide an assessment and analysis of key risks in various areas in order to be consistent with current situation systematically and continuously. To ensure that risk assessments cover every stage of business operations and in accordance with the Code of Good Corporate Governance guidelines, including recommends preventive measures in case the risk level is not met or reduce the risk level to be acceptable.
5. Review and assess the adequacy of the charter of the Risk Management Committee at least once a year and propose the change to the Board of Directors for approval.
6. The Risk Management Committee has self-assessment on a regular basis which is divided into individual and group evaluation.
7. Conducting other duties as assigned by the Board of Directors with the consent of the Risk Management Committee.

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:

As at 31 December 2017, the Nomination and Remuneration Committee had three members with their attendance of the Nomination and Remuneration Committee meeting in 2017 as follow:

Name - Surname	Position	Presence / Total Meeting (times) 2017
1. Mr. Chirawat Srisawadi	Chairman of the Nomination and Remuneration Committee	1/1
2. Prof. Dr. Sahaton Rattanapijit	Member of the Nomination and Remuneration Committee	1/1
3. Mr. Ong-ard Puntuyakorn	Member of the Nomination and Remuneration Committee	1/1

Office Term of the member of the Nomination and Remuneration Committee

The member of the Nomination and Remuneration Committee shall hold office for a term of three years and can be reappointed as the Board of Directors deems appropriate. Upon expiration for retirement of rotation, the member of the Nomination and Remuneration Committee will be vacated the office term upon his/her death or resignation or by the resolution of the meeting of Board of Directors. The Board of Directors has authority to appoint the additional members of the Nomination and Remuneration Committee for the benefits of operation according to objectives or to substitute the member of the Nomination and Remuneration Committee who is vacating. The substituting member of the Nomination and Remuneration Committee shall hold the position for the remaining term of the member who was substituted.

Scope of Authorities, Duties and Responsibilities of the Nomination and Remuneration Committee

1. Set suitable qualifications of the Company's directors and members of the Sub-Committees and Chief Executive Officer. Set process and criteria in selection of the Company's director and member of the Sub-Committees and Chief Executive Officer, including selecting persons who are qualified for member position and submit to the Board of Directors and/or the shareholders meeting (if required) for approval.
2. Consider form, criteria and amount of the remunerations for the Company's directors, members of the Sub-Committees and Chief Executive Officer, which must be clear, transparent and fair and reflect responsibilities and performances in the manner that can motivate and retain high quality and potential of said persons. And report to the Board of Directors before proposing to the shareholders' meeting for approval.
3. Determine appropriate qualifications, selection process and criteria in selecting the Chief Executive Officer, including recruiting the qualified and suitable person to propose to the Board of Directors for their approval.
4. Responsible for orientation to new directors.

5. Review and provide recommendations to the Company's Directors regarding the continuous improvement of knowledge of the Company's Directors.
6. 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.
7. Prepare criteria and performance appraisal method of the Board of Directors, Sub-Committees and the Executives to the Board of Directors for approval.
8. Appraise yearly performances of the Board of Directors and each Sub-Committees and each director including review the results of each Sub-Committees assessment and report to the Board of Directors.
9. Coordinate with Chairman of the Board of Directors and Chief Executive Officer to assess and determine the successor of Chairman of the Board of Directors and Directors.
10. Review and assess the adequacy of the charter of the Nomination and Remuneration Committee at least once a year and propose the change to the Board of Directors for approval.
11. The Nomination and Remuneration Committee has self-assessment on a regular basis which is divided into individual and group evaluation.
12. Conduct other duties as assigned by the Board of Directors.

The Executives

As at 31 December 2017, 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

Scope of Authorities, Duties and Responsibilities of the Chief Executive Officer

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, chief 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. If the amount exceeds the limit, the Chief Executive Officer shall propose to the Executive Committee meeting or the Board of Directors meeting for their approval.
9. Hold authority to procure, enter into the agreement and operate normal business within approved budget.
10. Review and assess the adequacy of the charter of Chief Executive Officer at least once a year and propose the change to the Board of Directors for approval.
11. The Chief Executive Officer has self-assessment on a regular basis.
12. Has ability to sub-delegate authority to other employees to conduct on behalf of the Chief Executive Officer 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 Officer and the delegation of authority to other persons deemed appropriated by the Chief Executive Officer, shall not include authority or delegation of authority that allows the Chief Executive Officer or the said persons to approve the transactions, which the Chief Executive Officer or related 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 Officer 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.
13. Perform other duties assigned by the Board of Directors and/or the Audit Committee.

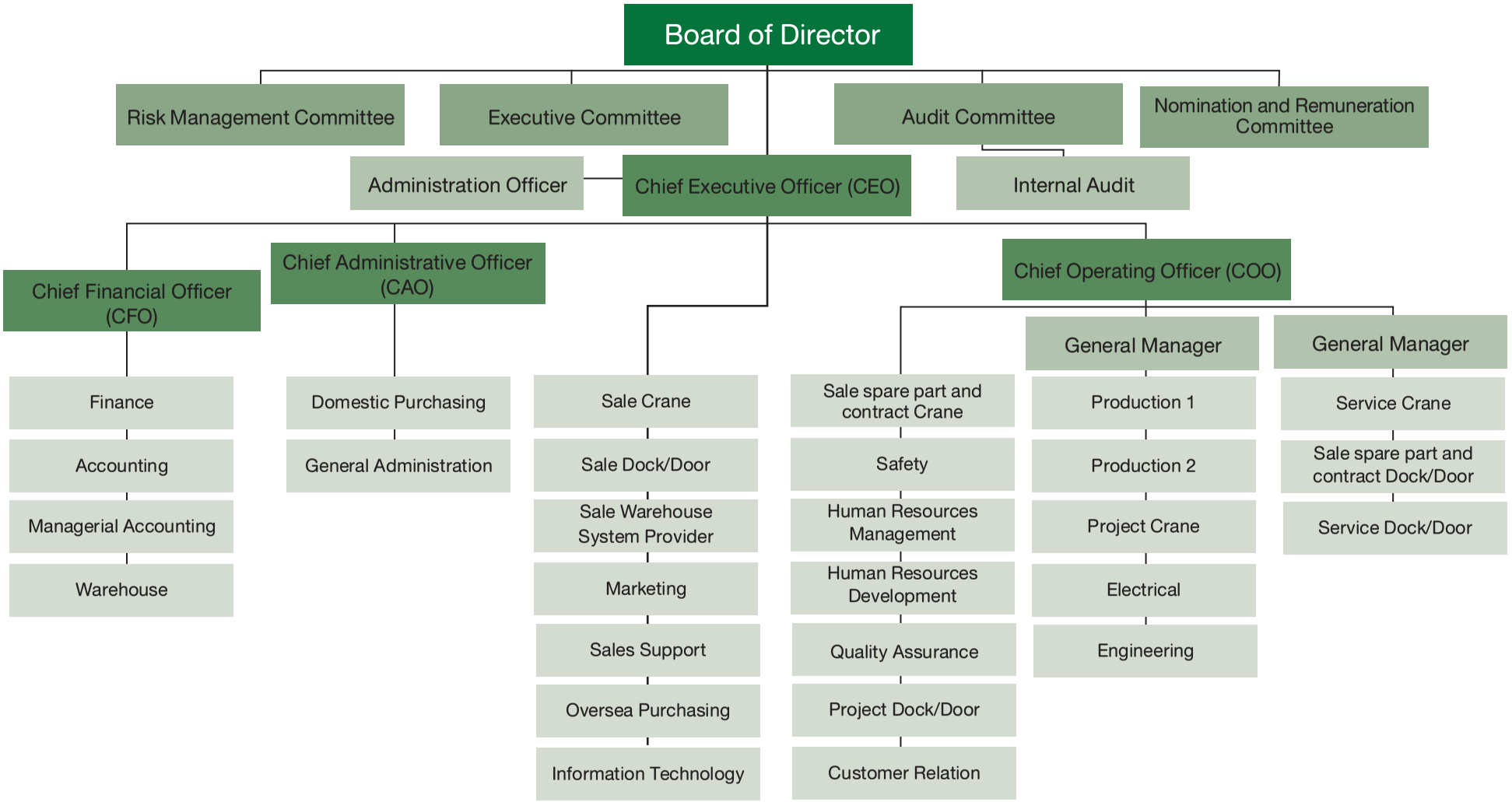
The Company Secretary

The Board of Directors meeting No. 2/2017, held on 11 May 2017, had a resolution to appoint Miss Rawiphun Tantiauschariyakul as the 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 the 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, the articles of association 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 according to the laws.
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 the 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, the 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 relations 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 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.1/2018, held on 8 January 2018 as follow:



Director and Executive Remunerations

The Board of Directors

In 2017 and 2016, the remunerations for the Board of Directors and the Audit Committee are as follow:

Position	Director Remuneration[1/]			
	2017		2016	
	Remuneration Per month	Meeting Allowance	Remuneration Per month	Meeting Allowance
Chairman of the Board of Directors	25,000	15,000	20,000	15,000
Director	20,000	10,000	15,000	10,000
Chairman of the Audit Committee	-	15,000	-	15,000
Member of the Audit Committee	-	10,000	-	10,000
Chairman of the Nomination and Remuneration Committee	-	15,000	-	-
Member of the Nomination and Remuneration Committee	-	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 representative.
- Special bonus for directors is considered on year-by-year basis, depending on the Company's performances and at shareholders' discretion.

In 2017 and 2016, the Company paid remunerations to the directors as follow:

Name - Surname	Remuneration (Baht)					
	Director		Member of the Audit Committee		Member of the Nomination and Remuneration Committee	
	2017	2016	2017	2016	2017	2016
1. Mr. Weerachai Ngamdeevilaisak	370,000	315,000	90,000	75,000	-	-
2. Prof. Dr. Sahaton Rattanapijit	280,000	220,000	60,000	40,000	10,000	-
3. Mr. Ong-ard Puntuyakorn	-	-	-	-	-	-
4. Mrs. Vallaya Puntuyakorn	-	-	-	-	-	-
5. Mr. Tratorn Rattanasrithong	-	-	-	-	-	-
6. Miss Rachaya Rattanasrithong[1/]	-	-	-	-	-	-
7. Miss Chalumporn Puntuyakorn[1/]	-	-	-	-	-	-
8. Mr. Chirawat Srisawadi	280,000	230,000	60,000	50,000	15,000	-
9. Mr. Patai Bunmark	270,000	230,000	50,000	50,000	-	-
Total	**1,200,000**	**995,000**	**260,000**	**215,000**	**25,000**	**-**

Note : [1/]The Board of Directors No. 6/2017, held on 9 November 2017, approved the appointment of Miss Rachaya Rattanasrithong as the Company's Director in place of Miss Chalumporn Puntuyakorn, and attended the first meeting in 2018.

The Executives

In 2017 and 2016, the Company paid remuneration to the executives as follow

Remuneration	2017		2016	
	Number (person)	Remuneration (Baht million)	Number (person)	Remuneration (Baht million)
Salary Bonus Other remunerations i.e. social security contribution, provident fund, post-employment benefits and other welfares	6	18.60	6	17.03

Personnel

As at 31 December 2017 and 2016, the Company and its subsidiary had 483 and 470 employees, respectively (excluding executives). Employees of the Company by department are as follow.

The Company's employee	31 December 2017	31 December 2016
Sales and services	109	93
Production and after-sales service	223	226
Total	**332**	**319**

Employee remunerations

In 2017 and 2016, the Company and its subsidiary paid for employee remunerations in a total amount of Baht 157.15 million and Baht 144.38 million, respectively, comprising of salary, bonus and other benefits.

Provident fund

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary, the Company and its subsidiary contribute to the fund monthly at the same rate as its employees but not more than 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2017 by the Company and its subsidiary amounting to approximately Baht 2.87 million (2016: Baht 2.20 million) were recognised as expenses, the Company only: Baht 2.27 million (2016: Baht 1.79 million).

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 responsible department is Human Resource Development department which has set the strategic approach for personnel development and regularly report to the Executive Committee. In 2017, the personnel development are as follow.

1. Capability

It is a management tool used in individual development and will be used to assess the strengths and weaknesses of each employee. The supervisor will evaluate and consider the potential in order to identify the area and set the tool for employee by focusing on four areas of capability as follow.

1. Core capability refers to the ability that everyone must have or can perform. It is a common characteristic of all positions. This ability is determined by the vision, mission, mission, main objectives or strategy of the organization.
2. Functional capability is a specific capability for each position. For those who hold the position can behave appropriately to their role and can perform duties better.
3. Management capability is knowledge and management ability which will be different depends on management roles and responsibilities.
4. Academic capability is knowledge and specific skill including the behavior that employees must have for working in key positions.

The planning of capability must be clear and having mutual understanding of both supervisor and employee, in order for employee using as self-development guideline, and to be consistent with the capabilities that have been set the organization. To build employee engagement by using employee development tools in their own department such as coaching, mentoring, challenging work assignment, increasing tasks assignment and self-learning.

2. Career Development or Career Planning

Preparing the plan to develop the potential of employees individually and to develop talented and good people. It is important aspect of career development that the Company do recognizes and have started seeking for talented and good people in the organization in order to motivate and retain these people to work in the organization as long as possible. The Company is preparing these people to be successor for important role or management level.

3. Performance Management

The process of creating an environment and working methods that encourage the employees to perform most effectively. The main goal is to create higher productivity and performance, and clarify the performance by aligning with organizational performance goals. The Company also focuses on all relevant processes that are continuous and consistent, not only on performance assessment or at the end of the measurement but starting from performance planning, performance development, performance monitoring and performance assessment.

4. Organization Development

By creating good values to be a corporate culture. It is an internal process that creates teamwork and behavioral change throughout the organization. The concept of organizational development can be considered as integrated the human resource development. The organization will continue to develop when it develops individual employees. Maintaining good employees by continually developing employee career, as well as the adjustment of performance management guideline to ensure fair evaluation of the performance.

The Company also takes into account of the safety and health of all employees. Therefore, the Company encourages seminars and self-development as required by law, such as safety training in electrical work, training course on occupational safety and health at workplace, safety training both of supervisory and administrative levels and basic firefighting training.

Training

In 2017, the Company provided internal and external training to employees at all levels. The topics in the training are divided into the following categories.

Training Topic	Total hours per person	Total hours of all employees
1. General categories i.e. the training on the benefits of social security, KPI training, ISO training, QCC training etc.	65	4,593
2. Legislation categories i.e. the use of electric cranes correctly and safely. (Operator, Supervisor, Rigger, Signaler), safety supervisor training, basic firefighting training, etc.	45	2,221
3. Skills, technology, innovation and etc. development categories i.e. the use of Microsoft Excel, Accounting Standard and Financial Reporting Standard (revised 2017) training, basic happy workplace training, benefits under the Promotion of Skill Development Act B.E. 2545, High technology in production and innovation for the industry for sustainable competition etc.	378	1,410
4. Working safety categories i.e. occupational safety in work (Basic), reviewing of TIS/OHSAS18001 Risk assessment methods etc.	22	421
Total hours	**510**	**8,645**

Activity Overview 2017

1. Big Cleaning Day





2. Annual Fire Drill



3. ALLA Group Leadership Seminar





4. Annual Merit





5. Happy New Year 2017







6. Main Post Ceremony for Onvalla New Warehouse





7. ALLA & Onvalla Plant Visit









Corporate Governance

Corporate Governance Policy

The Company places importance on management system that is efficient, transparent and auditable. This leads to obtain trust from concerned parties and sustainable growth of business under ethical business operation and in compliance with applicable law. As such, the Company sets policy on corporate governance to elevate the existing operation system to be a clear standard system and this system will spread to the Company's 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 owners. 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 shareholders, including institution investors, to attend shareholders' meeting.

1.2 The Company to give its shareholders the opportunity to propose additional meeting agenda, nominate the name list of the directors in advance from 8 January 2018 to 21 February 2018. This has been announced to the Stock Exchange of Thailand and the criteria has been disseminated of the Company's website, www.alla.co.th, in topic of Investor relations helps to expand channels to provide information to all investors equitably.

1.3 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 to expand channels to provide information to all investors equitably.

1.4 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.

1.5 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 of 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.

1.6 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 important questions and discussions will be recorded in the minutes of the meeting in order to shareholders to review.

2.3 In the meeting to elect the directors, the Company offers an opportunity to vote and select one director at a time, which shareholders have the right to elect 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's policy is use ballot in every meeting agenda both of general main agenda by law and significant agenda such as performing connected transaction, acquisition or disposal of assets etc. for transparency and auditability in case of subsequent dispute.

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 minor shareholders to nominate the name list of the directors in advance at the appropriate time and to provide proxy to other person to attend the meeting and vote on their behalf, and to propose additional meeting agenda prior to the date of shareholder meeting.

The Company ensures that its directors and executives disclose information relating to personal interest and related party's interest for the Board of Directors 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 minor shareholders

The Company sets criteria in allowing minor 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 minor 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 statements and at least 3 official 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 realizes 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 reasonable 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.

Intellectual Property

The Company respects the intellectual property of others and will only utilize if after obtaining permission to do so. Any infringement of intellectual property rights is against the Company's policy

The Company purchases all the licensed software necessary for employees to perform their functions adequately. Employees are not permitted to install any unlicensed software onto the Company's computers or devices.

Goverment sector

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.

Safety, occupational health and environment in the workplace

The Company is aware and recognized the importance of safety, occupational health and the environment in the workplace as well as the life and health of employees at all levels. The Company has a policy for employees to follow, including a Safety Officer, who supervised and trains employees to follow the Company's policy on safety and occupational health and environment in the workplace.

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 sorts, 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 fot the 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.

Investor Relations

The Board of Directors realizes that its information, both financial and non-financial, affect to the decision-making investors and stakeholders. For the investor relations part, the Board of Directors and executives provide important information to stock analysis and investors. In 2017, the Company presented its performance summarized below:

- The Company staged the company visit two times to present performance and company business at the Company's factory at Chachoengsao province in January and the subsidiary's factory at Lumlukka, Phatumthani province in October.
- The executives meeting with the press for presented performance and visit factory at Chachoengsao province in March.
- Always meeting with the investors at the "Opportunity Day" hosted by SET to present performance, information and financial statement to the stock analysts and investors.

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 2017, the Board of Directors had eight members, consisting of four 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 four directors being executives and employee, consisting of one Chief Executive Officer, one Chief Operating Officer and one Chief Administration Officer and deputy financial manager.

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, the 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 retire. If the number of directors cannot be divided into three portions, the number of directors to retire must be nearest to one out of three of total members of the directors. Directors with the longest tenure will retire 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 consecutively, 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 listed 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 Board of Directors, except for a position in non 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 directors, executives 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, guide 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 determined Risk Management Policy to cover the whole organization and assigned the management to follow the policy including regularly report to the Board of Directors for acknowledgement, arrange the system reviewing and annual assessment of the effective of risk management, at least once a year and disclose in the Company's annual report.

The Board also places importance to early warning signs and unusual transactions.

3.7 Complaints and Clues Informing

The Board of Directors give clear guidelines for persons who intends to provide tips or interest person via website or directly report to the company. 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 (In 2017, the Company have the Board of Directors' meeting at six times), including other special meetingas 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 management continuously and in timely manner.

4.3 In arranging the Board of Directors' meeting, Chairman and the Chief Executive 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 company 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 company 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 Company 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 each resolution, the Board of the Directors' meeting follow simple majority. Each director has one vote. Interest director shall not attend and/or not cast the vote on that resolution. If the result shows equal vote, the Chairman will vote and it is the deciding vote. The number of directors in the Board of Directors' Meeting must not less than two-third of total directors shall be present.

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 management must answer the question quickly and adequately.

In case director disagrees with the resolution, director can ask the Company 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 company 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

The Nomination and Remuneration Committee determines the policy that every year the Board of Directors, Sub-committees and individual director to appraise the annual performance assessment, the objective for adequate and effective determination and/or improvement. The Nomination and Remuneration Committee will review the result of assessment and concluding the appraise result and reporting to the Board of Directors for acknowledgement accordingly

In 2017, the Company arranged the annual performance assessment for the Board of Directors and Sub-committees as follows.

Performance assessment category

1. Performance assessment for the Board of Directors
2. Performance assessment for the Sub-committees i.e. Audit Committee, and Nomination and Risk Management Committee, Remuneration Committee Executive Committee,
3. The individual assessment for each director.

Topic and Criteria of Performance assessment

Performance assessment for the Board of Directors and Sub-Committees shall consist of the main consideration topics such as structure and qualification of the Board of Directors, Roles/duties and responsibilities of the Board of Director

Criteria of assessment both of the group and individual are as follow.

Score(%)	Level
90-100	Excellent
80-89	Good
66-79	Quite Good
50-65	Fair
below 50	Need improvement

The assessment result of the Board of Directors and each Sub-Committee are as follow.

1. The Board of Directors assessment included 6 main areas and the average score is at a good level of 87%. The details as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of Director	84
2	Role, Responsibilities of Duties and the Board of Directors	90
3	The Board of Directors Meeting	83
4	Work Performance of Directors	92
5	Relationship towards management division	94
6	Self-improvement of directors	81
Average percentage		**87**

2. The individual director assessment included 3 main areas and the average score is at a good level of 86%. The details are as follows.

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of the Board of the Board Directors	88
2	Role, Responsibilities of Duties and the Board of Directors	87
3	The Board of Director Meeting	84
Average percentage		**86**

3. The Sub-Committees assessment consist of 3 main areas which are Structure and Qualifications of the committees, Committees Meeting and Role, Responsibilities and Duties of the Committees and the average score is at a good level. The details of each Sub-Committee are as follows.

No.	The Committee	Result (%)
1	Executive Committee	83
2	Audit Committee	86
3	Nomination and Remuneration Committee	86
4	Risk Management Committee	81

The result of assessment of the Board of Directors and each Sub-Committees are satisfactory and effective for the year 2017.

Evaluation of Chief Executive Officer's performance

There is a regulation from the Board of Directors to assess and evaluate Chief Executive Officer performance annually for the success of the administration, in accordance with the strategy, and to consider appropriate salary and other benefits for the Chief Executive Officer.

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's 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 Nomination and Remuneration 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 reponsibility, 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 and non-executive member of the Nomination and Remuneration committee 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 the nature of business and guidelines in business operation to the new director.

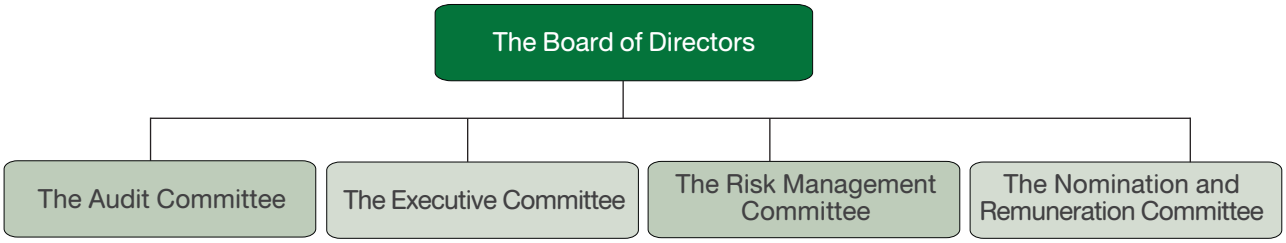
7.3 The Board of Directors requires the Chief Executive Officer regularly reports development and succession plan, which the Chief Executive Officer and the executives prepares the continuous plan to successor in case they cannot perform the duty.

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

The Board of Directors Structure

Sub-committees consist of the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee in order to perform specific area and propose to the Board of Directors to consider or acknowledge as follow:



Nomination of Director and Top Executive

The Board of Directors

The company has nomination process for directors or executives by Major shareholders 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 Companies 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 state 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 affiliates. 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. Director can be the Company's 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:
   (1) Each shareholder has number of votes equivalent to number of shares held.
   (2) Each shareholder may use his/her votes for one or many directors. In case of using for many directors, shareholders cannot have uneven vote allocation.
   (3) Person with highest vote 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 be retired. If the number of directors cannot be divided into three portions, the number of directors to retire must be nearest to one out of three of total numbers of the directors. To identify which directors to retire in the first year and in the second year after the registration of the Company, this shall base on draw lots. Thereafter, director with the longest tenure will be retired and they can be reappointed.
9. Director resigns by submitting the resignation letter to the Company, effective on the date resignation letter arrives the Company. Director, who is resigning, may inform registrar under the Public Limited Companies 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 attributes pursuant to the Public Limited Companies 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 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 - third 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 - third of total number of directors in the committee and to have independent directors 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 Limited Companies 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/her 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 sets qualifications of independent director as follow:

1. Hold not 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 with monthly salary 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 an implicit 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 an

implicit 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 to be 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 or not being a significant partner in partnership or director with involvement in management, employee, consultant with monthly salary or hold more than 1% of total 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/her 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 member of 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 Directors to decide in company operation of the Company, parent company, subsidiary, associated company, major shareholder or controlling authority, and is not director of parent company, subsidiary, only the Company that listed 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 and approve by the Nomination and Remuneration Committee. The candidate must be approved by the Board of Directors or a person, who is assigned.

The Nomination and Remuneration Committee considers a person to assume the Chief Executive Officer position and the appointment shall be approved by the Board of Directors. 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 and audit 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 sets 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 employees must not buy or sell the Company's securities 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 employees 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 statements and at least three official 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 and to public thereon.

Whistleblowing, complaint-filling channels and contacting the Board

Any stakeholder who wishes to offer suggestions or report unfair treatment, illegal acts or in case where the executives, employees, officers and/or parties related with the Company are detected to have any behavior showing fraud, unfairness or reward demand, those stakeholders can immediately notify the Company through the channels below.

By post:

Chairman of the Board of Directors of Administrative Officer or The Audit Committee
Alla Public Company Limited
933, 935, 937, 939 Soi Onnut 46, Onnut Road, Suanluang,
Suanluang, Bangkok 10250

E-mail at:

- Chairman of the Board of Directors : Mr. Weerachai Ngamdeevilaisak
  weerachai@alla.co.th
- Chief Executive Officer : Mr. Ong-ard Puntuyakorn
  ongardp@alla.co.th
- Administrative Officer by the Company Secretary : Miss Rawiphun Tantiauschariyakul
  company_secretary@alla.co.th

All suggestions, complaints or reports will be forwarded to the relevant parties and all actions taken reported to the Audit Committee and the Board.

Compensation for Auditor

Audit fee

The Company and its subsidiary paid audit fees to EY Office Limited for the year ended 31 December 2017 for an amount of Baht 1.45 million and Baht 0.75 million, respectively. Total audit fees of the Company and its subsidiary of Baht 2.20 million. This does not include miscellaneous expenses such as stamp, printing cost of published 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, in order for organization to have sustainable management with integrity, efficiency and effectiveness and to provide guidelines for directors, executives and staff. The guidelines are as follows.

2.1 The Company clearly defines roles and responsibilities of the Board of Directors, the Audit Committee, Chief Executive Officer, the executives and staff at all levels in relation to Anti-Corruption Policy.

2.2 The Board of Directors, the executives 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 The consistent training of Anti-corruption for staff at all levels, especially pattern of bribery, risks of getting involved in bribery, and corruptions, along with reporting method in case of seeing or suspected briberly or corruption. This training is a part of new employee's orientation.

2.4 The Company communicates the anti-corruption policy to all its agents, distributers and sub-contractors since the first cooperation and thereafter as it deemed appropriately.

2.5 The Company has provided channels to report any violations or unlawful acts or corrupt behavior. The aforementioned channels are the Company's website, direct e-mail to Chairman of the Audit Committee or Chief Executive Officer, the Company's complaints box and direct post to Chairman of the Audit Committee. All complaints and suggestions is being reported to the Board of Directors, the Audit Committee and Chief Executive Officer within 3 days. The Company also clearly state the process of investigation, set of penalty as well as preventive action.

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 international 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 ISO9001:2008, a Quality Management System by TUV NORD (Thailand) Company Limited. In addition, the Company is certified for TIS18001:2001 and OHSAS18001:2007, 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 executives and employees at all levels abide by related law, rule and regulation, such as Factory Act B.E. 2535

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 Activities in 2017

Objectives

1. To support the community
2. To cultivate the good conscience to children and students to be considerate
3. To be helpful and share social opportunity to orphans, handicapped and senile
4. To be the guideline of education, juvenile and nation development
5. To publicize the Company to the public and to get involved in social development

Corporate Social Responsibility Activity in 2017 are as follows:

"Support National Children's Day Events"

On 13 - 14 January 2017, the Company sponsored National Children's Day gifts for schools and goverment agency, including Suraokoara School, Suraojorakhenoi School, Tepparad Municipality, Koh Rai Child Development Center, Watklongsuan School and Thepratchaburirom Municipality School, for their Children's Day Event.









"Subsidize to Flood Victims"

Since the part of southern Thailand encountered the natural disaster, the Company subsidized to Nation Broadcasting Corporation Public Company Limited for participating in donation to flood victims among southern Thailand on 1 February 2017.



"ALLA Blood Donation for Thai Society"

Due to the increase in request for blood by hospitals throughout Thailand from The Thai Red Cross Society, on 9 June 2017, the Company's executives and staff donated blood to The Thai Red Cross Society a the OTOP Exhibition Center Tepparad Municipality, Ban Phoe District, Chachoengsao Province.





“Medical Supplies for Hospital”

On 5 July 2017, the Company donated the amount of Thai Baht 4,000 to Chamber of Commerce for supporting the concert charity. The charity was held for electric nebulizer and other medical supplies procurement to Chachoengsao Promoting Hospital.



“Water Tank for Youth”

Alla Public Company Limited realizes 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 of the world is significantly progressing, some schools are still lack of the access to potable water. On 4 October 2017, the Company initiated “Water Tank for Youth” Project, which provides water tank, water filter and water pump to Watinthaari School Village, No. 5, Lat Bua Luang Sub-district, Lat Bua Luang District, Phra Nakhon Si Ayutthaya Province.





“Wheelchair for Handicapped”

Due to the large amount of demand on wheelchair and the fact that Thailand is become to be elderly society, the Company concerned that there was a shortage of wheel chair and other equipment. The Company then donated wheelchairs to the Thai with Disability Foundation on 4 October 2017.









“Cultivate the Intellectual to Educational Institution”

ALLA Public Company Limited and Onvalla Company Limited never stop returning benefit to the community, especially for the educational Institution, by conveying the knowledge of meterial handling technology. The Company concentrates on not only the philosophy of sufficient economy, but also the concept of Happy Society. This Concept contributes to the project of knowledge sharing. In the year of 2017, the participants are King Mongkut’s Institute of Technology Ladkrabang, Bangpakong Industrial and Community Education College and Kanchanapisek Vacation Training College Nong Chok.









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 Bunmark are Members of the Audit Committee. Ms. Oranuch Phongamwong is Secretary of 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 operations which are responsible for shareholders. The Audit Committee ensures that the Executive Committee and the management operates correctly, completely and generally in accordance with the Company's policies.

In 2017, the Audit Committee held six 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 yearly 2017 consolidated financial statements before proposing to the Board of Directors for approval. The Audit Committee inquired and obtained clarification from the management and the auditor in relation to accuracy of the financial statements, significant adjustment which impacts on financial statements, appropriateness of accounting method and scope of audit as well as adequate and accurate disclosure. The Audit Committee and the 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 and Exchange Commission, Thailand. The Audit Committee quarterly monitored and discussed with the Risk Management Committee on the 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 had 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 the scope of work for internal audit and was one of the agenda to be reported in the quarterly meeting of the Audit Committee.

The Audit Committee did not find any indicator that the Company intended to neglect and/or operated 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 of entering into connected transactions or transactions that could be conflict of interests. The Audit Committee also reviewed transactions that could be within the 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 the ordinary transactions of business and benefited the Company. Moreover, the disclosure of information of such transactions were adequate and suitable.

5. Oversight Internal Audit

The Audit Committee considered the mission, the scope of operations of internal audit unit, duties and responsibilities, auditor independence, organization and manpower as well as reviewed and approved the 2017 audit plan, prepared in accordance with the risks assessment of the Company's departments, the audit quality improvement plan, the development of knowledge skills and expertise of the internal audit personnel.

6. Appointment of External Auditor for 2017

The Audit Committee carried out the evaluation of auditor and their remuneration for 2017 by taking into consideration of performances, independence and ethical requirements according to the guidelines from the Securities and Exchange Commission, Thailand (SEC). The Audit Committee offered the Board of Directors to propose approval from the shareholders' meeting to reappoint EY office limited as auditor for 2017.

7. Report of Operation Results

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

In 2017, the Audit Committee performed its duty with competency, carefulness, independence and without limitation of 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, risk management systems and sufficient good corporate governance.

This report was reviewed and approved by the Audit Committee on 20 February 2018.

On behalf of the Audit Committee



Mr. Weerachai Ngamdeevilaisak
Chairman of the Audit Committee
20 February 2018

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 eight 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 into employees awareness of duty, responsibility with effectiveness, kind assistance, sacrifice for the benefits of organization, community and society, positive thinking, readiness of skills and health as well as integrity at work.

2. Objectives Setting

The Company determines the objectives of risk management to be accordance with the Company's strategy and risk. The Company clearly and appropriately targets the risk management of the organization to achieve the objectives.

3. Event Identification

The Company records the events that could subject to internal and external risk factors which could be able to impact the Company. The aforementioned is to understand the events. The management could determine the ways and policies to manage risks that may occur as well.

4. Risk Assessment

The Company realizes on the importance of risk management, hence systematically performs risk assessment by defining criteria and suitable method, ensuring all units to be aware of the Company's risk tolerance level, providing guidelines for risk management and communicating to employees to behave.

5. Risk Response

The Company gathers risks that may arise in the organization to set regulations and policies such as management, personnel, finance, operations, information systems, accounting and risk management, etc. to reduce losses or impacts into the Company's tolerance level.

6. Control Activity

The Company has written policies and procedures for all employees to behave by defining good control activities. For example, segreation of duty for between reviewal and approval staffs, setting approval authority policy which specifies the limit at each level, and setting budgeting system by analyzing and controlling the worthiness of spending to maximize benefits. The Company regularly reviews policies and procedures by senior management and performs sufficient control by implementing KPIs as a tool for planning and monitoring.

7. Information System and Communication

In order to communicate the accurate and sufficient information for decision making of the Board of Directors, the management, shareholders and concerned parties, the Company has continuously developed information system and communication to achieve soundness and efficiency.

8. Monitoring Activities performs

The Company performs monitoring process including arranging department meetings to operation performances, preparing performances report to the management, setting up internal audit division to monitor, review and provide recommendations to improve internal audit, when meterial control weakness occurs. The monitoring and Enterprise Risk Management (ERM) are tools for the management to improve and develop internal control and risk management. As the Board of Directors' meeting of ALLA Public Company Limited 2/2018 held on 22 February 2018, 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 Thailand, (SEC). The Board of Directors was of the opinion that the Company had suitable and adequate internal control system. All functions effectively performed in accordance with generally accepted accounting standards, notices of the Securities and Exchange Commission, Thailand (SEC). and regulations of the Stock Exchange of Thailand (SET) by reporting its quarterly and annually financial statements and providing financial statements disclosure in accurate, adequate and timely manner. The Company had adequate and suitable internal control system and efficiently developed with changing circumstances in order to achieve its objectives and abided 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 of relationed transactions with major shareholders, directors and the management or the person related to the aforementioned parties was adequate, the Company's assets was prevented from being misappropriate used by the management. The independent directors and the Audit Committee did not have different opinion from the Board of Directors. Moreover, the Audit Committee will increasingly supervise good corporate governance.

The Company realized on the indispensability of internal control, by implementing good corporate governance, distinctly defining duties, responsibilities, rules, regulations, policy, authority level of management and appropriate approval level in writing. The Company set up internal audit division, which independently monitors and evaluate internal control system and directly report 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 there was 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 had adequate internal control.

Internal Audit Unit to Monitor Internal Control

Multiplus Audit and Consulting Co., Ltd. ("Independent Internal Auditor" or "Multiplus"), which was 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 2017. The Audit Committee was of the opinion that Mutiplus supervised by Mr. Surapol Tavalvijjajit had suitable qualifications and competent staffs. Moreover, the Company initate to have its own internal audit division, which Ms. Oranuch Phongamwong (January - October 2017) and Mr. Titi Ponglumjeak (November 2017 - present) are the Company's internal auditor to perform internal audit function and to support and facilitate Multiplus. The internal auditors directly reported to the Audit Committee regularly, thus ensuring that the Company had adequate internal control.

Risk Management

The Company recognizes the importance of risk management then organizes the Risk Management Committee, chaired by the Chief Executive Officer, to monitor and manage risk in order to maximize effectiveness. In 2017, the Risk Management Committee held four meetings to review the numbers of incidents, action plan of each units responsible for each risk factors and consider risks level in order to manage risk effectively. Risk management is the key element of every steps in the business operation and relates to all levels. The Company instruction manual and procedure of risk management and corporate risk profile annually. The corporate risk profile categorizes into strategic risk, operation risk, financial risk and compliance risk, which might affect to the 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 responsibleperson to develop an action plan and manage risk into tolerance level in order to achieve the Company's goals and build up confidence from shareholders and stakeholders.

Related Party Transactions

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

Summary of details 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 2017 and 2016

Individuals/Juristic Person with Possible Conflict of Interest	Nature of Relationship
1. Mr. Ong-ard Puntuyakorn	• Being an authorized director, Chief Executive Officer and shareholder of the Company, holding 203,017,100 shares or 33.84% of the Company's paid-up registered capital (as at 29 December 2017 and being husband of Mrs. Vallaya Puntuyakorn. • Being an authorized director and executive of the subsidiary.
2. Mrs. Vallaya Puntuyakorn	• Being an authorized director, chief Administrative Officer and shareholder of the Company, holding 135,000,000 shares or 22.5% of the Company's paid-up registered capital (as at29 December 2017) and being wife of Mr. Ong-ard Puntuyakorn. • Being an authorized director of the subsidiary.

Related party transactions between Alla Public Company Limited and individuals or juristic person who may have a conflict of interest as at 31 December 2017 and 2016

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2017	2016	
1. Mr. Ong-ard Puntuyakorn Mrs. Vallaya Puntuyakorn	• **Credit facilities guarantee for the Company** As at 31 December 2017, no guarantee on loans to companies due to the redemption of the board, on 14 September 2017. As at 31 December 2016, the Company had 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). Be fixed in the total amount Baht 449.61 million.	-	The guarantee on behalf of Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn in a total amount of Baht 449.61 million.	Opinion of the Audit Committee 2017 None, due to the redemption of director, on 14 September 2017. Opinion of the Audit Committee 2016 The aforesaid credit facilities guarantee is subject to the condition set forth by the financial institutions. The Company needs such credit facilities to serve its working capital requirement in business operations. No guarantee fee is charged to the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.
	• **Vehicle hire purchase guarantee for the Company** As at 31 December 2017, the Company executed an automobile hire-purchase contract with one leasing company. The Company has 14 vehicles under hire-purchase contract, with guarantee furnished by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn totaling to Baht 7.72 million. The outstanding amount leasing payable is Baht 8.53 million. As at 31 December 2016, the Company executed an automobile hire-purchase contract with one leasing company. 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.	Guarantee in a total amount of Baht 7.72 million.	Guarantee in a total amount of Baht 9.40 million.	Opinion of the Audit Committee The aforesaid 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 chargedto the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.

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ALLA PUBLIC COMPANY LIMITED

The related party transaction between Onvalla Co., Ltd. (the subsidiary) and individuals or juristic person who may have a conflict of interest as at 31 December 2017 and 2016

Individuals/Juristic Person with Possible Conflict of Interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2017	2016	
1. Mrs. Vallaya Puntuyakorn	**Vehicle hire purchase guarantee for the Company** As at 31 December 2017, the subsidiary executed automobile hire-purchase contract for business with one leasing company, with guarantee furnished by Mrs. Vallaya Puntuyakorn for five vehicles in a total amount of Baht 1.64 million. The outstanding amount leasing payable is Baht 1.54 million. 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.	Guarantee in a total amount of Baht 1.64 million.	Guarantee in a total amount of Baht 2.09 million.	Opinion of the Audit Committee The aforesaid guarantee for hire purchase is subject to the condition set forth by the leasing company. 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 2017, the Company and its subsidiary's related party transactions included directors' guarantee on loans from financial institutions and vehicles hire-purchase contracts. These transactions were reasonable and necessary since they were 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 aforesaid related party transactions and was of the opinion that the transactions were 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, there was a resolution to define policy and procedure of 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, Thailand (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 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

Entering into a commercial transaction with normal terms and conditions, the Company and/or its subsidiary may enter into related party transactions that include selling and purchasing of goods and services with directors, executives or persons who may be related in the future. The Company defined a 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 the transaction, that the terms are similar to which the reasonable normal contract under the same circumstance, without any influences on the bargaining power due to 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 quarterly report to the meeting of the Audit Committee and the Board of Directors.

Commercial transaction without normal terms and conditions and other transactions

Entering into a commercial transaction without normal terms and conditions and other transactions with the 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 of entering into such transaction. The Audit Committee shall consider the suitability of prices and conditions of such the 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 of the Audit Committee does not possess expertise to consider possible related party transactions, the Company shall bring in the independent expert or the Company's auditor to give opinion on the mentioned transaction in order to support the Audit Committee, the Board of Directors and/or the shareholders' meeting, if required, for 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. For instance the directors guarantees on credit facilities from financial institutions and vehicles hire purchase for the Company and its subsidiary, will be continually occurred. As for the existing or future related party transaction, the Company shall clearly set policy of 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 and automobile hire purchase by directors and/or assets of directors may be redeemed 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 aforesaid guarantees, the directors shall guarantee without being paid any fees onwards.

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 of measurement and approval for related party transaction and disclose of the mentioned transactions.

As for future related party transaction, the Board of Directors must abide by the Security and Exchange Act, rules, and regulations required by the Securities and Exchange Commission, Thailand (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 Ratio

Key Financial Ratio	Consolidated financial statement			Separate financial statement		
	2017	2016	2015	2017	2016	2015
Liquidity Ratio						
Current Ratio (x)	5.36	5.44	1.93	6.07	6.36	1.99
Quick Ratio (x)	4.10	4.17	0.97	4.85	5.20	1.03
Operating Cash Flow Ratio (x)	0.72	0.31	0.35	0.90	0.24	0.48
Account Receivable Turnover (x)	4.10	4.49	6.74	4.10	4.55	6.77
Average Collection Period (days)	88.92	81.33	54.17	89.07	80.16	53.92
Inventory Turnover (x)	2.84	2.39	2.37	3.10	2.65	2.38
Average Sales (Inventory) Period (days)	128.70	152.99	154.10	117.56	137.81	153.09
Account Payable Turnover (x)	8.13	6.02	9.10	7.15	5.64	9.35
Average Payment Period (days)	44.92	60.60	40.13	51.07	64.76	39.03
Cash Cycle (days)	172.70	173.72	168.06	155.56	153.21	167.98
Profitability Ratio						
Gross Profit Margin (%)	29.92	30.94	28.73	31.79	32.54	31.58
Operating Profit Margin (%)	11.98	12.74	14.76	16.73	15.16	18.76
Cash to Profit Margin (%)	127.04	72.69	90.45	94.72	45.53	103.45
Net Profit Margin (%)	9.27	9.71	11.62	12.99	11.55	14.80
Return on Equity (%)	7.65	11.00	28.35	8.35	9.89	28.32
Efficiency Ratio						
Return on Assets (%)	7.94	9.88	17.38	8.78	9.51	19.01
Fixed Asset Turnover (%)	331.52	356.15	529.97	852.84	762.46	1,134.03
Total Asset Turnover (x)	0.67	0.79	1.17	0.55	0.55	1.02
Leverage and Coverage Ratio						
Total Liabilities to Equity (x)	0.23	0.24	0.87	0.16	0.18	0.66
Interest Coverage Ratio (x)	97.94	21.58	60.07	119.98	21.73	120.09
Dividend Payout Ratio (%)	72.98	50.84	80.50	68.96	58.83	84.04
Other Ratio						
Book Value per share (Baht per share)	1.29	1.21	0.77	1.26	1.17	0.73
Net Profit per share (Baht per share)	0.10	0.12	0.22	0.10	0.11	0.21
Dividend per share (Baht per share)	0.07	0.06	0.18	0.07	0.06	0.18
Par value (Baht per share)[1/]	0.50	0.05	0.50[1/]	0.50	0.50	0.50[1/]
Number of shares (Million shares)[1/]	600	600[2/]	450[1/]	600	600[2/]	450[1/]

Note : [1/] Adjusting the par value of each year to Baht 0.5 per share, for comparison, according to the Extraordinary 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 initialthe 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. (The weighted average number of ordinary share as at 31 December 2016 was 474,180,328 shares)

Management Discussion and Analysis

2017 Business Performance Overview

Overall Thailand's economic in 2017 has grown moderately and has been improved from 2016. The growth has been supported by government investments i.e. Mega Projects and Investment Promotion in various target industries, all of which are the Company's target customers. As a result, in overall of 2017, the Group had revenue from sales and services of Baht 613.84 million, increased 2% from 2016, and net profit from the operations of Baht 57.55 million.

The Group's gross margin still remained above 30%, plus the revenues backlog as at the end of this year of Baht 301 million which increased about 34% when compared with the end of prior year.

Furthermore, the Group still has a solid financial structure, has continued cash flow from operations, good liquidity ratio and low debt to equity ratio as well.

2017 Consolidated Financial Summary

Operating Income

Operating Income	2017 Thousand Baht	2016 Thousand Baht	Change
Revenue from sales and services	613,835	599,710	2%
Other income	7,125	7,755	(8%)
Total Operating Income	**620,960**	**620,960**	**2%**

Revenues structure	2017		2016		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales						
Crane and Hoist	364,547	59%	367,650	60%	(3,103)	(1%)
Industrial door and Dock leveler	109,186	18%	100,820	17%	8,366	8%
PVC strip curtain and Air curtain	9,315	1%	10,245	2%	(930)	(9%)
Total revenue from sales	**483,048**	**78%**	**478,715**	**79%**	**4,333**	**1%**
Revenue from services						
Crane and Hoist	103,891	17%	106,468	18%	(2,577)	(2%)
Industrial door and Dock leveler	26,509	4%	14,160	2%	12,349	87%
Training center	387	0%	367	0%	20	5%
Total revenue from services	**130,787**	**21%**	**120,995**	**20%**	**9,792**	**8%**
Other Income	**7,125**	**1%**	**7,755**	**1%**	**(630)**	**(8%)**
Total Operating Income	**620,960**	**100%**	**607,465**	**100%**	**13,495**	**2%**

Total operating income for the year 2017 were Baht 621 million, increased from prior year of Baht 14 million or 2% which can be analyzed by each type of business as follows.

- Crane and Hoist: The portion of sales was 59% of total revenues. The sales in 2017 slightly decreased by 1% compared to prior year. Even in the third and fourth quarter, the Group's customers, which were automotive, steel and aluminum, had ordered crane and electric hoists increased. However, in overall of this year, the Group was still affected by the slowdown of investment in early 2017.
- Industrial door and Dock leveler: The portion of sales was 18% of total revenues. The sales increased by 8% compared to prior year, mainly due to the expansion of core customers, especially Logistics, Hypermarket and Agriculture and foods.
- Service revenues: The portion of service revenues was 21% of total revenues which increased by 8% compared to prior year, mainly due to an increase of door service contracts in the Hypermarket segment.

In addition, the Company received an interim dividend of Baht 10 million from its subsidiary, which this transaction had been eliminated in the consolidated financial statements.

As at the end of this year, the Company and its subsidiary had revenues backlog of Baht 301 million, which increased by Baht 77 million or 34% compared to last December, such backlog will gradually be recognized as revenues from the first quarter of 2018 onward.

Operating Expenses

Operating Expenses	2017 Thousand Baht	2016 Thousand Baht	Change
Cost of sales and services	430,199	414,183	4%
Selling expenses	27,025	25,119	8%
Administrative expenses	90,175	91,789	(2%)
Total Operating Expenses	**547,399**	**531,091**	**3%**

Total operating expenses for the year 2017 of the Company and its subsidiary were Baht 547 million, increased from prior year of Baht 16 million or 3%. The mainly causes due to

- An increase of cost of sales and services which was in line with the increase of revenue from sales and services, and also increased from provision for other long-term employee benefits.
- Selling expenses slightly increased in line with the increase of revenue from sales and services
- Administrative expenses slightly decreased since the Company had additional expenses related to the distribution of shares due to the capital increase in the Stock Exchange of Thailand in 2016.

Other Major Items

Other Items	2017 Thousand Baht	2016 Thousand Baht	Change
Finance costs	751	3,539	(79%)
Income tax expenses	15,262	13,824	10%
Total Other Items	**16,013**	**17,363**	**(8%)**

- Finance cost decreased since the Company repaid entire long-term loans from financial institutions in the fourth quarter of 2016.
- Income tax expenses increased in line with the operating profit.

Profitability Analysis

Profitability Analysis	2017 Thousand Baht	2016 Thousand Baht	Change
Gross profit	183,636	185,527	(1%)
Gross profit margin (%)	30	31	
Operating profit before adjustment of extraordinary item	59,732	59,011	1%
Actuarial loss on other long-term employee benefits	(2,184)	-	(100%)
Net profit	57,548	59,011	(2%)
Net profit margin (%)	9	10	
Total comprehensive income	60,293	59,011	2%
Basic earnings per share (Baht)	0.10	0.12	(17%)

- Gross profit and gross profit margin slightly decreased which were due to high competitive market. However, the Group continued to strive for costing effective management.
- Operating profit before adjustment of extraordinary item increased due to the increase of operating income and the decrease of administrative expenses. However, due to the actuarial loss on other long-term employee benefits, as a result, net profit and net profit margin slightly decreased from previous year.
- Total comprehensive income increased from actuarial gain arising from post-employee benefit plans.
- Basic earnings per share for 2017 decreased as from the increase of ordinary shares resulting from the capital increase by initial public offering in the fourth quarter of 2016.

Asset Management

Assets

Assets	2017 Thousand Baht	2016 Thousand Baht	Change
Cash and cash equivalents	270,472	178,130	52%
Short - term investments	112,213	210,078	(47%)
Trade and other receivables	161,188	142,674	13%
Inventories	154,394	148,993	4%
Property, plant and equipment	206,929	167,862	23%
Other assets	47,830	52,304	(9%)
Total Assets	**953,026**	**900,041**	**6%**

Trade accounts receivable and accrued income	2017		2016	
	Thousand Baht	%	Thousand Baht	%
Not yet due	57,431	36%	79,774	56%
Over due				
Less than 3 months	80,011	51%	55,992	40%
More than 3 months, not over 6 months	15,049	10%	2,926	2%
More than 6 months, not over 12 months	4,041	3%	889	1%
More than 12 months	1,583	1%	1,479	1%
Total	158,115	100%	141,060	100%
Less Allowance for doubtful accounts	(53)	-	(53)	-
Trade accounts receivable and accrued income – net	**158,062**	**100%**	**141,007**	**100%**

Total assets of the Company and its subsidiary increased of Baht 53 million or 6%, due mainly to

- Cash and cash equivalents increased due to the maturity of short-term investment during the year.
- Trade accounts receivable and accrued income increased in line with the increase of revenue from sales and services.
- Property, plant and equipment increased due to investment in assets under construction of its subsidiary's warehouse.

Liabilities and Equity

Liabilities and Equity	2017 Thousand Baht	2016 Thousand Baht	Change
Short - term loans from financial institutions	-	36,436	(100%)
Trade and other payables	65,523	27,711	136%
Deposit received in advance	25,529	18,789	36%
Long - term loan from financial institutions	-	3,000	(100%)
Other liabilities	85,337	85,761	(1%)
Total Liabilities	**176,389**	**171,697**	**3%**
Total Shareholders' Equity	**776,637**	**728,344**	**7%**

Total liabilities of the Company and its subsidiary increased of Baht 5 million or 3%, due mainly to

- Trade and other payables increased and short-term loans from financial institutions decreased, due to the repayment of trust receipts during the year and no additional loan obtaining for debts repayment.
- Deposits received in advance increased in line with the increase of backlog revenues.
- In 2017, the Group repaid entire short - term and long - term loans from financial institutions.

Total shareholders' equity increased of Baht 48 million or 7% which increased from total comprehensive income for the year of Baht 60 million and decreased from dividend payment of Baht 12 million.

Liquidity and Capital Management

Cash Flows	2017 Thousand Baht	2016 Thousand Baht
Net cash from operating activities	93,455	55,516
Net cash from (used in) investing activities	56,995	(238,645)
Net cash from (used in) financing activities	(58,107)	259,737
Net increase in cash and cash equivalents	92,343	76,608
Beginning cash and cash equivalents	178,129	101,521
Ending cash and cash equivalents	**270,472**	**178,129**

For the year 2017, the Company and its subsidiary had net increase in cash and cash equivalent of Baht 92 million from the beginning balance of Baht 178 million. As a result, cash and cash equivalents at the end of the year was Baht 270 million. Details of cash flows by activities during the year were as follows:

- Net cash from operating activities were Baht 93 million, resulting mainly from profit of 2017.
- Net cash from investing activities were Baht 57 million, due mainly from short-term investment of Baht 100 million. However, cash also decreased for fixed assets investment of Baht 48 million.
- Net cash used in financing activities were Baht 58 million, due mainly to loans repayment of Baht 40 million and paid dividend of Baht 12 million.

Key Financial Ratios Analysis

Key Financial Ratios	2017	2016
Returns Ratio (%)		
Return on Assets	7.94	9.88
Return on Equity	7.65	11.00
Liquidity Ratio (x)		
Current Ratio	5.36	5.44
Quick Ratio	4.10	4.17
Assets and Liabilities Management (Day)		
Average Collection Period	88.92	81.33
Average Sales (Inventory) Period	128.70	152.99
Average Payment Period	44.92	60.60
Leverage and Coverage Ratio		
Total Liabilities to Equity (x)	0.23	0.24
Interest Coverage Ratio (x)	97.94	21.58
Dividend Payout Ratio (%)	72.98	50.84

- Return on assets decreased by 1.94% and return on equity decreased by 3.35% due to the increase of assets as from trade accounts receivable and assets under construction. The average shareholders' equity increased due to the initial public offering in the fourth quarter of 2016.
- There was no significant changed of current ratio and total debt to equity ratio
- Average collection period slightly increased while average sales period decreased and average payment period increased since the increase of revenues in this year was mainly from revenue from services which mostly were employee costs.
- Total liabilities to equity was no significant changed. Interest coverage ratio increased as from the decrease of finance costs. Dividend payout ratio increased due to the dividend payment increased from prior year.

Factors affecting future operations

Irreplaceable technology of electronic cranes and hoists

Cranes and Hoists Industries can grow continually in the future as every industry needs cranes and hoists for lifting heavy materials. Recently, there is no substitute of any technology, for cranes and hoists, for lifting.

Industry growth in Thailand and Future Public Investments

The industry outlook in 2018 is expected to be better as the domestic economy that could be gradually recovered from 2017, led by the public investments. In particular, the growth of the investments in infrastructure including the investments of the private sectors which likely to be increased in 2018. Due to the continual increase in production capacity of export sector, the intention from foreign investors in investing in Eastern Economic Corridor (EEC) project and the penetration into the Thai consumer market of e-commerce businesses. These will contribute to investment needs in various fields such as transportation, storage and distribution, data collection and analysis.

Since the demand of electricity is increasing steadily in Thailand, and according to the B.E. 2558-2579 Power Development Plan and B.E. 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. Allowing entrepreneurs interested in entering to the electricity generation, therefore, the power plant industry is likely to rise.

Transportations and Logistics are very important to both domestic and international industries, to link all economic of each sectors. The government has realized the importance of this business. As evidenced by the Transport Infrastructure Development Plan of Thailand B.E. 2558-2565 and the Development of the Strategic Plan Logistics No. 3 (B.E. 2560-2565), the trend of the transportations and logistics business are 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, which related to transportations and logistics, will increase such as High Speed Rail, Railroad Train, Metro lines, Cold Storage, Warehouse Renting, and Domestic and International Transportations.

The government also supports infrastructure of transportations, and promotions to attract the investments by focusing on ten target industries, The Eastern Economic Corridor (EEC), including the investment in three target industrial estates in Rayong, Chonburi and Chachoengsao which are likely to be broadened significantly. It is the opportunity of the business to sell products and also offers services to customers located in the East Economic Corridor Zone.

The expansion of the ASEAN Industries

The expansion of ASEAN Industries, such as Indonesia and the CLMV, which have potential for future growth, and including the public investments in the infrastructure of those countries. This 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 has 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, Agriculture and foods, Building 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's products which can gain trust from customers for a long time.

The expansion of Industrial door and Dock leveler

Since the trend of the logistics business that to grow steadily, which requires the good quality products for efficient storing and loading. One of the main product of the Company, that is, industrial door and dock leveler 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 service that is 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 service, 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.

New Business Unit Adding

The Company has increased business channels by adding new business units, including sales and services of warehouse management systems i.e. automated warehouse system and automated storage and retrieval system (AS/RS), as well as semi-automated storage/retrieval system, fully automated parking system, and spare part of the aforesaid product and providing the after-sale services. In order to expand the business and to cover all businesses. This new business unit is likely to be a good trend in the future since the automated management system can solve the shortage of labor at present.

The expansion of investment to ASEAN

The Company is studying the possibility of expanding investment to ASEAN. It is currently surveying the form of investment which has begun in Indonesia. This is a significant step and is a model of overseas 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 sproduction base. The Company emphasizes on the use of the brand "ALLA" to expand investment in order to be recognized in the 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 and doing KAIZEN activity. The objectives are to improve production efficiency, to reduce costs from production, both in monetary and non-monetary such as the duration of work, redundant work 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 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 2017 are accurate, reliable and in accordance with the relevant financial reporting standards.



(Mr. Weerachai Ngamdeevilaisak)
Chairman of the Board of Directors



(Mr. Ong-ard Puntuyakorn)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Alla Public Company Limited

Opinion

I have audited the accompanying 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 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Alla Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alla Public Company Limited and its subsidiary and of Alla Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Sales of goods and services are significant accounting transactions as the amounts recorded are material and directly affect profit or loss of the Group. In addition, the revenues of the Group are derived from various sources, such as sales of goods, sales with installation service, and provision of after-sale services and other services, and lead time for goods or service delivery under each agreement can be different. Accordingly, the timing of the Group's revenue recognition varies. I therefore focused my audit on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining on understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sale and service transactions occurring during the year and near the end of the reporting period to check against the supporting documents and reviewed credit notes that the Group issued after the period-end date. I also performed analytical procedures on disaggregated data to detect possible irregularities in sale and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Inventory - work in process

Estimating the net realisable value of work in process, as disclosed in Note 10 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of work in process. This requires details of the estimated cost to complete the production, including necessary selling expenses. There is therefore a risk of that the recognised amount of provision for diminution in the value of inventory is not adequate, which will result in the Group's inventory being overstated. Thus, I focused my audit on this matter.

I assessed the appropriateness and tested the effectiveness of the Group's internal controls relevant to the determination of provision for diminution in the value of inventory, performed substantive testing on supporting evidence of the cost included in the work in process. In addition, I assessed the appropriateness of the assumptions applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis as well as the rationale for the recognition of specific provisions, comparing net proceeds from sales transactions per sales agreements with the actual cost occurring when completed after the date of the financial statements, and comparing expected proceeds from sales transactions per sales agreements with the actual cost of work in process as at the period-end date plus the estimated cost to complete the unfinished work.

Other matter

The consolidated financial statements of Alla Public Company Limited and its subsidiary (the Group) and the separate financial statements of Alla Public Company Limited for the year ended 31 December 2016 were audited by another auditor who under her report dated 22 February 2017, expressed an unqualified opinion on those statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

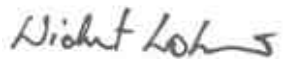
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 22 February 2018

Alla Public Company Limited and its subsidiary
Statement of financial position

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Assets					
Current assets					
Cash and cash equivalents	7	270,472,091	178,129,703	201,323,507	162,303,439
Current investments	8	112,212,969	210,077,848	112,212,969	210,077,848
Trade and other receivables	6, 9	161,188,376	142,674,193	117,005,745	104,868,719
Inventories	10	154,393,765	148,992,611	100,352,589	96,557,939
Other current assets		8,390,382	10,672,069	5,464,727	7,619,258
Total current assets		706,657,583	690,546,424	536,359,537	581,427,203
Non-current assets					
Restricted bank deposits	11	25,300,000	25,457,456	25,000,000	25,157,456
Investment in subsidiary	12	-	-	251,999,560	151,999,560
Other long-term investment		82,904	82,904	82,904	82,904
Property, plant and equipment	13	206,929,061	167,681,831	51,895,243	58,071,966
Intangible assets	14	4,604,933	6,444,656	4,457,572	6,049,005
Deferred trade right		-	237,548	-	-
Deferred tax assets	24	9,415,270	9,548,350	6,684,561	7,574,169
Deposits and guarantees		36,100	42,300	31,600	39,600
Total non-current assets		246,368,268	209,495,045	340,151,440	248,974,660
Total assets		953,025,851	900,041,469	876,510,977	830,401,863

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary
Statement of financial position (continued)

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	-	36,435,673	-	25,184,024
Trade and other payables	6, 16	65,523,273	27,711,111	39,731,327	21,322,396
Current portion of long-term loans	17	-	3,000,000	-	-
Current portion of liabilities under financial lease agreements	18	4,138,683	5,141,670	3,214,584	4,541,157
Income tax payable		3,210,183	824,374	2,908,244	59,606
Deposit received in advance		25,529,315	18,789,043	19,211,174	15,059,558
Accrued expenses		21,048,555	18,779,270	16,622,481	13,808,418
Warranty reserve		5,477,623	7,434,994	2,908,873	5,296,490
Other current liabilities		7,002,224	8,890,527	3,782,902	6,129,761
Total current liabilities		131,929,856	127,006,662	88,379,585	91,401,410
Non-current liabilities					
Liabilities under financial lease agreements net of current portion	18	5,194,651	8,737,051	4,641,041	7,855,625
Provision for long-term employee benefits	19	39,264,287	35,953,349	27,929,966	27,767,723
Total non-current liabilities		44,458,938	44,690,400	32,571,007	35,623,348
Total liabilities		176,388,794	171,697,062	120,950,592	127,024,758

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary
Statement of financial position (continued)

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	20				
Registered					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid up 600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium	20	348,486,525	348,486,525	348,486,525	348,486,525
Surplus from restructuring under common control		46,314	46,314	-	-
Retained earnings					
Appropriated - statutory reserve	22	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		98,103,785	49,811,128	77,073,860	24,890,580
Equity attributable to owners of the Company		776,636,624	728,343,967	755,560,385	703,377,105
Non-controlling interest of the subsidiary		433	440	-	-
Total shareholders' equity		776,637,057	728,344,407	755,560,385	703,377,105
Total liabilities and shareholders' equity		953,025,851	900,041,469	876,510,977	830,401,863

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income	26	613,834,866	599,709,508	448,122,148	430,815,133
Dividend income	6, 12	2,518	-	10,002,502	-
Other income		7,122,824	7,754,592	10,795,799	10,611,413
Total revenues		620,960,208	607,464,100	468,920,449	441,426,546
Expenses					
Cost of sales and services		430,198,847	414,182,700	305,684,262	290,628,702
Selling expenses		27,024,832	25,119,213	17,954,061	16,231,967
Administrative expenses		90,174,821	91,788,848	70,317,748	69,252,857
Total expenses		547,398,500	531,090,761	393,956,071	376,113,526
Profit before finance cost and income tax		73,561,708	76,373,339	74,964,378	65,313,020
Finance cost		(751,087)	(3,539,018)	(624,829)	(3,005,479)
Profit before income tax expenses		72,810,621	72,834,321	74,339,549	62,307,541
Income tax expenses	24	(15,262,182)	(13,823,670)	(13,431,183)	(11,316,254)
Profit for the year		57,548,439	59,010,651	60,908,366	50,991,287
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain	19	3,430,283	-	4,093,642	-
Less: Income tax effect	24	(686,056)	-	(818,728)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		2,744,227	-	3,274,914	-
Other comprehensive income for the year		2,744,227	-	3,274,914	-
Total comprehensive income for the year		60,292,666	59,010,651	64,183,280	50,991,287

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary
Statement of comprehensive income (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Net profit attributable to:					
Equity holders of the Company		57,548,429	59,010,651	60,908,366	50,991,287
Non-controlling interests of the subsidiary		10	-	-	-
		57,548,439	59,010,651	60,908,366	50,991,287
Total comprehensive income attributable to:					
Equity holders of the Company		60,292,657	59,010,651	64,183,280	50,991,287
Non-controlling interests of the subsidiary		9	-	-	-
		60,292,666	59,010,651	64,183,280	50,991,287
Earnings per share	25				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.10	0.12	0.10	0.11
Weighted average number of ordinary shares		600,000,000	474,180,328	600,000,000	474,180,328

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements							
	Equity attributable to owners of the Company						Equity attributable to non-controlling interest of the subsidiary	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Surplus from estructuring under common control	Retained earnings		Total equity attributable to owners of the Company		
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2016	225,000,000	-	46,314	14,216,061	105,584,416	344,846,791	440	344,847,231
Profit for the year	-	-	-	-	59,010,651	59,010,651	-	59,010,651
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	59,010,651	59,010,651	-	59,010,651
Increase share capital (Note 20)	75,000,000	348,486,525	-	-	-	423,486,525	-	423,486,525
Dividend paid (Note 21)	-	-	-	-	(99,000,000)	(99,000,000)	-	(99,000,000)
Retained earnings transferred to statutory reserve	-	-	-	15,783,939	(15,783,939)	-	-	-
Balance as at 31 December 2016	300,000,000	348,486,525	46,314	30,000,000	49,811,128	728,343,967	440	728,344,407
Balance as at 1 January 2017	300,000,000	348,486,525	46,314	30,000,000	49,811,128	728,343,967	440	728,344,407
Profit for the year	-	-	-	-	57,548,429	57,548,429	10	57,548,439
Other comprehensive income for the year	-	-	-	-	2,744,228	2,744,228	(1)	2,744,227
Total comprehensive income for the year	-	-	-	-	60,292,657	60,292,657	9	60,292,666
Dividend paid (Note 21)	-	-	-	-	(12,000,000)	(12,000,000)	-	(12,000,000)
Decrease in non-controlling interests of the subsidiary from dividend payment of subsidiary	-	-	-	-	-	-	(16)	(16)
Balance as at 31 December 2017	300,000,000	348,486,525	46,314	30,000,000	98,103,785	776,636,624	433	776,637,057

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	225,000,000	-	14,216,061	88,683,232	327,899,293
Profit for the year	-	-	-	50,991,287	50,991,287
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	50,991,287	50,991,287
Increase share capital (Note 20)	75,000,000	348,486,525	-	-	423,486,525
Dividend paid (Note 21)	-	-	-	(99,000,000)	(99,000,000)
Retained earnings transferred to statutory reserve	-	-	15,783,939	(15,783,939)	-
Balance as at 31 December 2016	300,000,000	348,486,525	30,000,000	24,890,580	703,377,105
Balance as at 1 January 2017	300,000,000	348,486,525	30,000,000	24,890,580	703,377,105
Profit for the year	-	-	-	60,908,366	60,908,366
Other comprehensive income for the year	-	-	-	3,274,914	3,274,914
Total comprehensive income for the year	-	-	-	64,183,280	64,183,280
Dividend paid (Note 21)	-	-	-	(12,000,000)	(12,000,000)
Balance as at 31 September 2017	300,000,000	348,486,525	30,000,000	77,073,860	755,560,385

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	72,810,621	72,834,321	74,339,549	62,307,541
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	19,359,926	21,823,752	12,258,633	13,316,650
Amortisation of deferred trade rights	237,548	949,992	-	-
Bad debts and doubtful debts (reversal)	-	(229,685)	-	(154,685)
Reduction of inventory value to net realisable value	408,133	2,050,520	545,815	1,538,836
Gain on disposal of property, plant and equipment	(1,116,827)	(2,561,443)	(1,166,475)	(2,593,302)
Dividend income	(2,518)	-	(10,002,502)	-
Reversal of warranty reserve	(1,475,999)	(1,675,994)	(2,163,438)	(960,390)
Provision for long-term employee benefits	7,385,256	5,091,853	4,899,919	3,291,546
Unrealised gain on changes in value of current investmetns in trading securities	(2,135,121)	(77,848)	(2,135,121)	(77,848)
Unrealised (gain) loss on exchange	920,196	(468,168)	609,641	(260,023)
Interest income	(3,193,032)	(902,137)	(3,146,846)	(1,078,442)
Interest expenses	751,087	3,539,018	624,829	3,005,479
Profit from operating activities before changes in operating assets and liabilities	93,949,270	100,374,181	74,664,004	78,335,362
Operating assets (increase) decrease				
Trade and other receivables	(18,801,863)	(4,150,924)	(12,428,794)	(6,930,918)
Inventories	(5,809,287)	47,172,985	(4,340,465)	24,808,926
Other current assets	285,106	4,787,336	2,163,558	2,602,045
Deposits and guarantees	6,200	(8,000)	8,000	(9,200)
Operating liabilities increase (decrease)				
Trade and other payables	31,040,631	(32,634,041)	20,296,967	(26,085,498)
Deposit received in advance	6,750,208	(35,152,993)	4,151,616	(19,408,549)
Other current liabilities	(1,888,303)	(7,018,118)	(2,346,859)	(7,593,894)
Cash paid for long-term employee benefits	(644,034)	(1,425,000)	(644,034)	(1,125,000)
Cash flows from operating activities	104,887,928	71,945,426	81,523,993	44,593,274
Cash received from withholding tax refundable	1,817,239	-	-	-
Cash paid for income tax	(13,250,008)	(16,429,299)	(10,520,691)	(14,853,438)
Net cash flows from operating activities	93,455,159	55,516,127	71,003,302	29,739,836

The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
(Increase) decrease in current investments	100,000,000	(210,000,000)	100,000,000	(210,000,000)
(Increase) decrease in restricted bank deposits	157,456	(25,157,456)	157,456	(25,157,456)
Cash received from repayment of short-term loan to subsidiary	-	-	-	10,000,000
Purchase of property, plant and equipments	(47,752,488)	(6,207,631)	(3,978,045)	(4,641,578)
Purchase of intangible assets	(249,414)	(453,578)	(195,398)	(453,578)
Dividend received	2,518	-	10,002,502	-
Cash received from sales of property, plant and equipments	1,355,841	2,693,829	1,302,803	2,693,769
Interest income	3,480,712	479,616	3,438,614	655,921
Cash paid for additional investment in subsidiary	-	-	(100,000,000)	-
Net cash flows from (used in) investing activities	56,994,625	(238,645,220)	10,727,932	(226,902,922)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(37,033,674)	(9,136,783)	(25,543,044)	2,745,912
Increase in long-term loans from financial institutions	-	8,000,000	-	8,000,000
Repayment of long-term loans	(3,000,000)	(54,275,140)	-	(47,525,140)
Cash paid for liabilities under financial lease agreements	(5,319,219)	(5,794,535)	(4,541,157)	(4,356,822)
Proceeds from increase in share capital	-	432,000,000	-	432,000,000
Cash paid for share issuing expenses	-	(8,513,475)	-	(8,513,475)
Cash paid for interest expenses	(755,515)	(3,542,431)	(627,993)	(3,006,207)
Dividend paid	(11,998,988)	(99,000,000)	(11,998,972)	(99,000,000)
Net cash flows from (used in) financing activities	(58,107,396)	259,737,636	(42,711,166)	280,344,268
Net increase in cash and cash equivalents	92,342,388	76,608,543	39,020,068	83,181,182
Cash and cash equivalents at beginning of the year	178,129,703	101,521,160	162,303,439	79,122,257
Cash and cash equivalents at end of the year	270,472,091	178,129,703	201,323,507	162,303,439
Supplement cash flows information				
Non-cash items:				
Assets acquired under financial lease agreements	773,832	7,946,453	-	7,372,621
Net increase in other accounts payable for purchase of property, plant and equipment	8,230,713	-	453,362	-
Write off allowance for doubtful accounts	-	264,749	-	264,749

The accompanying notes are an integral part of the financial statements.

1. General information

1.1 Corporate information

Alla Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in imports and distributes cranes and electric hoists, industrial doors and loading docks, electronic lifts including relevant parts and other equipment. The Company also provides related installation and after sales-service. It registered address is No. 933 935 937 939 Soi Onnut 46, Onnut Road, Suan Luang sub-district, Suan Luang district, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Alla Public Company Limited ("the Company") and its subsidiary ("the Subsidiary") as detailed below.

Subsidiary	Nature of business	Percentage of shareholding	
		2017 Percent	2016 Percent
Onvalla Company Limited	Import, distribution of cranes and electronic hoists, industrial doors and loading docks, electronic lift, PVC strip curtains, including relevant parts and other, equipment. Provide installation and after sales - service.	100	100

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of the revised financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

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

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the note to financial statements.

The management of the Company and its subsidiary believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

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

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered.

Other income

Other income is recognised on an accruals basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Work in process are valued at the lower of cost (under the specific method) and net realisable value, the cost of work in process is measured using the actual cost method and includes cost of raw materials, labour and factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost (under first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

The net realisable value of inventory is estimated form the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated expenses necessary to make the sale.

Reduce cost of inventories for obsolete inventories are set up for obsolete, slow-moving and deteriorated inventories which based on the past experience and current information.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
b) Investments in non-marketable equity securities, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for impairment loss (if any).
c) Other long-term investments are stated at cost net of allowance for impairment (if any)
d) Investments in the subsidiary are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiary reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components in shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	5 - 52 years
Machinery, tools and equipment	2 - 10 years
Furniture, fixtures and office equipment	3 - 10 years
Motor vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided for land, assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	3 - 10 years

4.9 Deferred trade rights

Deferred trade rights are stated at cost less any accumulated amortisation and allowance for impairment loss (if any).

Amortization is charged to the income statement on a straight-line basis over the estimated economic useful life of 10 years.

4.10 Warranty reserve

Warranty reserve is estimated by reference to actual warranty expenses incurred and calculated at a percentage of related sales and quantities of products under warranty.

4.11 Related party transactions

Related parties comprise enterprises and individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that gives 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 operations.

4.12 Long-term leases

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiary's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of an asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its subsidiary and its employees have established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the Company and its subsidiary contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiary have obligations in respect of the severance payments, it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiary provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

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

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

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.17 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduce cost of inventory to net realisable value

The determination of reduce cost of inventory value, requires management to make judgements and estimates. The reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated cost of completion and estimated expenses necessary to make the sale; and reduce cost for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory and the results of inspections conducted by the quality control department.

Plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiary's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Warranty reserve

According to the term of 6 months to 6 years after-sales warranty 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 warranty term. Management is required to use judgment and past-experience for set up such provision.

6. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Transactions with subsidiary (eliminated from the consolidated financial statements)					
Sales and service income	-	-	2,767	2,199	Cost plus margin
Dividend income	-	-	10,000	-	As declared rate
Interest income	-	-	-	240	Interest rate at 6.50 percent per annum
Rental and software maintenance income	-	-	3,656	2,040	Mutually agreed price as stipulated in the contract
Freight income	-	-	149	-	Cost plus margin
Cost of sales and services	-	-	5,269	2,917	Cost plus margin
Rental expense	-	-	2,226	1,531	Mutually agreed price as stipulated in the contract

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables - related party (Note 9)				
Subsidiary company	-	-	2,394	148
Trade and other receivables - related party	-	-	2,394	148
Trade and other payables - individual and related party (Note 16)				
Subsidiary company	-	-	1,060	1,377
Key management	-	6	-	6
Total trade and other payables - individual and related party	-	6	1,060	1,383

Directors and management's remuneration

During the years ended 31 December 2017 and 2016, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	26,103	23,478	18,396	16,633
Post-employment benefits	2,326	2,181	1,649	1,562
Other long-term benefits	51	59	37	45
Total	28,480	25,718	20,082	18,240

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	225	235	145	155
Bank deposits	270,247	177,895	201,179	162,148
Total	270,472	178,130	201,324	162,303

As at 31 December 2017, bank deposits carried interests between 0.37 and 1.40 percent per annum (2016: 0.37 and 1.60 percent per annum).

8. Short-term investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2017	2016
Fixed deposit	-	100,000
Securities held for trading - Debt securities	112,213	110,078
Total	112,213	210,078

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

During the year 2017 and 2016, movements of securities held for trading are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2017	2016
Balance as at 1 January	110,078	-
Addition	-	110,000
Unrealised gain from change in value of investments	2,135	78
Balance as at 31 December	112,213	110,078

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable - related party				
Aged on the basis of due dates				
Not yet due	-	-	1,544	100
Overdue				
Less than 3 months	-	-	69	11
Total trade accounts receivable - related party	-	-	1,613	111
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	57,431	79,774	38,131	58,556
Overdue				
Less than 3 months	21,673	23,262	14,288	10,807
More than 3 months, not over 6 months	1,415	417	1,175	150
More than 6 months, not over 12 months	734	42	720	-
More than 12 months	170	203	168	193
Total trade accounts receivable - unrelated parties	81,423	103,698	54,482	69,706
Total trade accounts receivable	81,423	103,698	56,095	69,817
Accrued income - sale of goods and service				
Aging				
Less than 3 months	58,338	32,730	42,274	29,657
More than 3 months, not over 6 months	13,634	2,509	13,113	1,973
More than 6 months, not over 12 months	3,307	847	2,610	594
More than 12 months	1,413	1,276	1,409	1,276
Total accrued income - sale of goods and service	76,692	37,362	59,406	33,500
Less: Allowance for doubtful debts	(53)	(53)	(53)	(53)
Accrued income - sale of goods and service - net	76,639	37,309	59,353	33,447
Other receivables				
Other receivables - related party	-	-	781	37
Other receivables - unrelated parties	3,126	1,667	777	1,568
Total other receivables	3,126	1,667	1,558	1,605
Total trade and other receivables - net	161,188	142,674	117,006	104,869

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Work in process	41,040	40,048	(441)	(402)	40,599	39,646
Raw materials and others	109,044	108,581	(4,982)	(4,613)	104,062	103,968
Goods in transit	9,733	5,379	-	-	9,733	5,379
Total	159,817	154,008	(5,423)	(5,015)	154,394	148,993

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Work in process	30,787	27,129	(384)	(279)	30,403	26,850
Raw materials and others	71,094	69,549	(4,359)	(3,919)	66,735	65,630
Goods in transit	3,215	4,078	-	-	3,215	4,078
Total	105,096	100,756	(4,743)	(4,198)	100,353	96,558

During the current year, the Company and its subsidiary reduced cost of inventories by Baht 0.41 million (2016: Baht 2.05 million), to reflect the net realisable value, which was included in cost of sales and services (The Company only: reduced cost of inventories by Baht 0.55 million (2016: Baht 1.54 million) to reflect the net realisable value, which was included in cost of sales and services).

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12. Investment in subsidiary

As at 31 December 2017 and 2016, details of investment in subsidiary company in the separate financial statements are summarised below.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2017	2016	2017 (%)	2016 (%)	2017	2016	2017	2016
Onvalla Co., Ltd.	250,000	150,000	100	100	252,000	152,000	10,000	-
Total					252,000	152,000	10,000	-

On 15 August 2017, the Extraordinary shareholders' Meeting of Onvalla Company Limited, a subsidiary company, passed a resolution to increase of its registered share capital from Baht 150 million (1.5 million ordinary shares of Baht 100 each) to Baht 250 million (2.5 million ordinary shares of Baht 100 each) by issuing 1 million new ordinary shares with a par value of Baht 100 per share. The Company paid for the incremental of share capital totaling Baht 100 million on 23 August 2017. The subsidiary company registered the increase of its share capital with the Ministry of Commerce on 29 August 2017.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2016	47,244	108,611	39,764	21,988	54,750	7,525	279,882
Additions	8	-	1,853	1,453	10,455	385	14,154
Transferred in/(out)	-	71	61	41	-	(173)	-
Disposals/write-off	-	-	(187)	(320)	(7,240)	-	(7,747)
31 December 2016	47,252	108,682	41,491	23,162	57,965	7,737	286,289
Additions	-	-	2,038	2,956	2,404	49,359	56,757
Transferred in/(out)	-	106	10	33	-	(149)	-
Disposals/write-off	-	-	(831)	(602)	(4,615)	-	(6,048)
31 December 2017	47,252	108,788	42,708	25,549	55,754	56,947	336,998
Accumulated depreciation:							
1 January 2016	-	42,310	19,840	14,147	30,144	-	106,441
Depreciation for the year	-	3,637	4,880	2,925	8,340	-	19,782
Depreciation on disposals/ write-off	-	(2)	(119)	(255)	(7,240)	-	(7,616)
31 December 2016	-	45,945	24,601	16,817	31,244	-	118,607
Depreciation for the year	-	2,106	4,433	2,770	7,977	-	17,286
Depreciation on disposals/ write-off	-	-	(678)	(531)	(4,615)	-	(5,824)
31 December 2017	-	48,051	28,356	19,056	34,606	-	130,069
Net book value:							
31 December 2016	47,252	62,737	16,890	6,345	26,721	7,737	167,682
31 December 2017	47,252	60,737	14,352	6,493	21,148	56,947	206,929
Depreciation for the year							
2016 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							19,782
2017 (Baht 12 million included in cost of sales and services, and the balance in selling and administrative expenses)							17,286

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2016	5,933	50,700	18,574	13,828	43,382	-	132,417
Additions	8	-	996	975	9,684	351	12,014
Transferred in/(out)	-	52	56	41	-	(149)	-
Disposals/write-off	-	-	(143)	(274)	(7,240)	-	(7,657)
31 December 2016	5,941	50,752	19,483	14,570	45,826	202	136,774
Additions	-	-	886	2,134	1,365	47	4,432
Transferred in/(out)	-	-	10	33	-	(43)	-
Disposals/write-off	-	-	(378)	(355)	(4,615)	-	(5,348)
31 December 2017	5,941	50,752	20,001	16,382	42,576	206	135,858
Accumulated depreciation:							
1 January 2016	-	29,606	11,622	8,308	25,163	-	74,699
Depreciation for the year	-	1,588	1,842	1,946	6,184	-	11,560
Depreciation on disposals/ write-off	-	-	(91)	(226)	(7,240)	-	(7,557)
31 December 2016	-	31,194	13,373	10,028	24,107	-	78,702
Depreciation for the year	-	1,007	1,767	1,899	5,799	-	10,472
Depreciation on disposals/ write-off	-	-	(295)	(302)	(4,614)	-	(5,211)
31 December 2017	-	32,201	14,845	11,625	25,292	-	83,963
Net book value:							
31 December 2016	5,941	19,558	6,110	4,542	21,719	202	58,072
31 December 2017	5,941	18,551	5,156	4,757	17,284	206	51,895
Depreciation for the year							
2016 (Baht 8 million included in cost of sales and services, and the balance in selling and administrative expenses)							11,560
2017 (Baht 7 million included in cost of sales and services, and the balance in selling and administrative expenses)							10,472

As at 31 December 2017, the Company and its subsidiary had motor vehicles with net book value of Baht 14.22 million (2016: Baht 19.87 million) and the Company only amounting to Baht 11.86 million (2016: Baht 17.26 million) which were acquired under finance lease agreements.

As at 31 December 2017, certain plant and equipment items of the Company and its subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounting to Baht 51.40 million (2016: Baht 45.75 million) and the Company only amounting to Baht 39.99 million (2016: Baht 38.67 million).

As at 31 December 2017, the Company and its subsidiary pledged their land and buildings thereon, of which net book value amounted to approximately Baht 77.47 million (the Company only: nil), with financial institutions as collateral to secure credit facilities (2016: Baht 101.45 million, the Company only: Baht 22.99 million).

During the year 2016, the Company and its subsidiary had changed the estimated useful life of building from 10 - 20 years to 24 - 52 years to reflect the expected pattern at the future economic benefits.

14. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
31 December 2017:		
Cost	11,348	10,476
Less: Accumulated amortisation	(6,743)	(6,018)
Net book value	4,605	4,458
31 December 2016:		
Cost	11,149	10,280
Less: Accumulated amortisation	(4,704)	(4,231)
Net book value	6,445	6,049

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	6,445	8,033	6,049	7,352
Additions	249	454	195	454
Write-off - net book value	(15)	-	-	-
Amortisation for the year	(2,074)	(2,042)	(1,786)	(1,757)
Net book value at end of year	4,605	6,445	4,458	6,049

15. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (Percent per annum)		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
Trust receipts	-	1.73 - 3.45	-	36,436	-	25,184
Total			-	36,436	-	25,184

Short-term loans from financial institutions of the Company and its subsidiary are guaranteed by bank deposits of the Company, land and buildings thereon of the Company and its subsidiary and joint guaranteed by their directors. During 2017, the bank released the guarantee by land and buildings thereon of the Company and the joint guarantee by the directors.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts payable - related party	-	-	964	1,364
Trade accounts payable - unrelated parties	47,992	21,460	31,320	15,453
Other payables - related party	-	-	96	13
Other payables - unrelated parties	17,531	6,245	7,351	4,486
Other payables - key management	-	6	-	6
Total trade and other payables	65,523	27,711	39,731	21,322

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term loans	-	3,000	-	-
Less: current portion	-	(3,000)	-	-
Long-term loans, net of current portion	-	-	-	-

Movement of long-term loans during the years ended 31 December 2017 and 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Balance as at 1 January	3,000	49,275	-	39,525
Add: Cash receipt during the year	-	8,000	-	8,000
Less: Repayment during the year	(3,000)	(54,275)	-	(47,525)
Balance as at 31 December	-	3,000	-	-

Long-term loans from domestic financial institutions are guaranteed by the Company and secured by mortgage of the subsidiary's lands and buildings. The loans and interest are repayable on a monthly installments and are carried interest at the interest rate of MLR - fixed rate per annum as stipulated in the agreement.

Under conditions of loan agreements, the subsidiary has to maintain financial ratios such as Debt to Equity Ratio (D/E) and Debt Service Coverage Ratio (DSCR).

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Liabilities under financial lease agreements	10,073	15,175	8,534	13,598
Less: Deferred interest expenses	(739)	(1,296)	(678)	(1,201)
Total	9,334	13,879	7,856	12,397
Less: Portion due within one year	(4,139)	(5,142)	(3,215)	(4,541)
Liabilities under financial lease agreements, net of current portion	5,195	8,737	4,641	7,856

The Company and its subsidiary have entered into the finance lease agreements for rental of motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 2 and 5 years. Liabilities under financial lease agreements were partial guaranteed by their directors.

Future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Thousand Baht)

	As at 31 December 2017					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	4,522	5,551	10,073	3,550	4,984	8,534
Deferred interest expenses	(383)	(356)	(739)	(335)	(343)	(678)
Present value of future minimum lease payments	4,139	5,195	9,334	3,215	4,641	7,856

(Unit: Thousand Baht)

	As at 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5,720	9,455	15,175	5,064	8,534	13,598
Deferred interest expenses	(578)	(718)	(1,296)	(523)	(678)	(1,201)
Present value of future minimum lease payments	5,142	8,737	13,879	4,541	7,856	12,397

19. Short-term loans from financial institutions

Provision for long-term employee benefits as at 31 December 2017 and 2016, which represents compensation payable to employees after they retire and other employee benefits, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	35,953	32,286	27,768	25,601
Included in profit or loss:				
Current service cost	6,129	3,964	3,977	2,442
Interest cost	1,256	1,128	923	850
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(1,382)	-	(841)	-
Financial assumptions changes	(4,516)	-	(2,986)	-
Experience adjustments	2,468	-	(267)	-
Benefits paid during the year	(644)	(1,425)	(644)	(1,125)
Provision for long-term employee benefits at end of year	39,264	35,953	27,930	27,768
Provision for employee benefits				
Current	3,329	644	2,864	644
Non-current	35,935	35,309	25,066	27,124
	39,264	35,953	27,930	27,768

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sales and services	4,367	2,288	2,605	1,379
Selling and administrative expenses	3,018	2,804	2,295	1,913
Total expenses recognised in profit or loss	7,385	5,092	4,900	3,292

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 23 to 24 years (2016: 16 to 21 years) The Company only: 24 years (2016: 16 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2017 (% per annum)	2016 (% per annum)	2017 (% per annum)	2016 (% per annum)
Discount rate	1.86 - 2.11	3.21 - 3.68	1.86	3.21
Salary increase rate	5.00	7.66 - 9.11	5.00	9.11
Employee turnover rate (depending on age)	0 - 24.00	0 - 50.00	0 - 24.00	0 - 31.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,040)	1,099	(661)	695
Salary increase rate	751	(719)	486	(468)
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Turnover rate	(2,226)	1,198	(1,426)	678

(Unit: Thousand Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,647)	1,774	(2,192)	1,240
Salary increase rate	1,478	(1,382)	1,068	(1,039)
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Turnover rate	(3,670)	1,501	(2,663)	935

20. Share capital

On 22 September 2016, the Company made an initial public offering of 150 million ordinary shares from the Securities and Exchange Commission of Thailand which the Company received share subscription amounting to Baht 75 million and share premium amounting to Baht 357 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. The Company incurred expenses relating to the share offering totaling Baht 8.5 million, which were presented as a deduction from share premium.

21. Dividend paid

21.1 On 20 April 2016, the Annual General Meeting of the Company's shareholders passed a resolution to approve final dividend payment from the operating result for the year 2015 of Baht 45 million to the Company's shareholders or Baht 0.10 per share. The Company paid dividends to its shareholders on 19 May 2016.

21.2 On 25 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve dividend payments of Baht 66 million to the Company's shareholders. The dividends of Baht 36 million and Baht 30 million were paid from operating results for the years 2015 and 2016, respectively. The details are as follows:

1) Interim dividend payments from the operating result for the year 2015 and for the first-half year 2016 (January to June) of Baht 36 million and Baht 18 million, respectively, totaling Baht 54 million or Baht 0.12 per share. The Company paid dividends to its shareholders on 13 September 2016.
2) Final dividend payment from the operating result for the second-half year 2016 (July to December) of Baht 12 million or Baht 0.02 per share. The Company paid dividends to its shareholders on 19 May 2017.

22. Statutory reserve

Pursuant to the section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Raw materials used	278,839	253,114	200,970	187,892
Changes in inventories of work in process	(2,184)	18,365	(3,658)	2,736
Salaries, wages and other employee benefits	184,147	168,988	132,407	120,165
Depreciation and amortisation expenses	19,360	21,824	12,259	13,317
Subcontractor expenses	7,630	5,860	6,341	4,179
Freight and import expense	10,869	8,749	8,674	6,836
Transportation expenses	8,343	7,301	5,993	5,161
Utilities expenses	5,234	5,211	3,657	3,677
Commission expenses	7,204	7,551	5,114	5,298
Reduce cost of inventory value	408	2,051	545	1,539
Warranty reserve (reversal)	(1,476)	(1,676)	(2,163)	(960)
Repair and maintenance expenses	2,866	2,624	1,932	1,675
Professional fee	3,863	3,614	2,709	2,624
Rental expenses	713	814	2,736	2,094

24. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge for the year	15,647	14,353	13,356	11,850
Adjustment in respect of current income tax of previous year	168	-	5	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(553)	(529)	70	(534)
Income tax expenses reported in the statements of comprehensive income	15,262	13,824	13,431	11,316

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax relating to actuarial gain	(686)	-	(819)	-

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	72,811	72,834	74,340	62,308
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	14,562	14,567	14,868	12,462
Adjustment in respect of current income tax of previous year	168	-	5	-
Effects of:				
Non-deductible expenses	671	607	625	506
Additional expense deductions allowed	(2,108)	(1,656)	(2,082)	(1,652)
Other	15	-	15	-
Related transactions	1,954	306	-	-
Total	532	(743)	(1,442)	(1,146)
Income tax expenses reported in the statements of comprehensive income	15,262	13,824	13,431	11,316

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	11	11	11	11
Allowance for diminution in value of inventories	1,085	1,003	948	840
Provision for long-term employee benefits	7,852	7,191	5,586	5,553
Warranty reserve	1,095	1,535	582	1,170
Total	10,043	9,740	7,127	7,574
Deferred tax liabilities				
Unrealised gain on held for trade investments	442	-	442	-
Accumulated depreciation - building	186	192	-	-
Total	628	192	442	-
Deferred tax assets - net	9,415	9,548	6,685	7,574

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017 (Thousand Baht)	2016 (Thousand Baht)	2017 (Thousand shares)	2016 (Thousand shares)	2017 (Baht)	2016 (Baht)
Consolidated financial statements						
Basic earnings per share						
Profit attributable to equity holders of the Company	57,548	59,011	600,000	474,180	0.10	0.12
Separate financial statements						
Basic earnings per share						
Profit attributable to equity holders of the Company	60,908	50,991	600,000	474,180	0.10	0.11

26. Segment 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 chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, the Company and its subsidiary are organised into business units based on their products and services with production facilities in Thailand and operates in both local and overseas markets, and have two reportable segments as follows:

1. Sales and relevant service.
2. Service.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Transfer prices between operating segments are concluded on commercial terms and based agreed upon between the operating segments as described in Note 6 to the financial statements.

Inter-segment revenues are eliminated on consolidation.

The following table presents revenue and profit and total assets information regarding the Company and its subsidiary's operating segments as at and for the years ended 31 December 2017 and 2016:

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the years ended 31 December									
	Sale and relevant service income		Service income		Total segments		Eliminated transactions		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and service income										
Related party	7,636	4,839	398	279	8,034	5,118	(8,034)	(5,118)	-	-
External customers	483,048	478,716	130,787	120,994	613,835	599,710	-	-	613,835	599,710
	490,684	483,555	131,185	121,273	621,869	604,828	(8,034)	(5,118)	613,835	599,710
Gross profit margin					183,533	185,402	103	125	183,636	185,527
Other income					23,110	13,116	(15,985)	(5,361)	7,125	7,755
Selling expenses					(27,025)	(25,119)	-	-	(27,025)	(25,119)
Administrative expenses					(96,287)	(95,254)	6,112	3,465	(90,175)	(91,789)
Finance cost					(751)	(3,779)	-	240	(751)	(3,539)
Income tax expenses					(15,262)	(13,824)	-	-	(15,262)	(13,824)
Profit for the year					67,318	60,542	(9,770)	(1,531)	57,548	59,011
Segment total assets									953,026	900,041
Additions to non-current assets other than deferred tax assets									37,006	16,867

Geographic information

The Company and its subsidiary operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

In 2017, the Company and its subsidiary have no major customer with revenue of 10 percent or more than of its consolidated revenue.

In 2016, the Company and its subsidiary have revenue from four major customers in amount of Baht 193 million and the Company only of Baht 126 million.

27. Provident fund

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary, the Company and its subsidiary contribute to the fund monthly at the same rate as its employees but not more than 5 percent of basic salary. The fund, which is managed by Sinstaporn's Securities Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 by the Company and its subsidiary amounting to approximately Baht 2.87 million (2016: Baht 2.20 million) were recognised as expenses, the Company only: Baht 2.27 million (2016: Baht 1.79 million).

28. Commitments and contingent liabilities

As at 31 December 2017, the Company and its subsidiary had commitments and contingent liabilities as follows:

28.1 Capital commitments

As at 31 December 2017, the Company and its subsidiary had capital commitments of approximately Baht 6.77 million relating to warehouse construction of its subsidiary, the Company only: nil (2016: Consolidated and separate financial statements of Baht 0.09 million, relating to computer software development of the Company).

28.2 Operating lease and service commitments

The Company and its subsidiary have entered into several lease and service agreements in respect of the lease of space, computer software maintenance, s ecurity service, consultant fee and other services. The terms of the agreements are generally between 1 and 4 years.

Future minimum payments required under these operating leases and service agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable within:				
Less than 1 year	1.15	1.48	1.00	3.21
1 to 4 years	0.37	0.15	0.26	0.15

28.3 Guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 42.29 million (2016: Baht 39.15 million), the Company only: Baht 26.28 million (2016: Baht 35.98 million), issued by banks on behalf of the Company and its subsidiary to guarantee contractors work.

28.4 Credit facilities

The Company and its subsidiary have unused credit facilities of bank overdraft and other credits of approximately Baht 580.70 million which are guaranteed by land and building thereon of its subsidiary and pledge by bank deposits of the Company.

29. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiary had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	As at 31 December 2017			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	112,213	-	112,213
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	107	-	107

(Unit: Thousand Baht)

	As at 31 December 2017			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	112,213	-	112,213
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	43	-	43

(Unit: Thousand Baht)

	As at 31 December 2016			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	110,078	-	110,078
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	438	-	438

(Unit: Thousand Baht)

	As at 31 December 2016			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	110,078	-	110,078
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	243	-	243

30. Financial instruments

30.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables and short-term and long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other receivables. They manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, they do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary exposure to interest rate risk relates primarily to their deposits with banks, bank overdrafts and loan from banks. However, since most of their financial assets and liabilities have short-term maturity and bear floating interest rates or fixed interest rates which are close to the market rate. For long-term loans bear floating interest rates.

Significant financial assets and liabilities as at 31 December 2017 and 2016 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	As at 31 December 2017									
	Consolidated financial statements					Separate financial statements				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets										
Cash and cash equivalents	68.0	139.8	62.7	270.5	0.37 - 1.40	68.0	131.1	2.2	201.3	0.37 - 1.40
Current investments	-	-	112.2	112.2	-	-	-	112.2	112.2	-
Trade and other receivables	-	-	161.2	161.2	-	-	-	117.0	117.0	-
	68.0	139.8	336.1	543.9		68.0	131.1	231.4	430.5	
Financial liabilities										
Trade and other payables	-	-	65.5	65.5	-	-	-	39.7	39.7	-
Liabilities under financial lease agreement	8.2	-	1.1	9.3	4.55 - 7.69	6.8	-	1.1	7.9	4.55 - 7.69
	8.2	-	66.6	74.8		6.8	-	40.8	47.6	

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(Unit : Million Baht)

	As at 31 December 2016									
	Consolidated financial statements					Separate financial statements				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets										
Cash and cash equivalents	176.0	1.5	0.7	178.2	0.37 - 1.60	160.6	1.1	0.6	162.3	0.37 - 1.60
Current investments	100.0	-	110.1	210.1	1.60	100.0	-	110.1	210.1	1.60
Trade and other receivables	-	-	142.6	142.6	-	-	-	104.8	104.8	-
	276.0	1.5	253.4	530.9		260.6	1.1	215.5	477.2	
Financial liabilities										
Short-term loans from financial institutions	-	36.4	-	36.4	1.73 - 3.45	-	25.2	-	25.2	1.73 - 2.40
Trade and other payables	-	-	27.7	27.7	-	-	-	21.3	21.3	-
Liabilities under financial lease agreement	12.3	-	1.6	13.9	4.55 - 7.69	10.8	-	1.6	12.4	4.55 - 7.69
Long-term loans from financial institutions	-	3.0	-	3.0	MLR - annual fixed rate as stipulated in contact	-	-	-	-	MLR - annual fixed rate as stipulated in contact
	12.3	39.4	29.3	81.0		10.8	25.2	22.9	58.9	

Foreign currency risk

The Company and its subsidiary's exposure to foreign currency risk arises mainly from selling and purchasing transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

Below is the summary of Company and its subsidiary's significant foreign currency dominated assets/ liabilities.

Currency	As at 31 December 2017				Average exchange rate as at 31 December 2017 (Baht per one foreign currency unit)
	Consolidated financial statements		Separate financial statements		
	Assets (Thousand)	Liabilities (Thousand)	Assets (Thousand)	Liabilities (Thousand)	
EUR	9	621	8	401	39.0273
USD	424	74	424	72	32.6809

Currency	As at 31 December 2016				Average exchange rate as at 31 December 2016 (Baht per one foreign currency unit)
	Consolidated financial statements		Separate financial statements		
	Assets (Thousand)	Liabilities (Thousand)	Assets (Thousand)	Liabilities (Thousand)	
EUR	10	1,154	1	766	37.7577
USD	32	141	32	116	35.8307

As at 31 December 2017 and 2016, the Company and its subsidiary had outstanding forward exchange contract with maturities less than one year as follows:

As at 31 December 2017

Consolidated financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate	
				Bought amount	Sold amount
				(Baht per one foreign currency unit)	
Euro	537	21,190	5 April - 28 June 2018	39.01 - 39.75	-

As at 31 December 2016

Consolidated financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate (Baht per one foreign currency unit)	
				Bought amount	Sold amount
Euro	658	25,425	9 January - 7 June 2017	38.12 - 39.46	-

As at 31 December 2017

Separate financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate (Baht per one foreign currency unit)	
				Bought amount	Sold amount
Euro	348	13,681	20 April - 28 June 2018	39.29 - 39.50	-

As at 31 December 2016

Separate financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate (Baht per one foreign currency unit)	
				Bought amount	Sold amount
Euro	479	18,465	26 January - 7 June 2017	38.12 - 39.09	-

The net fair value of the outstanding derivatives as at 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017 Loss	2016 Loss	2017 Loss	2016 Loss
Derivatives				
Forward exchange contracts	(107)	(438)	(43)	(243)

30.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiary in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans and liabilities under finance lease agreements, their carrying amounts in the statement of financial position approximate their fair value.

b) Current investments in securities held for trading debt securities are stated at market fair value.

c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2017, the Company and its subsidiary's debt-to-equity ratio was 0.23:1 (2016: 0.24:1) and the Company only was 0.16:1 (2016: 0.18:1).

32. Event after the reporting period

On 22 February 2018, the Board of Directors' Meeting of the Company passed a resolution to approve the dividend payment for the operating results of the year 2017 at the rate of Baht 0.07 per share, totaling Baht 42 million. The schedule of the dividend payment is in May 2018. However, such dividend payment is subject to the approval of the Annual General Meeting of the shareholders, which is to be held on 24 April 2018.

33. Reclassification

The Company and its subsidiary have reclassified certain accounts in the statement of comprehensive income for the year ended 31 December 2016, presented herein as comparative information, in order to comply with the reclassification of accounts for the current year. The details are as follows.

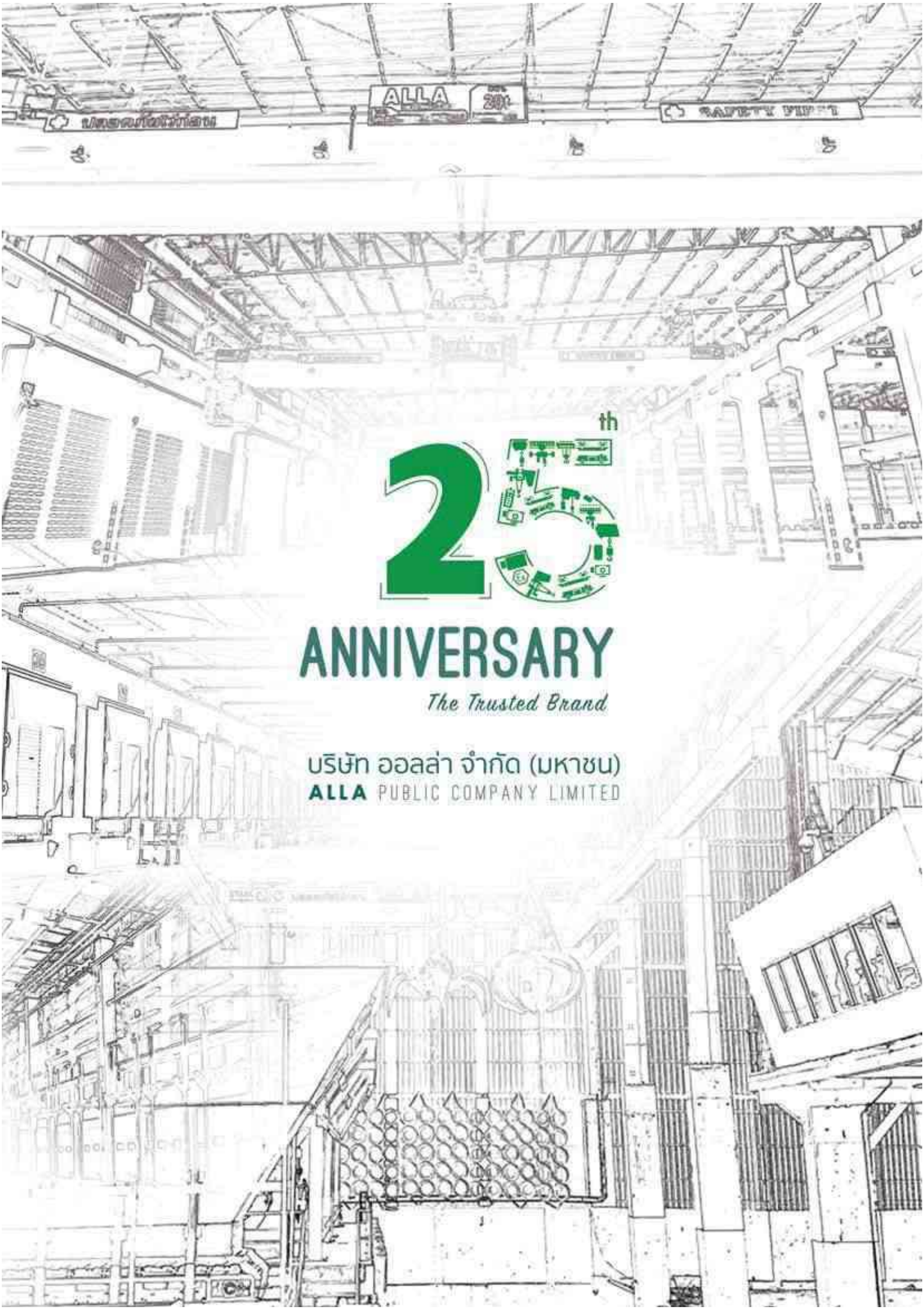
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of comprehensive income				
Cost of sales and services	414,183	413,789	290,629	290,364
Selling expenses	25,119	25,010	16,232	16,171
Administrative expenses	91,789	91,164	69,253	68,729
Finance cost	3,539	4,667	3,005	3,855

The reclassifications had no effect to previously reported net profit or shareholders' equity.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2018.



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ANNIVERSARY

The Trusted Brand

บริษัท ออลล่า จำกัด (มหาชน)

ALLA PUBLIC COMPANY LIMITED



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