ALLA ANNUAL REPORT 2018

บริษัท อลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED

รายงานประจำปี 2561

VISION • วิสัยทัศน์

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

จะเป็นผู้นำในการเป็นผู้ผลิตและจำหน่ายอุปกรณ์ขนถ่ายวัสดุให้เป็นไปตามมาตรฐานสากล

MISSION • พันธกิจ

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

บริษัทมุ่งให้ความสำคัญและมุ่งมั่นพัฒนาในเรื่องของคุณภาพ ตลอดจนการบริการหลังการขายและ
ความปลอดภัยในทุกขั้นตอนของการดำเนินงาน เพื่อเพิ่มคุณค่าให้แก่ลูกค้าอย่างต่อเนื่อง

BUSINESS STRATEGY • กลยุทธ์ในการดำเนินธุรกิจ

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

กลุ่มบริษัทมีกลยุทธ์ที่จะสร้างความพึงพอใจสูงสุดให้แก่ลูกค้า ด้วยระบบคุณภาพของสินค้า การส่งมอบที่ทันเวลา
ในราคาที่ลูกค้ายอมรับได้ การบริการหลังการขายที่รวดเร็ว ความพร้อมของอะไหล่ การควบคุมความปลอดภัย
ในทุกขั้นตอนด้วยระบบที่ได้มาตรฐานสากล ซึ่งกลยุทธ์ดังกล่าวสามารถช่วยสร้างความได้เปรียบในการแข่งขัน
ให้กับบริษัทในธุรกิจขนถ่ายวัสดุได้เป็นอย่างดี

Long Term Goal and Objective

Throughout the past twenty six years, ALLA Group has concentrated on being the leader of entire material handling equipment industry. The Company also focuses on sustainable growth with integrity, good governance, also social and environment awareness. The Company sets its objectives and long term goals as follow:

1. Expand the main business of material handling equipment to new customers in order to cover other industries.
2. Internationally expand the business to potential markets, for instance, South East Asia Market.
3. Strengthen after-sales service to enhance recurring income.
4. Improve the Company's personnel to be professional for sustainable growth of the business.

Core Values



- A : Accountability
- C : Commitment and Ownership
- T : Teamwork and collaboration
- I : Integrity
- O : Optimism
- N : Nobility

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Mr. Weerachai Ngamdeevilaisak
Chairman of the Board of Directors

Message from the Chairman

Due to the positive growth among Thai and Global economic outlooks together with the great demand of crane and material handling equipment, the Company's performance recovers from the recession and approaches the satisfactory in 2018.

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. In 2018, the Company was appointed to be the agent of another German brand known as "YALE" and this brought us to be a leader of the upper and middle market of hoist. Moreover, we developed the loading dock equipment markets among warehouse and logistics industry to satisfy various consumers and promote the business opportunity together with value creation.

The Company prioritizes organization management and comply with good corporate governance.The Company operates with transparency focusing on good internal control, proficient, accountability and risk management. The management also adhere to execute related regulations, laws and rules.The company has been upgraded to the score of the Corporate Governance Survey to be "very good" from the corporate governance report of listed companies in the Stock Exchange of Thailand for the year 2018 assessed by Thai Institute of Directors Association (IOD), showing the Company adhere to operate with transparency, an important basis for business sustainable growth.

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.

Massage from the Chief Executive Officer

Over the past twenty six years, we have been strongly determined to be manufacturer and distributer of material handling equipment i.e. crane and hoist, loading dock equipment and after sales service. In 2018, the Company sets up warehouse system as a new business unit in order to develop its loading dock equipment markets among warehouse and logistics industry.

We are currently appointed to be sole agent of STAHL and ABUS which are originally from Germany. Both STAHL and ABUS are widely acceptable with the internationally standard. Besides, it was our delight to be appointed as an agent of another German brand known as YALE. This brings us to be a leader of the upper and middle market as well as great financial performance with Baht 677.44 million of sales and Baht 75.92 million of bottom line.

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 Director, investor, financial institution, mass media, business allies, customers along with all staff for having confidence with the Company and being the great supportersall 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.



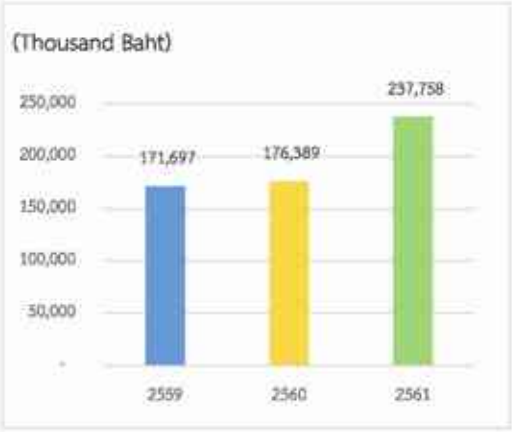
Mr. Ong-ard Puntuyakorn
Chief Executive Officer

Key Financial Information



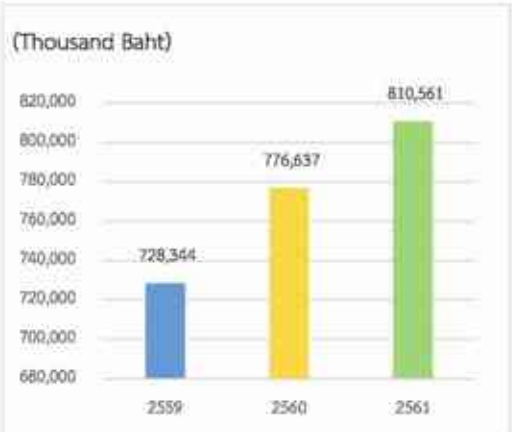
Total Assets

Total assets as at 31 December 2018 was Baht 1,048 million increased of Baht 95 million or 10%, compared to 31 December 2017. Cash and cash equivalents decreased from dividend payment and investment in short-term investments and fixed assets. Trade accounts receivable and accrued income increased in line with the increase of revenue from sales and services. Inventories increased in order to support orders from customers.



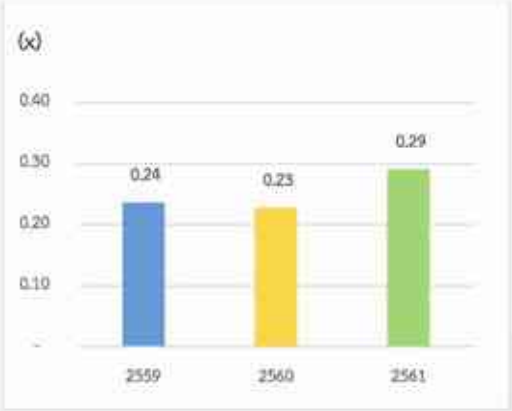
Total Liabilities

Total liabilities as at 31 December 2018 was Baht 238 million increased of Baht 61 million or 35%, compared to 31 December 2017. Trade account payables increased in line with the increase of inventories, in order to support orders from customers. Deposits received in advance increased in line with the increase of backlog revenues.



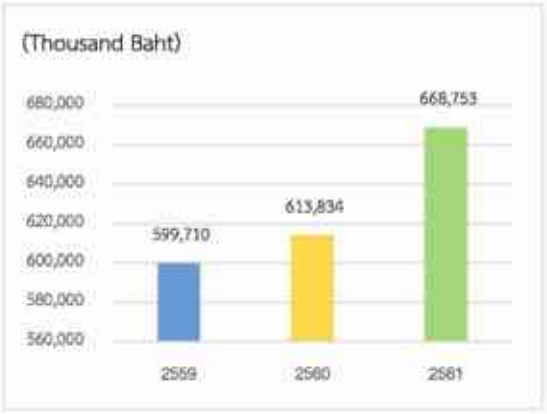
Total Shareholders' Equity

Total shareholders' equity as at 31 December 2018 was Baht 811 million increased of Baht 34 million or 4%, compared to 31 December 2017, which increased from total comprehensive income of Baht 76 million and decreased from dividend payment of Baht 42 million.



Total Liabilities to Equity

Total liabilities to equity as at 31 December 2018 was 0.29x increased by 0.06x, compared to 31 December 2017 due to the increase in current liabilities as from trade accounts payable and deposit received in advance.



Total Revenue from sales and services

Total revenue from sales and services for the year of 2018 was Baht 699 million increased from prior year of Baht 55 million or 9 %. Revenue from sale of crane and hoist slightly increased by 1%. Revenue from sale of industrial doors and loading docks increased by 35% due to the expansion of core customers, especially Hypermarket, Agriculture and Foods, and Construction contractor. Service revenues increased by 7% from crane and hoist service segment which due to Automotive and Steel and Aluminum business sectors.



Total Gross Profit and Gross Profit Margin

Gross profit for the year of 2018 was Baht 212 million increased from prior year of Baht 29 million or 16%. Gross profit margin for the year of 2018 was 32% increased from prior year by 2%. The increase due to special projects that were delivered to customers during the year including efficient costing management.



Total Net Profit

Total net profit for the year of 2018 was Baht 74 million increased from prior year of Baht 16 million or 28%, in line with the increase of gross profit.

The Board of Directors



1 2 3 4

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. 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

4. Mr. Tratorn Rattanasrithong

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



5 6 7 8

5. Mr. Chirawat Srisawadi

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

6. Mr. Patai Bunmark

Director, Member of the Audit Committee,
and Independent Director

7. Mrs. Vallaya Puntuyakorn

Director, Executive Director
and Chief Administrative Officer

8. Miss Rachaya Rattanasrithong

Director

The Board of Directors Profiles



Mr. Weerachai Ngamdeevilaisak

Chairman of the Board of Directors,
Chairman of the Audit Committee
and Independent Director
Age 56

Education

- 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

Training

- 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, Independent Director, Member of the Risk Management Committee and Chairman of the Nomination and Remuneration Committee Pruksa Holding Public Company Limited
2013 – Present	Audit Committee , Independent Director, Chairman of the Risk Management Committee and Member of the Nomination and Remuneration Committee Srisawad Power 1979 Public Company Limited

Other Position (s) - 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 Public Company Limited.
2018 – Present	Director Mongkolpathawee Company Limited

Past Experience

2003 – 2015	Managing Director Accountancy and Business Advisory Co., Ltd.
2003 – 2015	Managing Director Professional Outsourcing Solution 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 60

Education

- 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

Training

- 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. 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 59

Education

- Master of Management,
  Sasin Graduate Institute of Business Administration of
  Chulalongkorn University
- Bachelor of Engineering,
  King Mongkut's Institute of Technology Ladkrabang

Training

- Director Accreditation Program (DAP) Class 110/2014

% of Share holding : 33.85

Family relationship between directors and executives :
Spouse of Mrs. Vallaya 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 Office Onvalla Co., Ltd.



Mr. Tratorn Rattanasrithong

**Director, Executive Director,
Vice Chairman of Risk
Management Committee
and Chief Operating Officer**
Age 55

Education

- 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

Training

- Director Accreditation Program (DAP) Class 110/2014
- Advanced Master of Management (AMM) Class 1 ,
  National Institute of Development Administration

% of Share holding : 7.92

Family relationship between directors and executives :
Father of Miss Rachaya Rattanasrithon

Experience

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



Mr. Chirawat Srisawadi

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

Age 62

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration in Accounting, Ramkhamhaeng University

Training

- 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 and Independent Director and Chairman of the Nomination and Remuneration Committee Alla Public Company Limited

Other Position (s) - Other companies

2005 – Present	Executive Director AmplusChem Co., Ltd.
2007 – Present	Executive Director Siam Chemicals Solutions Co., Ltd.



Mr. Patai Bunmark

Director, Member of the Audit Committee, and Independent Director

Age 53

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering in Electrical, King Mongkut's University of Technology Thonburi

Training

- Director Certification Program (DCP) Class 196/2014

% of Share holding : None

Family relationship between directors and executives : None

Experience

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

Other Position (s) - Other companies

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



Mrs. Vallaya Puntuyakorn

Director, Executive Director and Chief Administrative Officer
Age 56

Education

- YWCA Secretarial School Diploma

Training

- Director Accreditation Program (DAP) Class 110/2014

% of Share holding : 22.50

Family relationship between directors and executives :

Spouse of Mr. Ong-ard 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.



Miss Rachaya Rattanasrithong

Director
Age 30

Education

- Master of International Business, University of Newcastle, Australia
- Bachelor of Commerce and Accountancy, Thammasat University

Training

- Director Accreditation Program (DAP) Class 144/2018

% of Share holding : 1.67

Family relationship between directors and executives :

Daughter of Mr. Tratorn Rattanasrithong

Experience

2017 – Present	Director Alla Public Company Limited
2014 – Present	Financial Manager Alla Public Company Limited

Past Experience

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

Executive Committee



1 2 3

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 5 6

4. Miss Rawiphun Tantiauschariyakul

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

5. Mr. Pracha Patthanawitthayakul

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

6. Mr. Chumphol Chanchareon

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

Executive Committee Profiles



Miss Rawiphun Tantiauschariyakul

Executive Director,
Member of the Risk Management Committee,
Chief Financial Officer and Company Secretary
Age 36

Education

- Bachelor of Accountancy (1st Class Honors),
  Prince of Songkla University

Training and other

- Certified Public Accountant
- Young CFO Certificated program,
  Federation of Accounting Professions of Thailand
- Risk Management Program,
  Chulalongkorn University
- Advances for Corporate Secretaries
- Strategic CFO in Capital Markets Program #06 ,
  The Stock Exchange of Thailand

% 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 – 2014	Audit Manager EY Company Limited

Mr. Chumphol Chanchareon



Executive Director,
Member of the Risk Management Committee
and General Manager
Age 52

Education

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

Training

-

% 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

Mr. Pracha Patthanawitthayakul



Executive Director,
Member of the
Risk Management Committee
and General Manager
Age 47

Education

- Bachelor of Mechanical Engineering,
  Chulalongkorn University

Training

-

% of Share holding : None

Family relationship between directors and executives : None

Experience

2017 – Present	Executive Director, Member of the Risk Management Committee and General Manager

Alla Public Company Limited

Past Experience

2007 - 2017	Mechanical Construction Manager Italian-Thai Development Public Company Limited

History and Significant Changes

Alla Public Company Limited ("the Company" or "ALLA") 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 including material handling system, warehouse systems providers and after-sales service.

The Company and its subsidiary history and significant changes in brief

Period	History and Significant Changes
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 milliom 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.

Period	History and Significant Changes
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.
2013	ONVALLA (Subsidiary) invested in land with the area of 8,490.40 square meters next to Onvalla factory at Lamlukka Phatumthani to expand the utility space.
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 registed 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 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.

Period	History and Significant Changes
2018	- Obtained ISO9001:2015 from TUV NORD which is the certificate of quality management. - Completed ONVALLA (Subsidiary) new warehouse with the area of 4,230.16 square meters. - On 27 October 2018, the Company was officially appointed as a distributor of hoist parts under “YALE” brand by STAHL CraneSystems GmbH.

Nature of Business

Revenue structure of the Company and its subsidiary in 2018 - 2016

Particulars (Consolidated Financial Statement)	2018		2017		2016	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales						
• Crane and hoist	367.66	54.28	364.55	58.71	367.65	60.52
• Loading Dock and Equipment.	160.45	23.69	118.50	19.08	111.06	18.29
• Warehouse systems providers	0.06	-	-	-	-	-
Total revenues from sales	**528.21**	**77.97**	**483.05**	**77.79**	**478.71**	**78.81**
Revenues from services						
• Crane and hoist	117.75	17.38	103.89	16.73	106.47	17.53
• Loading Dock and Equipment.	22.44	3.32	26.51	4.27	14.16	2.33
• Training center service	0.35	0.05	0.39	0.06	0.37	0.06
Total revenues from services	**140.54**	**20.75**	**130.79**	**21.06**	**121.0**	**19.92**
Other revenues[1/]	8.69	1.28	7.12	1.15	7.76	1.28
Total	**677.44**	**100.00**	**620.96**	**100.00**	**607.47**	**100.0**

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. Loading Dock and Equipment		
-Dock Leveler and Industrial Door	✓	-
-PVC Strip Curtain and Air Curtain	-	✓
3. Warehouse systems	✓	-
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 hoist 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.
On 27 October 2018, the Company was also appointed as a distributor of the "YALE" brand. STAHL, ABUS and YALE 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 lammable material. It comes in both chain and sling types.

2. Loading Dock and Equipment

Loading Dock is an equipment facilitating goods handling, 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.






2.3 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 insect efficiently.




3. Warehouse systems

In 2018, the Company foresaw potential growth of the warehouse systems business thus the Company set up the new business unit as comprehensive sales and services related to warehouse systems and accessories. Since the government have supported Thailand to be logistics hub of ASEAN and moving into Thailand 4.0 era focusing on maximize utilities of the warehouse space by increasing the use of machines and automation in order to reduce cost and enhace the warehouse performance to be more efficient, accurate and faster.

The Company distribute and installs quality warehouse systems and accessories which be designed to suit the customers' needs, including simple racking and best technology automated warehouse system - AS/RS, by experienced professionals with the recognized in Europe and America, including

3.1 Automated sorting and retrieving system – AS/RS enhance sorting and picking product more precisely, fast and safe. In addition, it reduce number of staffs in the warehouse by using the program-controlled machine to store in pallets, unit load carriers, a belt or AGV (Automatic Guide Vehicle) as well as non-driver forklift (AGV Truck).

3.2 System Provider is a system design that works together with various types of equipment, such as Warehouse Management System (WMS), Warehouse Control System (WCS), Transportation System (TMS), Conveyor, picking system and sorting system under the cooperation between the Company and foreign companies that expertise in warehousing and distribution.

3.3 Simple Racking is multipurpose shelf helping easy and convenient warehouse placement. It is available in small to large and the level-adjustment shelves as needed and structuring for maximum efficiency including rack guards.

3.4 High Volume Low Speed (HVLS) Fan is large ceiling fan that generate large amounts of air at low rotational speed. HVLS fan is an important equipment to distribute air throughout the working area and suitable for wide areas and warehouse or industrial plants ventilation. The Company has quality products with leading brand. It can be used with ease, safety, energy saving and installing inside and outside.

3.5 Warehouse LED made from quality materials with international standards and long-term usage. LED power is 5OW with input voltage AC90-305V. Number of LEDs 77 PCS lumens (+50) 8,500 meters, size 30*12,295 mm. Using advanced electrical control techniques with High voltage and wide-input voltage at 374v 480v prevent light instability caused by the network.

4. Services

4.1 After-sales services, other services for general customers

As at 31 December 2018, the Company and its subsidiary have 39 experienced teams with 89 skilled staff and suficient stock of spare parts for customer's needs. Furthermore, the Company locates service center in Chonburi Province and Chachoengsao Province in order to provide 24-hour after-sales services to customers. The subsidiary locates service center in Pathumthani Province. After-sales services of the Company and the subsidiary can be classified into three major categories as follows:

4.1.1 After-sales services, other services for general customers

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.

In 2018, there is grand opening the “Puntu” meeting room or “ALLA Learning Center” on the third floor of Onvalla Factory, Lum Luk ka, being training center such courses of operation for crane operator.

Market and Competition

Competitive Strategy

The Company and its subsidiary deine 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 ISO9 0 0 1 : 2 0 15 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 conident 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, lexibility 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 are 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 satisied 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 (%)		
	2018	2017	2016
1. Steel and aluminum	23.54	11.78	19.73
2. Motor vehicles	19.17	21.55	11.31
3. Agriculture and foods	13.08	9.54	5.29
4. Power plant	5.70	10.05	13.38
5. Logistics	5.59	6.92	1.72
6. Hypermarket and convenient stores	5.14	4.48	1.38
7. Construction materials	2.52	4.13	13.17
8. Others[1/]	25.26	31.55	34.02
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 suficient 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 : 2015 for Quality Management System	16 Mar 2018 - 15 Mar 2021	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 and control safety risk to employee and concerned.
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 and control safety risk to employee and concerned.

In 2018, the Company is migrating to ISO 45001, new international standard for occupational health and safety management, to replace the current OHSAS 18001 and the TIS 18001, Thai industry standard for occupational health and Safety, which was developed to support the needs of the industry as a reliable health and safety management system standard. It is expected to be completed in 2019.

Industry Overview and Competition

Target customers of the Company and its subsidiaries comprising government agencies and private agencies, being end users, main contractor and sub-contractor in a variety of industries. For the year 2018, the Company and its subsidiaries have increased in performance due to the industry and investment expansion. In the beginning of 2018, the Company initiate new business unit enhancing the leader in manufacturing and distribution in material handling equipment as warehouse system and accessories. The new business unit fulfill the Company to be warehouse solution center by providing one stop service to continuously facilitate and customers' value creation.

Investment Promotion

In 2018, the overall Thai economy has expanded evidenced by records of the Board of Investment (BOI) for January to September 2017 and 2018 that number of BOI project applications increased from 1,021 projects to 1,125 projects and a total investment value slightly increased from Baht 373.91 billion to Baht 377.05 billion. The aforementioned increase in investment will be 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.

Table: BOI promotion application filed 2016-2017 and 9 months (January-September) 2017 and 2018

	Jan-Sep 2018	Jan-Sep 2017	2017	2016
Number of Project	1,125	1,021	1,596	1,504
Total Investment (Billion Baht)	377.05	373.91	635.93	529.19
Registered Capital (Billion Baht)	32.34	42.68	79.44	73.49
- Thai	13.08	15.37	42.10	41.67
- Foreign	19.26	27.31	31.34	31.82

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

Investment in Transport Infrastructure

The government plans to develop Thailand's Transport Infrastructure Development Strategy 2015-2022 under the accelerated plan the achievement of development goals in order to solve trafic 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, there are opportunities for the Company and its subsidiary to sale products and services to target customers related to the development plan and also have the potential growth from investing in the development of transportation infrastructure from the upcoming Eastern Economic Corridor (EEC).

Expansion of logistics and warehouse business

According to Thailand's Logistics Development Strategy (2017 - 2021), it 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.

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 Ofice of the Energy Regulatory Commission's records as at 15 January 2019, 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 iled application to EGAT and PEA are classiied into various status and types of plants. Therefore, the Company has an opportunity to produce and distribute cranes for power plants that have iled 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 45 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	-	-	-	-	-	-	-	-
Approved but have not yet signed PPA	1	540.00	18	450.14	-	-	19	990.14
Signed PPA but have not yet COD	3	5,930.00	23	1,773.50	76	364.53	102	8,068.03
COD	17	15,544.52	141	12,781.46	926	4,994.30	1,084	64,932.89
Total	**21**	**22,014.52**	**182**	**15,005.10**	**1,002**	**5,358.83**	**1,205**	**73,991.06**

Source: Power plant information as at 15 January 2019 of the Ofice 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

Eastern Economic Corridor - 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, afluent, 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 and Service 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 theCompany 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, locatedat 50 Moo 20, Lam Luk Ka Sub-District, Lam Luk Ka District, Pathumthani Province, on land area of 10 rai 2 ngan 77 square wah.

Maximum capacity of the Company and its subsidiary, classiied by type of crane, and utilization rates 2017-2018

Type of Crane	Maximum Annual Capacity (No. of Crane) [1/]		Combined Utilization Rate (%)	
	Company	Subsidiary	2018	2017
Single girder crane, less than 15 meters long	102	94	17	17
Single girder crane, more than 15 meters long	76	75	24	17
Double girder crane, less than 15 meters long	60	43	9	12
Double girder crane, more than 15 meters long	42	36	17	31
Special-function crane, less than 15 meters long	32	-[2/]	28	12
Special-function crane, more than 15 meters long	25	-[2/]	24	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 inished 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 2,100 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 2018 are consist of 5 areas, the satisfaction scores in each area are as follow:

- Product Quality has satisfaction score 99.07%
- Sales Representative Quality has satisfaction score 97.82%
- Performance Quality has satisfaction score 98.68%
- Safetyness has satisfaction score 91.16%
- Overall has satisfaction score 95.13%

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 18 May 2018 and on the subsidiary on 11-12 May 2018 by C.E.M Technology (Thailand) Co.,Ltd., demonstrate that the noise level and air quality meet legal requirements.

Backlog

As at 31 December 2018, the Company and its subsidiary have backlog amounting to Baht 459 million, increased 52% from the previous year amounting to Baht 301 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 1992 to engage in production, distribution and installation of crane and hoist. The Company was appointed as a sole distributor of hoist and crane parts under STAHL brand and a distributor of YALE brand, Germany, on 27 October 2018. Moreover, the Company imports, distributes and installs industrial door and dock level, warehouse systems providers, 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, parts manufacturer, power plant, construction materials, agriculture and warehouse. While crane and hoist parts of YALE brand normally suit for non-complicated usage such as small to medium factories.

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,YALE 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' conidence 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 conident 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 (2016-2018), the Company and its subsidiary's revenue was mainly contributed by customers in automobile and steel industry which are heavy industry and their growth mainly rely on economy Thailand. With the 2016-2017 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, 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 ine, 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 relects 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 63.85% 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	:	**Alla Public Company Limited**
Company Name	:	933 935 937 939 Soi Onnut 46, Onnut Road, Onnut Suanlung, Bangkok 10250
Branch		
Branch1 (Factory)	:	2/1 Moo 4, Watpimpawad-Klongkohdon Road, Kohrai, Banpho, Chachoengsao 24140
Branch2 (Service Center)	:	255/22 Moo 3, Route 311, Bo Win, Srirscha, Chonburi 20110
Branch3 (Office)	:	621 Soi Onnut 46, Onnut Road, Suanluang, Suanluang, Bangkok 10250
Registration No.	:	0107558000393
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	2322 1891-2
Website	:	www.alla.co.th

2. Socurities Registrar

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

3. Auditor

Company	:	**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

Nam	:	Miss Rawiphun Tantiauschariyakul and Miss Oranuch Phongamwong
Addresss	:	933 935 937 939 Soi Onnut 46, Onnut Road, Onnut Suanluang, Bangkok 10250
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	0 2322 1891-2
E-mail	:	ir@alla.co.th

Other Information

- None -

Securities and Major Shareholders Information

Registered and paid-up capital

As at 31 December 2018, 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 28 December 2018 as follows:

Name	Number (Shares)	%
1. Puntuyakorn Group		
1.1 Mr. Ong-ard Puntuyakorn	203,111,100.00	33.85%
1.2 Mrs. Vallaya Puntuyakorn	135,000,000.00	22.50%
1.3 Miss Chalumporn Puntiuyakorn	45,000,000.00	7.50%
Total Puntuyakorn Group	**383,111,100.00**	**63.85%**
2. Rattanasrithong Group		
2.1 Mr. Tratorn Rattanasrithong	47,500,000.00	7.92%
2.2 Miss Rachaya Rattanasrithong	10,000,000.00	1.67%
2.3 Mr. Pavat Rattanasrithong	7,749,200.00	1.29%
Total Rattanasrithong Group	**65,249,200.00**	**10.88%**
3. Mr.Chaowarat Vespinyo	20,478,400.00	3.41%
4. Mr.Chaivat Taepaisitphongse	10,763,000.00	1.79%
5. Miss Kalyarat Kruawan	5,800,000.00	0.97%
6. Mr. Bophit Phattrara-rangrong	3,470,500.00	0.58%
7. Mr. Wichai Chotvichien	2,894,300.00	0.48%
8. Mr. Somchai Ungpanichkul	2,625,900.00	0.44%
9. Mr. Anucha Saengcharoenvanakul	2,474,300.00	0.41%
10. Miss Kwanchat Leewatjanakul	2,239,700.00	0.37%
Total	**499,106,400.00**	**83.18%**

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 low, 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 operating 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	2018	2017	2016
Net Profit per share (Baht per share)	0.09	0.10	0.11
Dividend per share (Baht per share)	0.08	0.07	0.06
Dividend payout ratio (%)	86.66	68.96	58.83

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 complet 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 2018, 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.

Change in shareholding of directors and top executive

Name – Surname	Position	Period 2017 outstanding share as 29 December 2017	Period 2018 outstanding share as 28 December 2018	Change Increase/ (Decrease)
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	203,017,100	203,111,100	94,000
4. Mrs. Vallaya Puntuyakorn	Director/ Executive Director/ Chief Administrative Officer	135,000,000	135,000,000	-
5. Mr. Tratorn Rattanasrithong	Director/ Executive Director/ Vice Chairman of the Risk Management Committee/ Chief Operating Officer	67,500,000	47,500,000	(20,000,000)
6. Miss Rachaya Rattanasrithong	Director	-	10,000,000	10,000,000
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	-	-	-
9. Miss Rawiphun Tantiauschariyakul	Executive Director/ Member of the Risk Management Committee/ Chief Financial Officer/ Company Secretary	-	-	-
10. Mr. Chumpol Chancharoen	Executive Director/ Member of the Risk Management Committee/ General Manager	-	-	-
11. Mr. Pracha Patthanawitthayakul	Executive Director/ Member of the Risk Management Committee/ General Manager	-	-	-

Attendance of the Board of Directors Meeting in 2018 and 2017 can be summarized as follow

Name - Surname	Presence/ Total Meeting (times)	
	2018	2017
1. Mr. Weerachai Ngamdeevilaisak	7/7	6/6
2. Prof. Dr. Sahaton Rattanapijit	7/7	6/6
3. Mr. Ong-ard Puntuyakorn	7/7	6/6
4. Mrs. Vallaya Puntuyakorn	6/7	6/6
5. Mr. Tratorn Rattanasrithong	7/7	6/6
6. Miss Rachaya Rattanasrithong[1/]	7/7	-
7. Mr. Chirawat Srisawadi	6/7	6/6
8. Mr. Patai Bunmark	7/7	5/6

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

1. 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 irst 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.
2. In addition to the expiration for retirement of rotation, the director will be vacated the office term upon
    - Death
    - Resignation
    - 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)
    - By the resolution of the meeting of shareholders
3. 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. Take actions in compliance with the law, the Company's objectives and regulations and shareholder meeting resolutions with integrity and honesty in addition to preserving the Company's interests.
2. Evaluate, review, inspect and authorize the Company's vision, policies, direction, strategies and business plans as prepared by the Executive Committee and departments that prepare them.
3. Hold meetings of the Board of Directors at least six times annually where each meeting should be attended by the entire board, unless unavoidable circumstances cause otherwise.
4. Each director should attend at least 75 percent of all Board of Directors' meetings held each year.
5. The Chairman of the Board is to serve as the chairman of meetings in charge of supervising and allocating sufficient time for each meeting agenda. In addition, each director is entitled to express opinions freely on key issues with fair consideration given to the interests of shareholders and all parties involved.

   Each resolution passed by Board of Directors' meetings must be passed by a majority of votes, whereby each director holds one vote. In addition, stakeholder directors not present at a meeting and/or who do vote on a given agenda, in cases where votes are even, the meeting chairman will cast an additional deciding vote. In addition, each meeting has to be composed of at least two-thirds of all directors in order to form a quorum.
6. Make arrangements to establish an appropriate accounting, financial reporting and auditing system that is both reliable and effective. In addition, ensure that a record keeping system exists to allow subsequent verification of information accuracy.
7. Ensure that financial statements are created accurately in order to accurately demonstrate financial position and performance over each accounting period in accordance with facts, completely and correctly in line with generally accepted financial reporting standards. The Board of Directors is required to make arrangements for auditors approved by the Office of the Securities and Exchange Commission to audit and express opinions about the financial statements of the Company and subsidiaries before presentation at shareholder meetings. In addition, the Board of Directors is required to ensure the preparation and audit of quarterly financial statements.
8. Supervise the Company to ensure the presence of an adequate and effective internal control and internal audit system, and create a process for regularly evaluating the adequacy of the Company's internal control system.
9. Consider setting risk management policies for the entire organization and oversee the presence of systems and processes for managing risks with measures in place to support and

methods to control impacts to the Company's business as deemed appropriate, which includes effective reporting and monitoring and mechanisms for handling complaints and responses to informants. In addition, ensure that the Company has management that is consistent with good business governance policies.

10. Evaluate and authorize the Company's activities consistently with the Company's regulations and consider and authorize expenses for activities in the Company and subsidiaries in addition to creating a table for the delegation of authority.
11. Continuously monitor the performance of the Company and subsidiaries along with other joint companies in order to ensure consistency with the Company's and subsidiaries' objectives, guidelines, policies, business plans and budgets, and regularly evaluate the performance of the Board of Executives and management. Furthermore, specify remunerations and review succession plans.
12. Consider and set mechanisms for ensuring that the Company can control and supervise the management and work responsibilities of subsidiaries as if they are an agency of the Company. In addition, set measures for monitoring the management of subsidiaries to preserve the Company's capital investments in line with Announcement No. Tor. Jor. 39/2559.
13. Set in place and ensure compliance with written policies concerned with oversight in the businesses of the Company and subsidiaries in line with the principles of good governance such as the anti-corruption, reporting of clues and use of internal information policies and implement the aforementioned policies effectively in order to ensure confidence that the Company and subsidiaries are responsible and fair to all stakeholders.
14. Set in place written business ethics and morals to create a standard in the work of the Company's directors, executives and employees. In addition, the Board of Directors should monitor activities to ensure serious adherence to business ethics and morals.
15. Create the charters of the Board of Directors and sub-committees and revise the Board of Directors' charter and approve proposals made by sub-committees on changes to the contents of their charters to ensure that information is current and appropriate to changes in regulations, rules and situations. Furthermore, review charters at least once annually.
16. Make arrangements to ensure personal work evaluation annually conducted as by-committee and by-individual evaluations.
17. Consider and set the management structure with the authority to appoint specify authority and duties and remunerations for the Board of Directors composed of the President, the Chief Executive Officer and sub-committees.

18. Consider specifying and revising or changing the names of directors who possess binding signatory authority. In addition, in the event that a directorship is vacant due to any other reason aside from term expiration, the Board of Directors is in charge of selecting a person possessing the qualifications without the prohibitions stated by the Public Limited Companies Act and the Securities and Exchange Act, including all relevant announcements, regulations and/or rules to become a new director on the occasion of the next Board of Directors' meeting, unless the remaining term of the vacant directorship is less than two months.
19. Appoint people to become directors and executives in subsidiaries and joint venture companies at least according to the Company's share ratio in subsidiaries and joint companies. In addition, specify the remunerations, scope of authority, duties and responsibilities of appointed directors and executives and set the voting authority for the meetings of subsidiaries' and joint companies' boards of directors on issues that require prior approval from the Board of Directors. Furthermore, oversee and control the administration and management department of subsidiaries and joint companies to ensure consistently with the Company's plans and policies in addition to supervising and regulating transactions to ensure compliance with relevant laws and regulations. Moreover, monitor and ensure that subsidiaries and joint companies fully and correctly disclose information about their financial positions, performance, connected transactions and acquisition or disposal of significant assets as well as monitor and ensure that directors and executives in subsidiaries perform their duties and responsibilities in line with legal specifications.
20. Consider and propose remunerations for the Board of Directors as presented by the Nomination and Remuneration Committee for approval consideration at shareholder meetings. In the consideration of the Board of Directors' remunerations, judgement has to be based on consistency with the Company's long-term strategies and objectives and each director's experience, work obligations, scope and roles of responsibilities and expected benefits. In addition, the Company is prohibited from paying funds or assets to directors aside from remunerations as prescribed by the Company's regulations. In cases not covered by the Company's regulations, remuneration payments are to be decided by shareholder meeting resolutions passed by at least two-thirds of all votes of attending shareholders.
21. Appoint the Company's secretary to handle various affairs on behalf of the Company or the Board of Directors such as preparation and keeping of the registration of directors, director meeting invitations, director meeting reports, shareholder meeting invitations, shareholder meeting reports and stakes reports among others.
22. Consider and authorize transactions for the acquisition and disposal of the assets o the Company and subsidiaries, investments in new businesses and various other activities as

stipulated by laws, announcements and/or regulations related to the Stock Exchange of Thailand and the Capital Market Supervisory Board, including other relevant regulations.

23. Consider and/or express opinions about connected transactions between the Company, subsidiaries, joint companies and connected persons as required by the Securities and Exchange Act, including the regulations set by the Stock Exchange of Thailand and the Capital Market Supervisory Board. Furthermore, consider and authorize in principle trade agreements that have general trade conditions for transactions between the Company, subsidiaries, joint companies and directors, executives or other connected people in order to set the scope of activities and grand the Executive Committee and management the authority to conduct the aforementioned transactions within the frameworks and scopes of relevant laws and regulations. Furthermore, consider and/or express opinions about the Company's transactions (in cases where the transaction's value does not require consideration and approval of a shareholders' meeting) consistently and in compliance with all relevant laws, announcements, regulations and rules.
24. Supervise, control and prevent conflicts of interest between the Company's stakeholders and subsidiaries and take actions to resolve conflicts of interest and misuse of the Company's and subsidiaries' assets and inappropriate actions in transactions between people connected to the Company and/or subsidiaries and/or
25. Ensure confidence that the structures and work procedures of the Board of Directors and sub-committees support and exist to provide appropriate oversight and that changes can be made whenever required.
26. Hold an annual meeting of shareholders within four months after the conclusion of each of the Company's accounting years.
27. Make arrangements to ensure the disclosure of appropriate news and information to all stakeholders, persons with conflict of interest and all other related people. Furthermore, ensure the appropriate disclosure of significant news and information to shareholders in financial statements and reports prepared for shareholders. Moreover, the aforementioned information should be published via the Stock Exchange of Thailand's system first before possibly additionally published on the Company's website, and people should be assigned to be responsible for giving information to investors, and the Board of Directors should take actions to ensure that information is disclosed correctly, fully, appropriately and in a timely manner.

28. Ensure the preparation of annual reports and take responsibility for the creation and disclosure of financial information in compliance with laws and relevant regulations and present them to shareholder meetings for consideration and approval.
29. The Board of Directors may authorize one or several directors or other people to perform specific actions on behalf of the Board of Directors under the supervision of the Board of Directors or possibly through authorization of powers to the aforementioned persons as the Board of Directors deems appropriate and for time periods the Board of Directors deems fitting. In addition, the Board of Directors can revoke, cancel, revise or change granted authorizations as deemed appropriate. Furthermore, the aforementioned authorizations must not be in the manner that constitutes an authorization or sub-authorization that allows the aforementioned persons to evaluate and authorize transactions in which they or individuals with conflict of interest or stakes may gain or conflict of interest might arise as a result in any manner to the Company or subsidiaries (if any) (as defined in announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of relevant agencies), unless the aforementioned transactions are normal transactions of the Company and have the same criteria that exist for transactions conducted with external parties (arm's-length basis).
30. Seek independent opinions from professional consultants whenever it is deemed necessary concerning the expenses of the Company and or subsidiaries whereby the aforementioned hiring of consultation follows the regulations of the Company and subsidiaries.
31. Take joint responsibility for people who trade in the Company's securities and damages resulting from disclosure of information to shareholders and general public whereby information is presented falsely or with concealment in essential content as should have been disclosed in essential content in compliance with the specifications set by laws governing securities and exchange, unless directors can prove that their positions did not grant them knowledge in the authenticity of information or lack of information that should have been disclosed.
32. The Company's directors and executives are responsible for correctly, fully, appropriately and timely reporting to the Company about the relationships and ownership of the shares and debentures of the Company, subsidiaries and subsidiaries, including the transactions of the Company's directors and executives and people related to the aforementioned directors and executives with the Company or subsidiaries in a manner that might cause conflict of interest, including avoidance of transactions that might lead to conflict of interest with the Company or subsidiaries.

33. Take joint responsibility for damages caused to the Company in accordance with the criteria set by the Public Limited Companies Act.
34. Consider and approve payment of inter-period dividends in line with the Company's regulations when the Company views that sufficient profits exist, and report to shareholder meetings whenever inter-period dividends payments occur.
35. Perform all other duties related to the Company's business as assigned by shareholders.

The Audit Committee

As at 31 December 2018, the Audit Committee included four members with their attendance of the Audir Committee meeting in 2018 and 2017 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2018	2017
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Audit Committee	5/5	6/6
2. Prof. Dr. Sahaton Rattanapijit	Member of the Audit Committee	5/5	6/6
3. Mr. Chirawat Srisawadi	Member of the Audit Committee	5/5	6/6
4. Mr. Patai Bunmark	Member of the Audit Committee	5/5	5/6

Miss Woraratt Mekkerdchoo 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

1. The office term of each Audit Committee's member is based upon the office term they occupied as the Board of Directors.
2. The Audit Committee's members may be re-appointed if the Board of Directors see as appropriate, but the office term of the Audit Committee shall not be automatically renewed.
3. In addition to the expiration for retirement of rotation, the audit will be vacated the office term upon
    - Death
    - Resignation
    - Dismissal by the Board of Director
    - Disqualification as specified in the Audit Committee's charter or fail to comply with the regulations set by the Capital Market Commission, the Stock Exchange of Thailand and other regulatory agencies.

4. In case of the completion of the office term or any circumstances that don't allow the audit committee to continue the term of office, which result in the decrease in number of audit committee and therefore violates the required amount of at least three Audit Committee's members, the Board of Directors shall, immediately or within three months, appoint a new member to meet the requirement in order to resume the operation of the Committee. The substituted member can only be in the office within the remaining term of the member he/she replaced.

Scope of Authorities, Duties and Responsibilities of the Audit Committee

1. Review the Company's financial reports correctly with sufficient disclosure of information in line with financial reporting standards through coordination with external auditors and executives responsible for creating quarterly and annual financial reports. The Audit Committee can make recommendations for auditors to audit or review any important transaction as necessary during audits.
2. Review the Company to ensure the presence of an adequate and effective internal control and audit system and evaluate the independence of the internal audit agency in addition to granting approval for the appointment, transfer and termination of employment of the head of the internal audit agency or other agencies with responsibilities associated with internal audit.
3. Review the Company to ensure that the Company complies with laws governing securities and exchange as well as the specifications of the Stock Exchange of Thailand, the Capital Market Supervisory Board and/or other laws related to the business of the Company and subsidiaries.
4. The Audit Committee should hold meetings to deliberate on various matters as assigned as follows:
    - 4.1 Evaluate financial statements and related financial reports, accounting principles and accounting practices.
    - 4.2 Compliance with accounting standards, business continuity, significant changes in accounting policies, including reasonings of management for setting accounting policies before they are proposed to the Board of Directors for disclosure to shareholders and investors in general.
    - 4.3 Evaluate the internal control and internal audit system.
    - 4.4 Evaluate and review the Company's annual internal audit plans, procedures for coordinating work in related audit plans and joint audits with internal auditors and auditors. The Audit Committee should make inquiries about the scope of planned

audits in order to ensure that audit plans can detect corruption and faults in the internal control system.

4.5 Make joint considerations with internal auditors about problems and limitations encountered during audits and review the performance of internal auditors.

4.6 Make joint considerations with auditors about problems and limitations encountered during financial statement audits.

4.7 Make joint considerations with internal auditors and auditors about the presence of plans for reviewing procedures and control of electronic information processing and make specific inquiries about the security in order to prevent corruption and misuse of computers by company employees and external parties.

4.8 Consider and review transactions posing potential conflicts of interest such as connected transactions within the Company and others.

4.9 Ensure compliance with laws governing security and exchange and the specifications of the Stock Exchange of Thailand and/or all other relevant laws.

4.10 Perform all other tasks as assigned by the Board of Directors.

5. Consider, select and nominate for the appointment of independent people to serve as the Company's auditors as well as propose the remunerations for the aforementioned people. In addition, attend auditor meetings without the participation of management at least once annually in order to learn about the results of quarterly and annual financial statement audits and discuss problems and obstacles that might have been encountered in the work of auditors.

6. Evaluate connected transactions and transactions posing potential conflicts of interest and consider specifications and cancellations of transactions that deviate from specifications governing cancellation of evaluated transactions prior to conducting transactions in essential content. Furthermore, evaluate transactions for the acquisition and disposal of the Company's and subsidiaries' assets in compliance with the law and specifications of the Stock Exchange of Thailand in order to ensure that the aforementioned transactions are reasonable and for the greatest benefit of the Company. In addition, if the Audit Committee lacks the necessary expertise for evaluating potentially connected transactions or other transactions as stated above, the Company will arrange for independent experts of the Company's auditors to give opinions on the aforementioned connected or other transactions to accompany the consideration and/or decisions of the Audit Committee.

7. Review and monitor the outcomes of risk management as well as evaluate risk management activities by risk management committees.

8. Prepare the Audit Committee's reports and disclose them in the Company's annual reports. These reports must be signed by the Chairman of the Audit Committee and contain at least all of the information stipulated by the Stock Exchange of Thailand.
9. In the duties performed by the Audit Committee, if any of the following transactions or actions are suspected due to significant potential impact on the Company's financial position and performance, the Audit Committee is to report to the Board of Directors for corrective actions within a timeframe that the Audit Committee deems appropriate:
   9.1. Transactions causing conflicts of interest.
   9.2. Corruption or significant irregularities or faults in the internal control system.
   9.3 Violations of laws governing securities and exchange and specifications of the Stock Exchange of Thailand or other laws related to the Company's business.

   If the Board of Directors and executives fail to complete the corrective actions within the time period stated in the aforementioned paragraph, a director can report the occurrence of the aforementioned transactions or actions to the Office of the Securities and Exchange Commission.
10. Conduct a self-evaluation of performance annually by-committee and by-individual.
11. Review the Audit Committee's charter at least once annually to submit to the Board of Directors for approval.
12. Seek independent opinions from professional consultants when necessary at the expenses of the Company or subsidiaries by having the hiring follow the regulations of the Company and subsidiaries.
13. Review and express opinions about anti-corruption on the suitability and consistency of the Company's anti-corruption policies.
14. Perform other assignments given by the Board of Directors with the approval of the Audit Committee.

The Executive Committee

As at 31 December 2018, the Executive Committee had six members with their attendance of the Executive Committee meeting in 2018 and 2017 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2018	2017
1. Mr. Ong-ard Puntuyakorn	Chairman of the Executive Committee	11/11	7/7
2. Mrs. Vallaya Puntuyakorn	Member of the Executive Committee	11/11	7/7
3. Mr. Tratorn Rattanasrithong	Member of the Executive Committee	11/11	7/7
4. Miss Rawiphun Tantiauschariyakul	Member of the Executive Committee	11/11	7/7
5. Mr. Chumpol Chancharoen	Member of the Executive Committee	11/11	7/7
6. Mr. Pracha Patthanawitthayakul[1/]	Member of the Executive Committee	9/10	-
7. Mr. Manod Leelawattanakol [1/]	Member of the Executive Committee	2/2	7/7

Miss Rawiphun Tantiauschariyakul acts as the Executive Committee Secretary.

Note : [1/] Mr. Pracha Patthanawitthayakul was appointed as Member of Executive Committee perresolution of the Board of Director's meeting No. 1/2018, held on 8 January 2018 and the effective date is on 1 February 2018, in place of Mr. Manod Leelawattanakol since Mr. Manod retire in February 2018.

Office Term of the member of Executive Committee

The Board of Directors appoints the member of the Executive Committee, by considering from executive director or senior employee who can manage related to normal business operations and management of the company and set policies, business plans, budgets, management structures including tracking and monitoring the Company's performance in accordance with the policies set by the Board of Directors

The executive director will vacate the position when

- Death
- Resignation
- Dismissal by the Board of Director
- Disqualification as specified in the Executive Committee's charter

Scope of Authorities, Duties and Responsibilities of the Executive Committee

1. Conduct and manage the Company's business in line with the purposes, regulations, policies, rules, specifications, orders and resolutions of the Board of Directors' meetings.

2. Filter and propose objectives, policies, business plans, business strategies, financial objectives and annual budgets, business expansion, management structure and annual action plans with proper consideration to business factors.
3. Supervise, inspect and oversee the Company's business activities and monitor the Company's performance in line with set business objectives, policies and plans. In addition, supervise budgetary spending as approved by the Board of Directors and report performance results to the Board of Directors.
4. Appoint, supervise, coordinate and specify the authority and duties of special work committee and work management committees in addition to considering and approving proposals made by work committees and special work committees in addition to holding the authority to appoint chief advisors, advisors and an advisory board for the Executive Committee as appropriate. The Executive Committee also has the authority to set appropriate remunerations for the aforementioned advisors.
5. Set procedures and methods for transactions between the Company or subsidiaries and major shareholders, directors or executives of the Company along with people connected to the aforementioned persons as appropriate in order to prevent transfers of gains and make proposals to the Board of Directors for approval in principle and ensure that practices follow principles and specifications approved by the Board of Directors.
6. Consider and approve transactions that are part of the Company's normal business activities, contracts, investments, general work administration and take actions concerning transactions that support the Company's normal business in line with general trade conditions and within the financial limit set by the Board of Directors.
7. Evaluate the Company's performance and proposed inter-period dividend payments before making proposals to the Board of Directors for approval. Furthermore, inspect and give recommendations concerning the dividend payment policy and evaluate the Company's annual dividend payment proposals in order to make proposals to the Board of Directors for approval and subsequent proposals to shareholder meetings for approval.
8. Conduct feasibility studies in new investment projects by conducting appropriate and comprehensive technical and financial studies in order to facilitate decision-making and investment cancellation considerations and make proposals to the Board of Directors.
9. Monitor the performance and progress of investment projects in each business and report overall problems and obstacles that occur along with solution guidelines to the Board of Directors.

10. The Executive Committee is authorized to evaluate and approve financial transactions with financial institutes in opening accounts, borrowing funds, withdrawing funds from the Company's accounts, using loans and submitting the Company's assets as a bond for the aforementioned debts, whether registered or not, in order to benefit the Company's business activities. The Executive Committee also has the authority to conduct juristic acts, enter into contracts, file requests, submit proposals, contact and otherwise engage in other juristic acts with governmental bodies in order to acquire various rights for the Company and/or take any actions relating to the aforementioned undertakings until completion within set financial limits and/or according to set delegation of authority as set by the Board of Directors and/or in accordance with related laws and regulations and/or the Company's regulations.
11. The Executive Committee is authorized to seek independent opinions from professional consultants when deemed necessary by making the hiring follow the Company's regulations.
12. Supervise and oversee the presence of procedures for operators to report incidents, unusual activities and legal violations to the Executive Committee in a timely manner. In addition, in cases where the aforementioned occurrences have potentially significant impacts, the Executive Committee is required to report to the Board of Directors for consideration of proper corrective actions within a timely manner.
13. The Executive Committee is required to report the duties that it performs to the Board of Directors on a regular basis as well as report on other issues as necessary and appropriate to be presented to the Board of Directors. In addition, report resolutions and significant activities within the authority of the Executive Board to the Board of Directors for acknowledgement on each subsequent Board of Directors' meeting.
14. The Executive Committee may authorize one or several other people to perform specific actions under the supervision of the Executive Committee or possibly through authorization of powers to the aforementioned persons as the Executive Committee deems appropriate and for time periods the Executive Committee deems fitting. In addition, the Executive Committee can revoke, cancel, revise or change granted authorizations as deemed fitting. Furthermore, the aforementioned authorizations must not be in the manner that constitutes an authorization or sub-authorization that allows people authorized by the Executive Committee to have the ability to authorize transactions in which they or individuals with conflict of interest or stakes (as defined in announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of relevant agencies) may gain or other conflict of interest might arise as a result in any manner to the Company. The Executive Board does not have the power to authorize the such undertakings,

and the aforementioned issues must be presented to a meeting of the Board of Directors' and/or shareholders (depending on the case) for approval, unless the aforementioned transactions are normal transactions of the Company and have the same criteria that exist for transactions conducted with external parties (arm's-length basis).

15. Conduct a self-evaluation of performance annually by-committee and by-individual.
16. Review the Audit Committee's charter at least once annually in order to present it to the Board of Directors for approval
17. Perform all other tasks as assigned by the Board of Directors with the approval of the Audit Committee.

The Risk Management Committee

As at 31 December 2018, the Risk Management Committee had five members as follow :

Name – Surname	Position
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. Chumphol Chancharoen	Member of the Risk Management Committee
5. Mr. Pracha Patthanawitthaykul	Member of the Risk Management Committee

Miss Rawiphun Tantiauschariyakul acts as Risk Management Committee Secretary.

Attendance of the Risk Management Committee Meeting in 2018 and 2017 can be summarized as follow :

Name – Surname	Attendance/ Total Meeting (times)	
	2018	2017
1. Mr. Ong-ard Puntuyakorn	3/4	4/4
2. Mr. Tratorn Rattanasrithong	4/4	4/4
3. Miss Rawiphun Tantiauschariyakul	4/4	2/4
4. Mr. Manod Leelawattanakool[1/]	1/1	4/4
5. Mr. Chumphol Chancharoen	3/4	3/4
6. Mr. Pracha Patthanawitthaykul[2/]	4/4	1/1
7. Mr. Sukitt Naval1[2/]	-	3/3

Note : [1/] Mr. Manod Leelawattanakool left the Risk Management Committee due to retirement in February 2018

[2/] 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

1. The office term of each member of the risk management committee shall be in accordance with his/her office term of the director
2. 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 :

   - death
   - resignation
   - the resolution of the meeting of the Board of Directors
   - disqualified of being the member of the risk management committee

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

1. Consider and identify significant risks in the Company's business activities potentially caused by internal and external environmental conditions. Analyze and assess the probability of risk situations and impacts relative to acceptable risk levels. Prioritize risks and propose prevention and risk management methods to keep risks within acceptable levels. Set appropriate and effective policies and propose guidelines for the management of various risks in the Company's business activities and present them to the Board of Directors for consideration.
2. Oversee compliance to risk management policies and risk management frameworks in order to ensure that the Company has an effective risk management system covering the entire organization and which is continuously implemented. In addition, the Risk Management Committee has the authority to invite the Company's employees to provide explanations, express opinions, attend meetings or send documents as deemed necessary.
3. Monitor risk statuses and risk management progress along with issues that require changes and corrections in order to ensure consistency with risk management policies and strategies. In addition, the Risk Management Committee is required to report the aforementioned to the Board of Directors every quarter.
4. Evaluate risk management reports submitted by agencies responsible in risk management in order to monitor significant risks on the organization level and express opinions about potential risks, control measures and guidelines and risk management plans in order to ensure that the Company's group has sufficient and proper risk management.

5. Coordinate with the Audit Committee about significant risks and internal control information to provide information to accompany the Audit Committee's decisions in the approval of internal audit plans and provide reasonable confidence that the Company has an appropriate internal control for risk management and that the risk management system is appropriately implemented and applied throughout the entire organization.
6. Regularly provide knowledge and understanding and instill a culture of risk management in executives and company employees.
7. Conduct a self-evaluation of performance annually by-committee and by-individual.
8. Review the Risk Management Committee's charter at least once annually in order to present it for approval by the Board of Directors.
9. Perform other tasks as assigned by the Board of Directors with the approval of the Risk Management Committee.

The Nomination and Remuneration Committee (NRC)

As at 31 December 2018, the Nomination and Remuneration Committee had three members with their attendance of the Nomination and Remuneration Committee meeting in 2018 and 2017 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2018	2017
1. Mr. Chirawat Srisawadi	Chairman of the Nomination and Remuneration Committee	3/3	1/1
2. Prof. Dr. Sahaton Rattanapijit	Member of the Nomination and Remuneration Committee	3/3	1/1
3. Mr. Ong-ard Puntuyakorn	Member of the Nomination and Remuneration Committee	3/3	1/1

Office Term of the member of the Namination and Remuneration Committee

1. The NRC’s member has the office term of three years.
2. The NRC’s member may be re-appointed as the Board of Directors see as appropriate. Apart from vacating upon the end of office term stated in Item 1, the NRC’s member will retire from the office upon the following conditions:
    - Death
    - Resignation
    - Dismissal by the Board of Directors

3. The Board of Directors has power to appoint a new member of the NRC as to resume the operation and to substitute the member of the NRC who is out of office term according to Item 1 or Item 3. The substituted member can only be in the office within the remaining term of the member he/she replaced.

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

1. Evaluate the structure and composition of the Board of Directors to ensure that the number of directors are consistent with the size and complexity of the Company's business and make adjustments in line with environmental changes. In addition, specify the qualifications of directors in each committee and each director in terms of knowledge, skills, experience and expertise and specialization in order to benefit related areas within the Company.
2. Set policies, criteria and methods for the recruitment and specification of remunerations and other benefits for the Company's directors and high-ranking executives.
3. Evaluate the qualifications and specify guidelines for recruitment and selection of qualified people in line with relevant regulations and laws and make proposals to the Board of Directors and/or shareholder meetings for considerations of appointments to the following positions:
    - Directors.
    - Directors in sub-committees directly authorized and responsible to the Board of Directors.
    - High-ranking executives with management authority.

    Recruitment considerations have to be open, transparent and free from prejudices.
4. Evaluate the independence and qualifications of each independent director in order to ensure that the Company's independent directors possess all of the qualifications stipulated by relevant regulations and/or laws.
5. Nominate suitable people to become directors and high-ranking executives whenever a term concludes or a position becomes vacant, or nominate people to other executive positions as assigned by and with the consideration of the Board of Directors.
6. Consider and set guidelines for payment of monetary and non-monetary remunerations, including other remunerations, for the Company's directors and high-ranking executives to ensure consistency with the missions, duties, responsibilities and qualifications of appointees and employment and make proposals at meetings of the Board of Directors and/or at shareholder meetings for consideration of approval.

7. Set guidelines and evaluation for the Company's directors and high-ranking executives in order to determine annual remuneration adjustments with consideration to duties, responsibilities, associated risks and attention to long-term increases in shareholders' equity during evaluation.
8. Consider and create director improvement plans to enhance and develop knowledge and skills in the Company's various committees and create understanding in the roles and duties of directors, business, economic conditions, technology, laws and regulations related to the Company's business.
9. Consider and create or take actions to ensure the creation of succession plans for the Company's directors and high-ranking executives in order to ensure work continuity and replaceability without disruption. In addition, disclose policies and details in the recruitment process along with remuneration specification policies and various forms of remunerations in the Company's annual reports.
10. Has the authority to seek independent opinions from professional consultants when deemed necessary with hiring in accordance with the Company's regulations.
11. Conduct a self-evaluation of performance annually by-committee and by-individual.
12. Review the Nomination and Remuneration Committee's charter at least once annually in order to present it for approval by the Board of Directors.
13. Perform other tasks as assigned by the Board of Directors with the approval of the Nomination and Remuneration Committee.

The Executive

As at 31 December 2018, the Company’s executives comprises of six persons as follow:

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

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

1. Supervise, manage, operate and perform work regularly as part of the Company's normal business activities for the benefit of the Company and in line with related policies, vision, objectives, annual work plans and business strategies, including annual budgets allocated by the Board of Directors.

2. Has the authority to hire, appoint, transfer, dismiss, terminate and set remunerations and pay, including pension, salary adjustments and compensation, for the Company's employees within the framework and policies set by the Board of Directors, whereby the Chief Executive Officer is authorized to appoint people to perform actions on his or her behalf.
3. Enter into contracts and/or conduct any transactions relating to the Company's normal business activities with financial limits for each transaction as stipulated for the authority to act as approved by the Board of Directors.
4. Has the authority to assign other persons he or she deems fitting to perform management duties and take actions on behalf of the Chief Executive officer in necessary and suitable matters at the discretion of the Chief Executive Officer within the specifications of the law and the Company's rules and regulations.
5. Issue orders, regulations, announcements, manuals and records within the Company as well as maintain discipline within the organization to ensure that the Company's activities comply with the policy and for the Company's interests.
6. Conduct a self-evaluation of performance annually.
7. Review the Chief Executive Officer's charter at least once annually in order to present it for approval by the Board of Directors.
8. Perform all other duties as assigned by the Board of Directors as well as take all other necessary actions in order to carry out the aforementioned duties.

   The Chief Executive Officer does not have the power to authorize undertakings in which the Chief Executive Officer or a person authorized by the Chief Executive Officer or a person with potential conflict of interest or stakes or in which other conflict of interest might be caused to the Company and/or subsidiary. Such issues must be proposed to a meeting of the Board of Directors and/or shareholders (depending on the case) for consideration of approval, unless the issues are concerned with authorization of transactions according to normal business activities and general trade conditions as approved in principle by the Board of Directors.

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 reponsi bilities of the Company,s secretary are as follw :

Scope of Authorities, Duties and Responsibilities

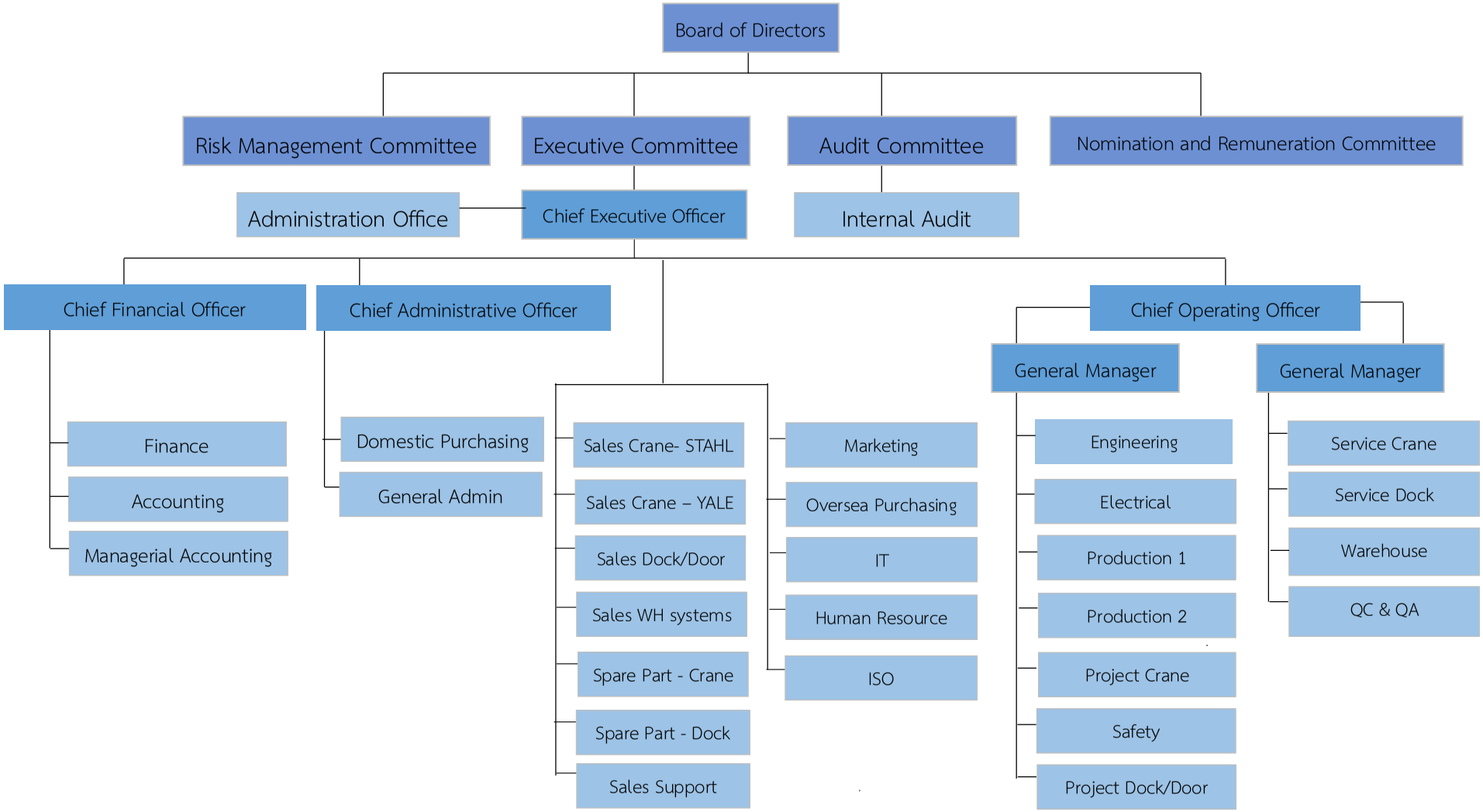
1. Has the duty of creating and keeping the following documents:
    - The registration of the Company's directors.
    - Invitations to Board of Directors' meetings, minute of Board of Directors' meeting and the Company's annual reports.
    - Invitations to shareholder meetings and minute of shareholder meeting.
2. Keep records of stakes reported by the Company's directors and executives.
3. Provide preliminary recommendations to the Board of Directors concerning laws and appropriate practices in line with the Company's criteria, regulations and rules and monitor activities to ensure correct and consistent practices as well as report significant developments to the Board of Directors.
4. Promote knowledge and understanding about business governance, provide information and push the Board of Directors to ensure compliance and conduct an inspection on performance in line with the aforementioned principles.
5. Organize meetings of shareholders and the Board of Directors' in accordance with the law, the Company's regulations and good practices.
6. Take care to ensure the disclosure and reporting of information in parts under the secretary's responsibilities to agencies that oversee the Company in line with government specifications and regulations.
7. Contact shareholders to inform them about their rights and the Company's news and information and serve as a medium between shareholders, the Board of Directors and executives.
8. Communicate policies, regulations and orders received from resolutions issued at Board of Directors' meetings.
9. Control and supervise all sections/departments within the organization covering the entire Company and subsidiary to ensure that activities properly comply with all relevant laws.
10. Coordinate work between the Board of Directors, the Company's executives, shareholders and the Office of the Securities and Exchange Commission.

11. Serve as an investor relations person to provide the organization's information to interested parties in regards to the organization's management and business administration.
12. Perform other activities as assigned by the Board of Directors without breaking the law or violating good morals.

The Company's secretary is required to perform his or her duties responsibly, cautiously, honestly and with integrity as well as follow all laws, the Company's purpose and regulations, the Board of Directors' resolutions and resolutions passed at shareholder meetings.

Internal Management Structure

Exhibit internal management structure which has been approved at the Board of Directors meeting No.1/2019, held on 20 February 2019 as follow:



Director and Executive Remunerations

The Board of Directors

In 2018 and 2017, the remunerations for the Board of Directors and the Audit Committee are as follow:

Position	Director Remuneration			
	2018		2017	
	Remuneration Per month (Baht/Person/Month)	Meeting Allowance (Baht/Time)	Remuneration Per month (Baht/Person/Month)	Meeting Allowance (Baht/Time)
Chairman of the Board of Directors	25,000	15,000	25,000	15,000
Directors	20,000	10,000	20,000	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	-	15,000
Member of the Nomination and Remuneration Committee	-	10,000	-	10,000

Note : [1/] Conditions on remuneration

- The remunerations above were paid to independent directors and non-executive directors in each committee only. Non-executive directors entitled for remunerations must not be shareholder representative
- Bonus is not more than 2% of the dividend paid to shareholders in the case of cash dividend payment.
- Remuneration for directors and sub-committees must be in the amount not exceeding 5,000,000 baht.
- Special bonus for directors is considered on year-by-year basis, depending on the Company's performances and at shareholders' discretion.

In 2018 and 2017, 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	
	2018	2017	2018	2017	2018	2017
1. Mr. Weerachai Ngamdeevilaisak	405,000	370,000	75,000	90,000	-	-
2. Prof. Dr. Sahaton Rattanapijit	310,000	280,000	50,000	60,000	30,000	10,000
3. Mr. Ong-ard Puntuyakorn	-	-	-	-	-	-
4. Mrs. Vallaya Puntuyakorn	-	-	-	-	-	-
5. Mr. Tratorn Rattanasrithong	-	-	-	-	-	-
6. Miss Rachaya Rattanasrithong	-	-	-	-	-	-
7. Mr. Chirawat Srisawadi	300,000	280,000	50,000	60,000	45,000	15,000
8. Mr. Patai Bunmark	310,000	270,000	50,000	50,000	-	-
Total	**1,325,000**	**1,200,000**	**225,000**	**260,000**	**75,000**	**25,000**

The Executive

In 2018 and 2017, the Company paid remuneration to the executives as follow :

Remuneration	2018		2017	
	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	20.55	6	18.60

Remuneration policy of the Chief Executive Officer

Chief Executive Officer Remuneration in short and long term, the Company has a transparent and fair consideration process. The Nomination and Remuneration Committee determines the criteria and policies for determining the remuneration of the Chief Executive Officer in every year, including performance evaluation and determining remuneration policy in short and long term that consider from the evaluation score, working, business performance and business strategy etc.

Personnel

As at 31 December 2018 and 2017, the Company and its subsidiary had 460 and 483 employees, respectively (excluding executives). Employees of the Company by department are as follow.

The Company's employee	31 December 2018	31 December 2017
Sales and services	104	109
Production and after-sales service	219	223
Total	**323**	**332**

Employee remuneration policy

The Company has determined a policy for employee remuneration that is consistent with the Company's short and long term performance and define proper salary structure based on knowledge, ability and work experience being suitable for the responsibilities which the minimum salary of the employee is in line with the minimum wage set by the government.

The Company has determined the employees' performance evaluation according to the KPI (Key Performance Indicatior) and the core competency evaluation as a tool to manage the remuneration according to performance and other welfare in order to create relationship between employee and organization such as salary increase, bonus payment, commission and other welfare.

Employee remunerations

In 2018 and 2017, the Company and its subsidiary paid for employee remunerations in a total amount of Baht 166.76 million and Baht 157.15 million, respectively, comprising of salary, bonus and other beneits.

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 rateof 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 2018 by the Company and its subsidiary amounting to approximately Baht 3.24 million (2017: Baht 2.87 million) were recognised as expenses, the Company only Baht 2.71 million (2017: Baht 2.27 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 2018, 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 ireighting training.

Training

In 2018, 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	2018		2017	
	Total hours per person	Total hours of all employees	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.	375	6,318	65	4,593
2. Legislation categories i.e. the use of electric cranes correctly and safely. (Operator, Supervisor, Rigger, Signaler), safety supervisor training, basic ireighting training, etc.	49	924	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.	119	539	378	1,410
4. Working safety categories i.e. occupational safety in work (Basic),reviewing of TIS/OHSAS18001 Risk assessment methods etc	108	882	22	421
Total hours	**651**	**8,663**	**510**	**8,645**

Corporate Governance

Corporate Governance

The Company is aware of the importance of governance in line with the Company's main objectives and goals based on set strategies, policies, work plans and budgets with proper follow-up, evaluation and care for work performance reports under business ethics with responsibility for shareholders and stakeholders. Thus, consideration is given to social benefits and care for environmental impact, including adaptation to constantly occurring changes to ensure that the Company's group has competitive capacity and long-term good performance. The Board of Directors has, therefore, set good governance policy as practice guidelines for the performance of duty by all personnel in the Company's group with the following eight main practices:

Code of Conduct 1 – Remain aware of the roles and responsibilities of the Board of Directors as corporate leaders who build value toward sustainable business operations.

The Company has clearly set the roles and responsibilities of the Board of Director as per the details specified in the Company's charter for the Board of Directors. The main duties of the board are to set key objectives and goals for the Company's business operations, financial policy, risk management and operational strategies, including the allocation of necessary resources to enable the Company's personnel to perform duties toward achieving set objectives. The Board of Directors will properly monitor, evaluate and care for the Company's work performance reports.

Thus, the Board of Directors will govern the Company's operations ethically with respect for the rights and responsibilities of every shareholder and stakeholder for the benefit of society with consideration given to environmental adaptation to handle constant changes due to various factors by continuing to preserve competitive capacity and good performance for the long-term benefits of shareholders.

Furthermore, the Board of Directors has specified the duties, responsibilities and governance for the directors, the chief executive officer and executives to meet specifications with responsibility, caution, honesty and care in operating the Company's business in compliance with related laws, criteria, various rules and regulations as well as meeting resolutions and the Company policies.

Code of Conduct 2 – Set key objectives and goals for sustainable business activities.

The Board of Directors gives great importance for setting key objectives and goals in the Company's business activities in order to enable sustainable growth in tandem with society, build value and benefit the Company, customers, competitors, employees, shareholders, stakeholders and society as a whole. The Board of Directors will further promote communication, create key company objectives and goals that reflect the decision-making and work performance of personnel at every level until the aforementioned become a corporate culture under the principles of good governance.

Thus, the Board of Directors has set strategies, work plans, regularly monitors and evaluates work performance in order to ensure consistency with the Company's purpose and key objectives. In addition, innovations and technologies are applied appropriately together with ensuring readiness and expertise for meeting the needs of customers and stakeholders on the basis of responsibility for society and the environment. Furthermore, the Board of Directors has to have awareness about risks involved in setting goals that might lead to illegal activities or unethical conduct and must ensure that the Company's purpose and objectives are disseminated as strategies and work plans throughout the entire company.

Code of Conduct 3 - Promotion of an Effective Board of Directors

The Board of Directors must be composed of knowledgeable, skilled and experienced people who can perform their duties in the interest of the Company as well as be accepted by every party and play key roles in setting the Company's policies. The Board of Directors has to be composed of executive directors, non-executive directors and independent directors in order to ensure appropriate checks and balances as well as at least one non-executive director who has experience in the Company's current business or primary industry. Accordingly, the details on the components of the Board of Directors, qualifications of company directors, term of tenure, duties and responsibilities are specified in the Board of Directors' charter.

Independent directors must make up at least one-third of all directors and number at least three people in order to appropriately provide checks and balances. In addition, the Company's independent directors are required to possess the qualifications without the prohibitions in the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand, and sub-committees must be established to provide assistance in the Board of Directors' management in line with the scope specified by the charter of each sub-committee in order to enhance the Board of Directors' work effectiveness and work efficiency.

The Board of Directors will appoint suitable people to serve as Chairman of the Board. In addition, if the person serving as the Chairman of the Board is not an independent director, the Board of Directors will appoint an independent director to jointly consider and set the Board of Directors' meeting agendas in order to promote checks and balances between the Board of Directors and Management and ensure compliance to the good government principles for registered companies.

The Board of Directors has formed the Nomination and Remuneration Committee to play a supporting role to the Board of Directors in selecting qualified and suitable directors using transparent and clear processes and in evaluating appropriate remunerations before submitting nominations for approval by shareholders.

The Board of Directors will supervise and ensure that every director takes responsibility for their duties, allocate sufficient time and provide oversight to disclose the roles and duties of the Board of Directors and sub-committees, including numbers of meetings and attendances of each director in meetings over previous years and performance reports of every sub-committee.

The Board of Directors will provide oversight and ensure the presence of frameworks and mechanisms for governing the policies and activities of subsidiaries and other businesses in which the Company has significant investments as appropriate to each business. In addition, the Board of Directors will promote correct and mutual understanding between subsidiaries and other businesses in which the Company has investments.

Furthermore, the Company has appointed a company secretary to support the Board of Directors' activities and coordinate activities in line with the Board of Directors' resolutions in addition to overseeing and managing matters related to meetings of the Board of Directors and shareholders. In addition, the company secretary is required to have appropriate qualifications and experience in order to perform duties and give recommendations related to laws and regulations that the Board of Directors should know about.

Code of Conduct 4: Recruitment and Development of Top Executives and Human Resource Management

The Board of Directors has set in the policy for the recruitment of the Company's directors and top executives along with succession in order to provide guidelines for recruiting qualified, experienced and beneficial people to work with the Company, the details of which are described by the recruitment policy for the Company's directors, top executives and succession.

The Board of Directors has set the remuneration structure for the Company's directors and executives also conduct performance evaluation as deemed fitting for the scope of responsibilities and duties for each assignment. In addition, the Nomination and Remuneration Committee serves to provide oversight and ensure compliance to the Company's human resource management and organization development policies, including shareholders' resolutions. Thus, the Company's directors receive monthly remunerations along with meeting attendance fees, and executives receive remunerations in the form of salaries, other benefits and annual bonuses, which are judged based on the performance of the Company and each individual.

In terms of human resource development, the Board of Directors promotes training and knowledge provision within the Company and at external institutions for all persons involved in the Company's business governance such as the Company's directors, audit directors, executives and company secretary in order to ensure continuous performance improvement.

In cases where the Company's directors change or new directors are appointed, management will provide documents and beneficial information to facilitate the activities of new directors as well as introduce the Company's nature of business and business practice guidelines to new Company directors.

Code of Conduct 5: Promotion of Innovations and Responsible Business Practices

The Board of Directors gives importance to and supports value-adding innovations and has developed a modern information and technology systems to boost the Company's capacity to meet needs and provide services and support the Company's growth in the digital age. Furthermore, the Company has a business continuity plan (BCP) in place to ensure that business can operate continuously during times of crisis and emergencies.

Besides the Board of Directors will monitor management to ensure that business activities take place in conjunction with creating value for all stakeholders, corporate social and environmental responsibility. The Board of Directors will promote activities to increase the Company's value based on constantly changing environmental factors, which might cover business models, product and service design and development perspectives, research, production and work process improvements as well as cooperation with trade partners. The Company is determined to operate business honestly and transparently while adhering to justice and excellent service provision for customers. The Company will also gladly compete in business without taking advantage or seeking unlawful gains and will operate within the frame of good governance. In addition, the Board of Directors realizes the importance in the roles of stakeholders

and will treat all stakeholders transparently, appropriately, equally and fairly. These stakeholders include the following:

- **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.
- **Employees:** Remunerations are given to employees primarily based on work performance, fairness and measurable capabilities in line with set criteria. In addition, the Company supports and develops employees to continuously enhance their knowledge and capabilities while also giving primary consideration to employees' rights and gives them opportunities to file complaints through several channels in cases of injustice.
- **Customers:** Long-term relations and cooperation are built with customers based on integrity, honesty, reliability and trust. The Company is responsible for maximizing customer satisfaction by fulfilling its obligations and giving first considerations to customers' problems and needs on the basis of ethical conduct and good and effective service provision.
- **Creditors:** The Company establishes relationships with and treats creditors on the basis of integrity and honesty, reliability and trust, and the Company takes responsibility and gives importance to conditions and terms agreed with creditors to the best of the Company's ability.
- **Business Partners:** The Company treats Business partners with integrity, honesty and equality in order to ensure business fairness, shared interests and sustainable development as well as to maintain long-term trade partners with the Company. The Company chooses to do business with partners based on various conditions such as prices, quality, trustworthiness, adherence to rightness and technical, legal and environmental protection expertise.
- **Goverment sector:** The Company operates its business to support the development of the country by adhering to law, rules, regulations and normal business practice.

- **Communities and the Environment:** The Company ensures that the Company and its employees conduct business responsibly and in the interests of society and communities. In addition, the Company is responsible to treat communities and nearby inhabitants in friendly terms and provide assistance and support in community development in order to ensure quality living.
- **Fair Competition:** The Company takes care to operate business openly and transparently without creating unfair competitive advantage.
- **Anti-Corruption:** The Company takes care to comply with all relevant laws and standards and ensures that the Company announces its anti-corruption policy to the public.
- **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 computersor devices.
- **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 Oficer, who supervised and trains employees to follow the Company's policy on safety and occupational health and environment in the workplace.

Code of Conduct 6: Ensuring the Presence of an Appropriate Risk Management and Internal Control System

The Board of Directors will provide oversight to build confidence that the Company has a risk management and internal control system that will effectively fulfill its purpose. In addition, the Board of Directors ensures compliance to all relevant laws and standards and has formed the Audit Committee to support the Board of Directors in providing oversight, ensuring the presence of a system for good governance and giving direct opinions on financial reports and internal control to ensure the reliability and good quality of financial reports as well as increase the organization's value. The Audit Committee is required to be composed of at least three independent directors who meet all of the required qualifications stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand with at least one member possessing accounting or financial knowledge, understanding and experience or continuous

knowledge about events that influence changes in financial reports. Accordingly, the details about the composition of the Audit Committee, qualifications of audit directors, terms of office and duties and responsibilities of the Audit Committee are described in the Audit Committee's charter.

The Board of Directors has set the following policies to provide appropriate risk management and internal control guidelines:

1. Principles of business ethics
2. Risk management policy
3. Policy on insider information and securities trading
4. Policy on computer safety and information technology
5. Policy on conflicts of interest
6. Policy on connected transactions
7. Anti-corruption policy
8. Policy on investment and governance of subsidiary and joint venture companies
9. Policy on dividend payments for the Company and its subsidiaries.
10. Delegation of Authority

The Board of Directors has in place a clear anti-corruption policy as stated by the Company's charter and ethics. The anti-corruption is communicated to personnel on every level within the organization as well as external parties in order to facilitate implementation. In addition, the Board of Directors provides oversight to ensure that mechanisms exist for handling complaints and takes actions in response to informants and has in place clear practice guidelines in the Company's policy for handling complaints about corruption and wrongdoing. Furthermore, the Company has specifications governing reporting, investigations, ethical violations and dealing with corruption and wrongdoing complaints filed by stakeholders who encounter such situations in the activities of the Company and subsidiaries. Moreover, stakeholders can make inquiries, file complaints or report clues about legal violations, inaccurate financial reporting, faulty internal control and business ethics violations by contacting the Company's independent directors or Audit Committee. All information about complaints and clues reported to the Company are kept secret, and independent directors or Audit Committee will order the Company's compliance officer to investigate information and seek solutions (if any) and report to the Chairman of the Board and/or Board of Directors. The following are the Company's channels for handling complaints and/or expressing opinions along with the added channel of directly emailing the top executives.

Channels for Contacting the Company

Stakeholders can express opinions to the Company through the following communication channels.

1) By Post

   Send to Chairman of the Board or Chairman of the Audit Committee or Chief Executive Officer or Administrative Office.

   Alla Public Company Limited

   933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suan Luang, Bangkok 10250

2) By Email

   - Chairman of the Board and Chairman of the Audit Committee:
     Mr. Weerachai Ngamdeevilaisak:
     weerachai@alla.co.th
   - Chief Executive Officer: Mr. Ong-ard Puntuyakorn:
     ongardp@alla.co.th
   - Administrative Office through the Company's secretary:
     Miss Rawiphun Tantiauschariyakul:
     company_secretary@alla.co.th

3) Complaints can be filed through the Company's website at www.alla.co.th on the **Complaint Hotline** page where complainers can send complaints to the Chairman of the Audit Committee or the Chief Executive Officer.

4) Complaints can also be filed through the Company's comment boxes found at the Company's main office at Soi Onnut 46 and at Alla's factory in Chachoengsao. People in charge of watching over comment boxes will send any complaints filed there to the Chairman of the Audit Committee through the Company's secretary.

Code of Conduct 7: Maintaining Financial Reliability and Disclosure of Information

The Board of Directors gives importance to the disclosure of correct, complete, sufficient, transparent and timely financial and regular information along with other information that might affect the Company's stock prices, all of which impact the decision-making of the Company's investors and stakeholders. Accordingly, the Company discloses the aforementioned information in line with the criteria set by the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

The Company has an investor relations department to serve in communications with investors and shareholders. In addition, the Company organizes meetings on a regular basis to analyze the Company's performance and discloses the Company's information, both financial and regular, to shareholders, securities analysts, reliability ranking companies and related government agencies through various channels. To elaborate, the Company reports to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and publishes information on the Company's website, with website information being regularly updated. In addition, the aforementioned information includes the Company's vision, mission, financial statements, news, public relations, annual reports, organization structure and executives, including share structure and major shareholders, meeting invitation letters, registration information and various charters.

The Company gives importance to the Company's financial statements and financial information that appear in the Company's annual reports. Thus, the Audit Committee is responsible for reviewing the quality of financial reports and internal control, along with sufficient disclosure of information in financial statement annotations and reporting to the Board of Directors. In addition, the Board of Directors is required to state its financial reporting responsibilities alongside annual auditor's reports.

The Company also discloses in annual reports and the Company's annual information disclosure form information about each of the Company's directors along with the roles and responsibilities of the Board of Directors and sub-committees, number of meetings and meeting attendances over the previous year and opinions based on performance of duties and professional training and knowledge development. Furthermore, the Company discloses the Company's remunerations payment policy along with the characteristics and details of remunerations for the Company's directors and top executives.

The Company also discloses audit fees and fees for other services provided by the Company's auditors.

Code of Conduct 8: Supporting Participation of and Communication with Shareholders

The Company will send meeting invitation letters along with meeting agenda information to shareholders at least 21 days in advance or within other periods of time as stipulated by relevant laws or regulations. Each meeting agenda is accompanied by the opinions of the Board of Directors along with sufficient other accompanying information to allow shareholders time to study the aforementioned information ahead of each meeting. Furthermore, the Company publishes the

aforementioned information on the Company's website at least 30 days before the date of each shareholder meeting.

The Company provides opportunities for shareholders to express opinions and recommendations and make inquiries. In addition, shareholders can propose additional meeting agendas and nominate people to directorships before scheduled meeting dates in line with the Company's criteria and specifications, which the Company announces on the Company's website.

In organizing shareholder meetings, the Company will select locations suitable for travel and attach maps that display each meeting location to shareholders together with meeting invitation letters. In addition, meeting dates are appropriately selected and sufficient time is allocated for each meeting for the convenience of the Company's shareholders.

In cases where a shareholder is unable to personally attend a meeting, the Company will allow the aforementioned shareholder to appoint an independent director or a third party to serve as proxy at the meeting on the shareholder's behalf. The shareholder can appoint a proxy by using any of the proxy forms the Company delivers along with meeting invitations.

At shareholder meetings, the Company gives equal right to every shareholder to freely express opinions and recommendations and raise questions in each agenda before voting on a resolution for the agenda. In addition, the Board of Directors and related executives will also participate in shareholder meetings to answer meeting inquiries.

The Company supports the use of voting ballots in every agenda in order to ensure transparency and vote counting verification as follows:

1. The Company assigns independent personnel to count votes in every agenda.
2. The Company discloses votes for each agenda to shareholders through the SET Portal of the Stock Exchange of Thailand and the Company's website subsequent to meeting adjournment.

The Company reports meetings correctly in essential content and records signification inquiries, opinions and recommendations in the minutes to meetings in order to allow verification by shareholders.

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 2018, the Company presented its performance summarized below:

- The Company staged the company visit one time to present performance and company business at its subsidiary's factory and new warehouse at Onvalla Company Limited in November.
- Always meeting with the investors at the "Opportunity Day" hosted by SET to provide information, movement and performance of the company to analysts and investors.
- Provide an opportunity for interviewing top management for newspaper, journal and television program
- Answer questions to shareholders, investors, analysts via e-mail and phone by the Investor Relations Department

Director's Self-Assessment

The Nomination and Remuneration Committee annually determines the policy that the Board of Directors, Sub-committees and individual director are able 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 2018, 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, Executive Committee, Risk Management Committee and Nomination and Remuneration 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, Role, Responsibilities of Duties and the Board of Directors, the Board of Directors meeting, work performance of Directors, relationship towards management division and self-improvement of directors. In addition, each sub-committee has evaluated their own performance by comparing with each charter of sub-committee.

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 excellent level of 91%. The details as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of Director	90
2	Role, Responsibilities of Duties and the Board of Directors	93
3	The Board of Directors Meeting	87
4	Work Performance of Directors	91
5	Relationship towards Management Division	93
6	Self-Improvement of Directors	88
	Average percentage	91

2. The individual director assessment included 3 main areas and the average score is at a good level of 89%. The details are as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of the Board of Director	90
2	Role, Responsibilities of Duties and the Board of Directors	86
3	The Board of Director Meeting	90
	Average percentage	89

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	84
2	Audit Committee	80
3	Nomination and Remuneration Committee	85
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 2018.

Evaluation of Chief Executive Officer's performance

There is a regulation that non-executive directors and non-executive member of the Nomination and Remuneration committee annually evaluate the performances of the Chief Executive Officer for the success of the administration, in accordance with the Company's strategy. However, such evaluation scores are considered confidential information for individuals. Thus, it cannot be disclosed.

Remuneration

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.

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.

Director and Executive Development

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. Every year the Board of Directors will support at least one director to attend training courses or participate in seminars in order to increase knowledge of work practices.

During 2018, Directors and Executives attended training course are 3 persons. (Please see training history)

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

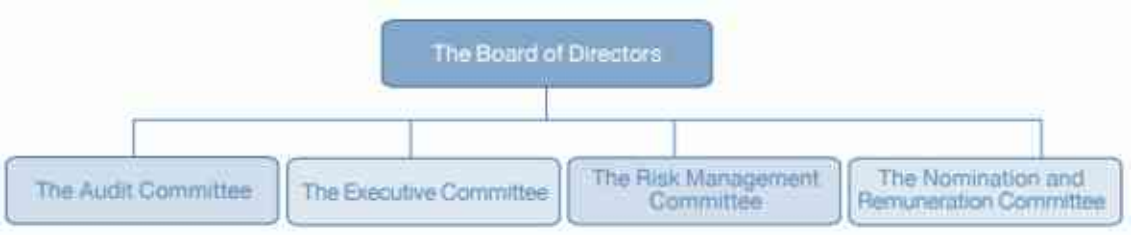
The Board of Directors requires the Chief Executive Officer regularly reports development and succession plan, which the Chief Executive Officer and the executives prepares the continuous plan to successor in case they cannot perform the duty.

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 :



Normination of Director and Top Executive

Normination of the Board of Directors

The Board of Directors has formed the Nomination and Remuneration Committee to oversee the recruitment and nomination of qualified people to be appointed at Board of Directors' meetings and/or shareholder meetings. In the recruitment process, importance is placed in leadership, broad vision, fairness and justice, transparent work history and the ability to indepently express opinions. The qualifications for directors that the Company wants to recruit are set to be based on ability, experience and expertise as required and consistent with the Company's policies and strategies. In addition, candidates have to meet all of the qualifications for becoming directors or independent directors stipulated by the Public Limited Companies Act, B.E. 2535 (including amendments), the Securities and Exchange Act, B.E. 2535 (including amendments) and related announcements of the Capital Market Supervisory Board and the Securities and Exchange Commission.

Independent Director

According to the corporate governance policy of the Company has determined that the Board of Directors must have at least one third of the total number of independent directors. Criteria for selection of independent directors based on criteria for selection of directors. Qualifications of those who will act as independent directors consider the qualifications and prohibited characteristics of the directors in accordance with the Public Companies Limited Act and Securities and Exchange Act, including relevant regulations, announcements and/or regulations. Independent directors have education, specific expertise in work and other suitability together. Independent directors are individuals who can independently express their opinions, perform duties and maintain the interests of the company and shareholders as well.

The Company's independent directors are required to be directors who possess the following qualifications:

1. No more than one-percent shareholding of the total shares with voting rights in the Company or the Company's parent company, subsidiary, joint company or a major shareholder or person with the authority to control the Company, including the shares held by people related to the independent director.

2. No current or past history as a director who participated in management of work, employees and workers and is not or has never been a consultant with a regular salary or a person with the authority to control the Company or the Company's parent company, subsidiaries, joint companies, major shareholders or people with the authority to control the Company, unless the director has left the aforementioned positions for at least two years before being appointed to become an independent director.

3. No relationship by blood or law as a father, mother, spouse, sibling or child, including spouses of children, to another director, executive, major shareholder or controlling person or person to be nominated to become a director, executive or controlling person over the Company or subsidiaries.

4. No current or past history of a business relationship with the Company or the Company's subsidiaries, joint companies, major shareholders or people with control authority in a manner that might hinder the independent use of judgment and is not and has never been a significant shareholder or controlling person who has a business relationship with the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.

5. No current or past history as an auditor of the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons and is not a significant shareholder, controlling person or partner to an audit office in which an auditor of the Company or the Company's subsidiaries, joint companies, major shareholders or controlling person is affiliated with, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.

6. No current or past history as a professional service provider, which includes legal consultant service provider and financial consultant service provider who received more than two million baht annually in service fees from the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons and is not a significant shareholder, a controlling person or a partner to such a service provider, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.

7. No history as a director appointed to represent a director of the Company, major shareholder or a shareholder who is connected to a major shareholder.

8. No operation of a business of the same nature and significant competition with the Company or subsidiaries and is not a significant partner in a partnership or a director who participates in the management of work, workers and employees and is not a consultant with a regular salary or a shareholder who holds more than one percent of all of shares with voting rights in another company that operates a similar business and which significantly competes with the business of the Company or subsidiaries.

9. No other characteristics that prohibit independent expression of opinions concerning the Company's activities.

Normination of Sub-committee

The compositions and qualifications of each sub-committee are required to follow the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

Member of the Audit Committee is as follows:

1. Audit Committee must be independent directors in the Company.
2. Audit Committee must be appointed by the Board of Directors.
3. The Audit Committee must be composed of at least three members with at least one-third of the committee and consisting of at least one member who possess sufficient knowledge, understanding and experience in accounting and finance to be able to audit the reliability of the Company's financial statements. Accordingly, the Board of Directors is to appoint the person who serves at the Chairman of the Audit Committee, and the head of the internal audit agency or another person authorized by the Audit Committee is to serve as the Audit Committee's secretary.

The Nomination and Remuneration Committee

1. The committee must be composed of at least one independent director or be composed by a majority of independent directors in order to comply with the principles for good governance for registered companies.
2. Directors must possess the appropriate knowledge, capabilities, experience and expertise for completing assigned tasks

Other Sub-committee

1. Directors must possess the appropriate knowledge, capabilities, experience and expertise for completing assigned tasks
2. As the Board of Directors deems appropriate.

Nomination of Chief Executive Officer and Senior Executive

The Nomination and Remuneration Committee considers persons with knowledge, competency, complete qualifications, professional having experiences that are beneficial to the Company and its subsidiaries operation and suitable for the position in order to submit to the Board of Directors for approval.

Investment Policy in Subsidiary and Associated Company

The Company's objectives of investment in subsidiary and associated company is to support its main business activities as well as tends to maximize the Company's performance and profit. The aforementioned investment will promote the Company's synergy in order to provide entire products and services.

The investment in subsidiary and associated companies will be reviewed on the principle and suitability by the Audit Committee. Supervising subsidiaries and associated companies, the Company nominates director or qualified executive with suitable experience to be representative in order to set important policies and control business operations of such subsidiary and associated company.

In present, the Company has invested in one subsidiary company, Onvalla Company Limited, in the proportion of 100% of the registered and paid-up capital. The Company has appointed two representatives from the Company to be a director of subsidiary, namely Ong-ard Puntuyakorn and Vallaya Puntuyakorn, in order to closely monitor the subsidiary's operation and the goals 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 conidential information and/or inside information of the Company which create damage to the Company either directly or indirectly. In addition, 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 the Company's shareholding 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:

1. By Post
   Send to Chairman of the Board or Chairman of the Audit Committee or Chief Executive Officer or Administrative Office.
   Alla Public Company Limited
   933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suan Luang, Bangkok 10250
2. By Email
   - Chairman of the Board and Chairman of the Audit Committee:
     Mr. Weerachai Ngamdeevilaisak:
     weerachai@alla.co.th
   - Chief Executive Officer: Mr. Ong-ard Puntuyakorn:
     ongardp@alla.co.th
   - Administrative Office through the Company's secretary:
     Miss Rawiphun Tantiauschariyakul:
     company_secretary@alla.co.th
3. Complaints can be filed through the Company's website at www.alla.co.th on the **Complaint Hotline** page where complainers can send complaints to the Chairman of the Audit Committee or the Chief Executive Officer.
4. Complaints can also be filed through the Company's comment boxes found at the Company's main office at Soi Onnut 46 and at Alla's factory in Chachoengsao. People in

charge of watching over comment boxes will send any complaints filed there to the Chairman of the Audit Committee through the Company's secretary.

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 2018 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 bribery 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 three 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 pleasant 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.

The Company has been certified ISO9001:2015 which is quality management systems as well as TIS18001:2011 and OHSAS18001:2007 which is occupational health and safety management systems from TUV NORD Thailand Ltd. In present, the Company is migrating to ISO 45001.

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 2018

The objectives are as follow:

1. To encourage the society.
2. To cultivate the student and juvenile to be generous and bountiful.
3. To support and distribute social opportunity to the orphan, handicapped and senile.
4. To be the model of education, juvenile and the nation development.
5. To publicize The Company to be widely known as well as participate in social and relationship development.

In 2018, Corporate Sociul Responsibilities activities,Which can be Summarized as follows :

Corporate Social Responsibility Activity in 2018 are as follows:

"Support National Children's Day Events"

Alla Public Company Limited and Onvalla Company Limited annually support "National Children's Day" through educational institute, community and government sector. In 2018, The Company totally supported thirteen places.






"ALLA Smile Sharing"

Since there are many abandoned elderly in the society, The Company intends to be a part to fulfil them a smile and happiness by donating personal care products.



"ALLA GROUP World save volunteer"

As The Company foresees that mangrove forest planting is necessary for the environment and be able to cultivate the employee to be nature conservative as well as build the unity among crowds, the Company launched "ALLA GROUP World save volunteer" to be one of CSR 2018 program.





"ALLA Blood Donation for Thai Society"

As there is an increasingly number of required blood from Thai Red Cross, the executive accompany with the employees participate in blood donation at Cultural Arts Center Building and Product Exhibition in Chacheongsao Province.





"Water Tank for Youth"



The Company and its subsidiary constantly conducts "Water Tank for Youth" in order to provide sanitary water for the community. This project is aimed to prevent any disease derived from insanitary water. The Company provides big storage tank, water pump, water purifier as well as cooler for four schools.

"Subsidy for Veteran"



The Company supports the veterans associate's fund raising project by subsidizing money for the activity voucher. This Project is aimed to support disabled veterans and appliance procurement.

"Subsidy for Education and Mosque Renovation"



The Company subsidizes money for educational encouragement and Mosque Renovation for Alwatoneeyah Mosque.

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. Woraratt Mekkerdchoo 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 2018, the Audit Committee held five meetings upon consultations with the management, internal auditor and auditor to acknowledge, approve and discuss on various issues, which can be summarized as follows:

1. Review of Financial Statements

The Audit Committee reviewed quarterly and yearly 2018 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's overview 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 2018 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 2018

The Audit Committee carried out the evaluation of auditor and their remuneration for 2018 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 2018.

7. Report of Operation Results

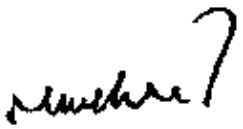
The Audit Committee quarterly reported operation results to the Board of Directors by providing useful suggestions to the management. The management properly improved operations in accordance with the suggestions.

In 2018, 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 2019

On behalf of the Audit Committee



Mr. Weerachai Ngamdeevilaisak
Chairman of the Audit Committee
20 February 2019

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 employee 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 deining 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
1/2019 held on 20 February 2019, 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 inancial 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 deining 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 2018. 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 since 2017. During 2018 Mr. Titi Ponglumjeak, Miss Nutrunkorn Tripetchsomkhun and Mr. Wichean Pakkawatthadapong 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 2018, 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 conidence 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 2018 and 2017

Individuals/ Juristic Person with Possibie Conflict of interest	Nature of Relationship
1. Mr. Ong-ard Puntuyakorn	- Being an authorized director, Chief Executive Officer and shareholder of the Company, holding 203,111,100 shares or 33.85% of the Company's paid-up registered capital (as at 29 December 2018) and being husband of Mrs. Vallaya Puntuyakorn. - Being an authorized director and Chief Executive Officer 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 at 29 December 2018) and being wife of Mr. Ong-ard Puntuyakorn - Being an authorized director of the subsidiary
3. Amplus Chem Company Limited	- Mr. Chirawat Srisawadi is director of Alla Public Company Limited being Director Amplus Chem Company Limited which is wholesaler for industrial chemicals

Related party transactions between Alla Public Company Limited and individuals or juristic person who may have a conflict of interest as at 31 December 2018 and 2017

Individuals/ Juristic Person with Possible Conflict of Interest		Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
			2018	2017	
1.	Mr. Ong-ard Puntuyakorn Mrs. Vallaya Puntuyakorn	**Vehicle hire purchase guarantee for the Company** As at 31 December 2018, the Company executed an automobile hire-purchase contract with one leasing company. The Company has four vehicles under hire purchase contract, with guarantee furnished by Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn totaling to Baht 2.30 million. The outstanding amount leasing payable is Baht 4.98 million. 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.	Guarantee in a total amount of Baht 2.30 million.	Guarantee in a total amount of Baht 7.72 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 charged to the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.

Individuals/ Juristic Person with Possible Conflict of Interest		Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
			2018	2017	
2.	Amplus Chem Company Limited	Alla Public Company Limited distribute and install loading dock and accessories to Amplus Chem Company Limited Factory located at Bang Phriang Industrial Estate and completed in September 2018.	Project amount of Baht 0.86 million	-	Reasonableness of the transaction Normal business transaction. The company sells products and services which are the main products of the company and the company has experience and expertise. Opinion of the Audit Committee Normal business transaction which the Company has experience and expertise. Also, the Company sells at the market price being similar to those received from general projects.Therefore, the transaction is deemed reasonable and beneficial to the Company

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 2018 and 2017.

Individuals/ Juristic Person with Possible Conflict of Interest		Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
			2018	2017	
1.	Mrs. Vallaya Puntuyakorn	**Vehicle hire purchase guarantee for the Company** As at 31 December 2018, the subsidiary executed automobile hire-purchase contract for business with one leasing company, with guarantee furnished by Mrs. Vallaya Puntuyakorn for four vehicles in a total amount of Baht 1.14 million. The outstanding amount leasing payable is Baht 0.57 million. 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.	Guarantee in a total amount of Baht 1.14 million.	Guarantee in a total amount of Baht 1.64 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 2018 and 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 director 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		
	2018	2017	2016	2018	2017	2016
Liquidity Ratio						
Current Ratio (x)	4.03	5.36	5.44	3.79	6.07	6.36
Quick Ratio (x)	2.83	4.10	4.17	2.58	4.85	5.20
Operating Cash Flow Ratio (x)	0.15	0.72	0.31	0.01	0.90	0.24
Account Receivable Turnover (x)	3.48	4.10	4.49	3.52	4.10	4.55
Average Collection Period (days)	104.84	88.92	81.33	103.63	89.07	80.16
Inventory Turnover (x)	2.57	2.84	2.39	2.54	3.10	2.65
Average Sales (Inventory) Period (days)	141.82	128.70	152.99	143.94	117.56	137.81
Account Payable Turnover (x)	7.09	8.13	6.02	6.17	7.15	5.64
Average Payment Period (days)	51.48	44.92	60.60	59.13	51.07	64.76
Cash Cycle (days)	195.18	172.70	173.72	188.44	155.56	153.21
Profitability Ratio						
Gross Profit Margin (%)	31.75	29.92	30.94	32.02	31.79	32.54
Operating Profit Margin (%)	13.87	11.98	12.74	14.09	16.73	15.16
Cash to Profit Margin (%)	26.39	127.04	72.69	2.31	94.72	45.53
Net Profit Margin (%)	10.89	9.27	9.71	10.91	12.99	11.55
Return on Equity (%)	9.30	7.65	11.00	7.27	8.35	9.89
Efficiency Ratio						
Return on Assets (%)	9.27	7.94	9.88	7.58	8.78	9.51
Fixed Asset Turnover (%)	318.26	331.52	356.15	1,023.36	852.84	762.46
Total Asset Turnover (x)	0.68	0.67	0.79	0.55	0.55	0.55
Leverage and Coverage Ratio						
Total Liabilities to Equity (x)	0.29	0.23	0.24	0.26	0.16	0.18
Interest Coverage Ratio (x)	242.01	97.94	21.58	208.38	119.98	21.73
Dividend Payout Ratio (%)	65.04	72.98	50.84	86.66	68.96	58.83
Other Ratio						
Book Value per share (Baht per share)	1.35	1.29	1.21	1.28	1.26	1.17
Net Profit per share (Baht per share)	0.12	0.10	0.12	0.09	0.10	0.11
Dividend per share (Baht per share)	0.08	0.07	0.06	0.08	0.07	0.06
Par value (Baht per share)	0.50	0.50	0.05	0.50	0.50	0.50
Number of shares (Million shares) [1/]	600	600[1/]	600[1/]	600	600[1/]	600[1/]

Note : [1/] 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

Major Development in 2018

Being appointed as the authorized distributor of "YALE" hoist and equipment

In October 2018, the Company has been appointed as the authorized distributor of "YALE" hoist and equipment under STAHL CraneSystems GmbH, Germany, which will benefit the Company in expanding the customer base covering the contractors and the mid-range of users.

2018 Business Performance Overview

The operating performance of the Group for the year 2018 have improved markedly, especially the increase of revenue from sales of industrial door and loading dock, also with the increase of revenue from services of crane and hoist. In addition to, the increase of gross profit margin due to special projects that were delivered to customers during the year. The Group has also improved costing management, as a result, the increase in net profit of the Group. Furthermore, the revenues backlog of the Group as at the end of this year was Baht 459 million increased about 52% compared to the end of prior year.

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.

2018 Consolidated Financial Summary

Operating Income

Operating Income	2018 (Thousand Baht)	2017 (Thousand Baht)	Change (%)
Sales and service income	668,753	613,835	9%
Other income	8,686	7,125	22%
Total Operating Income	**677,439**	**620,960**	**9%**

Revenues structure

Revenues structure	2018		2017		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales						
Crane and Hoist	367,663	54%	364,547	59%	3,116	1%
Loading Dock and Equipment	160,493	24%	118,501	19%	41,992	35%
Warehouse system provider	56	0%	-	-	56	100%
Total revenue from sales	**528,212**	**78%**	**483,048**	**78%**	**45,164**	**9%**
Revenue from services						
Crane and Hoist	117,751	18%	103,891	17%	13,860	13%
Loading Dock and Equipment	22,436	3%	26,509	4%	(4,073)	(15%)
Training center	354	0%	387	0%	(33)	(9%)
Total revenue from services	**140,541**	**21%**	**130,787**	**21%**	**9,754**	**7%**
Other income	**8,686**	**1%**	**7,125**	**1%**	**1,561**	**22%**
Total Operating Income	**677,439**	**100%**	**620,960**	**100%**	**56,479**	**9%**

Total operating income for the year of 2018 of the Company and its subsidiary were Baht 677 million increased from prior year of Baht 56 million or 9% which can be analyzed by each type of business as follows.

- Crane and Hoist: The portion of revenue was 54% of total revenues. The sales in 2018 slightly increased by 1% compared to prior year. However, the Company has received sale orders of cranes and electric hoists from customers continuously. The main customers were Steel and Aluminum, Automotive, Power plant and Sky train.

- Loading Dock and Equipment: The portion of revenue was 24% of total revenues. The sales increased by 35% compared to prior year, mainly due to the expansion of core customers, especially Hypermarket, Agriculture and Foods, and Construction contractor.

- Service revenues: The portion of revenue was 21% of total revenues which increased by 7% compared to prior year. The increase was from crane and hoist service segment which due to Automotive and Steel and Aluminum business sectors.

As at December 2018, the Company and its subsidiary had revenues backlog of Baht 459 million, which increased by Baht 157 million or 52% compared to prior year, such backlog will gradually be recognized as revenues from 2019 onward. The continued increase in revenues backlog was due to the expansion of public and private investment in order to support the overall economy growth.

Operating Expenses

	2018 (Thousand Baht)	2017 (Thousand Baht)	Change (%)
Cost of sales and services	456,392	430,199	6%
Selling expenses	32,816	27,025	21%
Administrative expenses	95,468	90,175	6%
Total Operating Expenses	**584,676**	**547,399**	**7%**

Total operating expenses for the year of 2018 of the Company and its subsidiary were Baht 585 million increased from prior year of Baht 37 million or 7%. The mainly causes due to

- Cost of sales and services increased in line with the increase of revenue from sales and services.
- Selling and Administrative expenses increased due to the increase of employee expenses. In addition, marketing expenses also increased from warehouse system provider business segment.

Other Items

	2018 (Thousand Baht)	2017 (Thousand Baht)	Change (%)
Finance costs	383	751	(49%)
Income tax expenses	18,579	15,262	22%
Total Other Items	**18,962**	**16,013**	**18%**

- Finance cost decreased by 49% due to the repayment of financial lease liabilities and short-term loans from financial institutions.
- Income tax expenses increased by 22% in line with the operating profit.

Profitability Analysis

	2018 (Thousand Baht)	2017 (Thousand Baht)	Change (%)
Gross profit	212,361	183,636	16%
Gross profit margin (%)	32%	30%	
Net profit	73,801	57,548	28%
Net profit margin (%)	11%	9%	
Total comprehensive income	75,924	60,293	26%
Basic earnings per share (Baht)	0.12	0.10	20%

- Gross profit increased of Baht 29 million or 16% and gross profit margin increased by 2% due to special projects that were delivered to customers during the year including efficient costing management.
- Net profit increased of Baht 16 million or 28% and net profit margin increased by 2% in line with the increase of gross profit.
- Total comprehensive income increased of Baht 16 million or 26% in line with the increase of net profit and actuarial gain.
- Basic earnings per share increased of Baht 0.02 or 20% in line with the increase of net profit.

Assets

	2018 (Thousand Baht)	2017 (Thousand Baht)	Change
Cash and cash equivalents	118,216	270,472	(56%)
Short - term investments	203,511	112,213	81%
Trade and other receivables	246,041	161,188	53%
Inventories	200,267	154,394	30%
Property, plant and equipment	218,784	206,929	6%
Other assets	61,500	47,830	29%
Total Assets	**1,048,319**	**953,026**	**10%**

Total liabilities of the Company and its subsidiary increased of Baht 61 million or 35%, due mainly to

- Trade account payables increased in line with the increase of inventories, in order to support orders from customers.
- Deposits received in advance increased in line with the increase of backlog revenues.

Total shareholders' equity increased of Baht 34 million or 4% which increased from total comprehensive income of Baht 76 million and decreased from dividend payment of Baht 42 million.

Liquidity and Capital Management

Cash Flows	2018 (Thousand Baht)	2017 (Thousand Baht)
Net cash from operating activities	24,481	93,455
Net cash from (used in) investing activities	(130,228)	56,995
Net cash used in financing activities	(46,509)	(58,107)
Net increase (decrease) in cash and cash equivalents	**(152,256)**	**92,343**
Beginning cash and cash equivalents	**270,472**	**178,129**
Ending cash and cash equivalents	**118,216**	**270,472**

For the year of 2018, the Company and its subsidiary had net decrease in cash and cash equivalent of Baht 152 million from the beginning balance of Baht 270 million. As a result, cash and cash equivalents at the end of the year was Baht 118 million. Details of cash flows by activities during the year were as follows:-

- Net cash from operating activities were Baht 24 million.
- Net cash used in investing activities were Baht 130 million as from the increase of current investment and investment in held-to-maturity securities of Baht 90 million and Baht 10 million, respectively, and also paid for investment in fixed assets of Baht 35 million.
- Net cash used in financing activities were Baht 47 million due mainly to dividend payment of Baht 42 million.

Trade accounts receivable and accrued income	2018		2017	
	Thousand Baht	%	Thousand Baht	%
Not yet due	34,460	15%	57,431	36%
Over due				
Less than 3 months	143,641	64%	80,011	51%
More than 3 months, not over 6 months	20,726	9%	15,049	10%
More than 6 months, not over 12 months	24,475	11%	4,041	3%
More than 12 months	2,871	1%	1,583	1%
Total	226,173	100%	158,115	100%
Less Allowance for doubtful accounts	(53)	-	(53)	-
Trade accounts receivable and accrued income – net	**226,120**	**100%**	**158,062**	**100%**

Total assets of the Company and its subsidiary increased of Baht 95 million or 10%, due mainly to

- Cash and cash equivalents decreased from dividend payment and investment in short-term investments and fixed assets.
- Trade accounts receivable and accrued income increased in line with the increase of revenue from sales and services.
- Inventories increased in order to support orders from customers.

Liabilities and Equity

	2018 (Thousand Baht)	2017 (Thousand Baht)	Change (%)
Trade and other payables	92,967	65,523	42%
Deposit received in advance	55,888	25,529	119%
Accrued expenses	24,808	21,049	18%
Provision for long-term employee benefits	41,304	39,264	5%
Other liabilities	22,791	25,024	(9%)
Total Liabilities	**237,758**	**176,389**	**35%**
Total Shareholders' Equity	**810,561**	**776,637**	**4%**

Key Financial Ratios

	2018	2017
Returns Ratio (%)		
Return on Assets	9.27	7.94
Return on Equity	9.30	7.65
Liquidity Ratio (x)		
Current Ratio	4.03	5.36
Quick Ratio	2.83	4.10
Assets and Liabilities Management (Day)		
Average Collection Period	104.84	88.92
Average Sales (Inventory) Period	141.82	128.70
Average Payment Period	51.48	44.92
Leverage and Coverage Ratios		
Total Liabilities to Equity (x)	0.29	0.23
Interest Coverage Ratio (x)	242.01	97.94
Dividend Payout Ratio (%)-Separate Company	86.66	68.96

- Return on asset and Return on equity increased by 1.33% and 1.65%, respectively, due to the increase of profit.
- Current ratio and Quick Ratio decreased by 1.33x and 1.27x, respectively, due to the increase in current liabilities as from trade accounts payable and deposit received in advance.
- Average collection period increased by 16 days due to accrued income from large projects at the end of the year which the Company will collect the debt from customers under the terms of the agreed time. Average sales period increased by 13 days as the project delivered in this year were mega projects which had time consuming to produce and install longer than usual. Average payment period slightly increased.
- Total liabilities to equity increased by 0.06x due to the increase in current liabilities as from trade accounts payable and deposit received in advance. Interest coverage ratio increased by 144.07x as from the decrease of finance costs. Dividend payout ratio increased by 17.70% since the Company pays dividend at higher rate than prior year, although the profit of the separate financial statements decreased.

Factors affecting future operations

Irreplaceable technology of electronic cranes and hoists

Cranes and Hoists Industries can grow continually in the future as every industries need cranes and hoists for lifting heavy materials. At present, there is still no substitute of any technology, like cranes and hoists, for lifting.

Industry growth in Thailand and Future Public Investments

The industry outlook in 2019 is expected to be better as the domestic economy that could be continually recovered from 2018. In particular, the explicit election framework in the year 2019 of the government will affect the growth of Thai economy in 2019 by being able to build confidence and good image for the country. Political stability is conducive to economic activity which will able to attract foreign investments. The public investments, especially, the growth of the investments in transport infrastructure including the investments of the private sectors which likely to be increased in 2019 as from the interest 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 lead to investment needs in various fields such as transportation, storage and distribution, data collection and analysis.

Since the demand for electricity is increasing steadily in Thailand, and according to the BE 2558-2579 Power Development Plan and BE 2558 Alternative Energy Development Plan, as a result, the Electricity Generating Authority of Thailand and the Provincial Electricity Authority has increased the purchasing of electricity. 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 BE 2558-2565 and the Development of the Strategic Plan Logistics No. 3 (BE 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, 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-sale service that is available 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-Sale 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 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.

Adding new alternative products to customers

In October 2018, the Company has been appointed as the authorized distributor of "YALE" hoist and equipment under STAHL CraneSystems GmbH, Germany. This appointment will benefit the Company by making more alternative products for customers, as a result, the expanding of customer base covering the contractors and the mid-range of users.

The expansion of investment to ASEAN

In 2018 the meeting of the Board of Directors resolved to establish the representative office in the form of Foreign Trade Representative Office (FTRA) in Jakarta, Indonesia. For the purpose of promoting and marketing the Company's products and services such as crane and hoist, loading equipment and warehouse systems provider. It also facilitates in providing the information of the Company's products to target customers in Indonesia. This is a significant step and is a model of oversea investment in the future, which the Company believes that it has good prospects of expansion of cities in neighboring countries. The Company also can relies on existing customers that have invested in overseas or having oversea production base. The Company emphasizes the use of the brand "ALLA" to expand investment, in order to be recognized in the ASEAN in the future.

Manufacturing process improvement

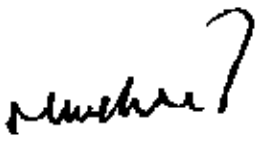
The Company has arranged a meeting to discuss the guidelines of reducing costs of every departments in the organization and doing KAIZEN activity. The objectives are to improve production efficiency, to reduce costs from production, both in monetary and non-monetary, such as the duration of work, redundant 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 2018 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 Oficer

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 2018, 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 2018, 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 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.

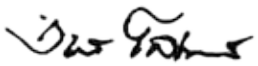
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely 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: 20 February 2019

Alla Public Company Limited and its subsidiary

Statement of financial position

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Assets					
Current assets					
Cash and cash equivalents	*7*	118,216,211	270,472,091	54,932,167	201,323,507
Current investments	*8*	203,511,382	112,212,969	203,511,382	112,212,969
Trade and other receivables	*6, 9*	246,041,177	161,188,376	186,898,221	117,005,745
Inventories	*10*	200,265,994	154,393,765	165,935,384	100,352,589
Other current assets		13,162,235	8,390,382	11,723,150	5,464,727
Total current assets		781,196,999	706,657,583	623,000,304	536,359,537
Non-current assets					
Restricted bank deposits	*11*	25,000,000	25,300,000	25,000,000	25,000,000
Investment in subsidiary	*12*	-	-	251,999,560	251,999,560
Other long-term investments	*13*	10,082,904	82,904	10,082,904	82,904
Property, plant and equipment	*14*	218,783,651	206,929,061	47,319,751	51,895,243
Intangible assets	*15*	3,429,990	4,604,933	3,396,025	4,457,572
Deferred tax assets	*22*	9,793,249	9,415,270	7,776,394	6,684,561
Deposits and guarantees		32,500	36,100	30,400	31,600
Total non-current assets		267,122,294	246,368,268	345,605,034	340,151,440
Total assets		1,048,319,293	953,025,851	968,605,338	876,510,977

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 2018	31 December 2017	31 December 2018	31 December 2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	*6, 16*	92,966,845	65,523,273	85,183,039	39,731,327
Current portion of liabilities under financial lease agreements	*17*	2,753,073	4,138,683	2,296,097	3,214,584
Income tax payable		9,321,878	3,210,183	6,937,664	2,908,244
Deposit received in advance		55,887,790	25,529,315	48,198,941	19,211,174
Accrued expenses		24,807,539	21,048,555	18,661,424	16,622,481
Warranty reserve		2,093,110	5,477,623	1,106,943	2,908,873
Other current liabilities		6,182,341	7,002,224	2,037,956	3,782,902
Total current liabilities		194,012,576	131,929,856	164,422,064	88,379,585
Non-current liabilities					
Liabilities under financial lease agreements, net of current portion	*17*	2,441,577	5,194,651	2,344,944	4,641,041
Provision for long-term employee benefits	*18*	41,303,964	39,264,287	33,580,798	27,929,966
Total non-current liabilities		43,745,541	44,458,938	35,925,742	32,571,007
Total liabilities		237,758,117	176,388,794	200,347,806	120,950,592

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 2018	31 December 2017	31 December 2018	31 December 2017
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
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		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	*20*	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		132,027,871	98,103,785	89,771,007	77,073,860
Equity attributable to owners of the Company		810,560,710	776,636,624	768,257,532	755,560,385
Non-controlling interest of the subsidiary		466	433	-	-
Total shareholders' equity		810,561,176	776,637,057	768,257,532	755,560,385
Total liabilities and shareholders' equity		1,048,319,293	953,025,851	968,605,338	876,510,977

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales and service income	*24*	668,753,245	613,834,866	496,687,080	448,122,148
Dividend income	*6, 12*	2,694	2,518	2,694	10,002,502
Other income		8,683,543	7,122,824	10,971,105	10,795,799
Total revenues		677,439,482	620,960,208	507,660,879	468,920,449
Expenses					
Cost of sales and services		456,392,272	430,198,847	337,626,532	305,684,262
Selling expenses		32,816,123	27,024,832	23,440,165	17,954,061
Administrative expenses		95,468,021	90,174,821	76,619,479	70,317,748
Total expenses		584,676,416	547,398,500	437,686,176	393,956,071
Profit before finance cost and income tax		92,763,066	73,561,708	69,974,703	74,964,378
Finance cost		(383,302)	(751,087)	(335,809)	(624,829)
Profit before income tax expenses		92,379,764	72,810,621	69,638,894	74,339,549
Income tax expenses	*22*	(18,578,701)	(15,262,182)	(14,250,748)	(13,431,183)
Profit for the year		73,801,063	57,548,439	55,388,146	60,908,366
Other comprehensive income:					
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial gain (loss)	*18*	2,653,820	3,430,283	(863,749)	4,093,642
Less: Income tax effect	*22*	(530,764)	(686,056)	172,750	(818,728)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		2,123,056	2,744,227	(690,999)	3,274,914
Other comprehensive income for the year		2,123,056	2,744,227	(690,999)	3,274,914
Total comprehensive income for the year		75,924,119	60,292,666	54,697,147	64,183,280

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Net profit attributable to:					
Equity holders of the Company		73,801,035	57,548,429	55,388,146	60,908,366
Non-controlling interests of the subsidiary		28	10	-	-
		73,801,063	57,548,439	55,388,146	60,908,366
Total comprehensive income attributable to:					
Equity holders of the Company		75,924,086	60,292,657	54,697,147	64,183,280
Non-controlling interests of the subsidiary		33	9	-	-
		75,924,119	60,292,666	54,697,147	64,183,280
Earnings per share	*23*				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.12	0.10	0.09	0.10
Weighted average number of ordinary shares		600,000,000	600,000,000	600,000,000	600,000,000

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 2018

(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 restructuring under common control	Retained earnings		Total equity attributable to owners of the Company		
				Appropriated - statutory reserve	Unappropriated			
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 19)	-	-	-	-	(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
Balance as at 1 January 2018	300,000,000	348,486,525	46,314	30,000,000	98,103,785	776,636,624	433	776,637,057
Profit for the year	-	-	-	-	73,801,035	73,801,035	28	73,801,063
Other comprehensive income for the year	-	-	-	-	2,123,051	2,123,051	5	2,123,056
Total comprehensive income for the year	-	-	-	-	75,924,086	75,924,086	33	75,924,119
Dividend paid (Note 19)	-	-	-	-	(42,000,000)	(42,000,000)	-	(42,000,000)
Balance as at 31 December 2018	300,000,000	348,486,525	46,314	30,000,000	132,027,871	810,560,710	466	810,561,176

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 2018

(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 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 19)	-	-	-	(12,000,000)	(12,000,000)
Balance as at 31 December 2017	300,000,000	348,486,525	30,000,000	77,073,860	755,560,385
Balance as at 1 January 2018	300,000,000	348,486,525	30,000,000	77,073,860	755,560,385
Profit for the year	-	-	-	55,388,146	55,388,146
Other comprehensive income for the year	-	-	-	(690,999)	(690,999)
Total comprehensive income for the year	-	-	-	54,697,147	54,697,147
Dividend paid (Note 19)	-	-	-	(42,000,000)	(42,000,000)
Balance as at 31 December 2018	300,000,000	348,486,525	30,000,000	89,771,007	768,257,532

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	92,379,764	72,810,621	69,638,894	74,339,549
Adjustments to reconcile profit before tax to net				
cash provided by (paid from) operating activities:				
Depreciation and amortisation	17,627,319	19,359,926	11,071,981	12,258,633
Amortisation of deferred trade rights	-	237,548	-	-
Bad debts and doubtful debts	2,440	-	-	-
Reduction of inventory value to net realisable value	4,252,324	408,133	2,658,254	545,815
Gain on disposal of property, plant and equipment	(1,167,286)	(1,116,827)	(372,231)	(1,166,475)
Gain on sales of current investments in trading securities	(250,423)	-	(250,423)	-
Dividend income	(2,694)	(2,518)	(2,694)	(10,002,502)
Reversal of warranty reserve	(2,878,652)	(1,475,999)	(1,624,985)	(2,163,438)
Provision for long-term employee benefits	9,638,017	7,385,256	7,651,533	4,899,919
Unrealised gain on changes in value of current investmetns				
in trading securities	(1,047,990)	(2,135,121)	(1,047,990)	(2,135,121)
Unrealised (gain) loss on exchange	(787,924)	920,196	(716,686)	609,641
Interest income	(2,914,289)	(3,193,032)	(2,371,634)	(3,146,846)
Interest expenses	383,302	751,087	335,809	624,829
Profit from operating activities before changes				
in operating assets and liabilities	115,233,908	93,949,270	84,969,828	74,664,004
Operating assets (increase) decrease				
Trade and other receivables	(84,755,103)	(18,801,863)	(69,791,971)	(12,428,794)
Inventories	(50,124,553)	(5,809,287)	(68,241,049)	(4,340,465)
Other current assets	(4,754,235)	285,106	(6,269,395)	2,163,558
Deposits and guarantees	3,600	6,200	1,200	8,000
Operating liabilities increase (decrease)				
Trade and other payables	37,673,879	31,040,631	47,693,114	20,296,967
Deposit received in advance	30,361,012	6,750,208	28,990,304	4,151,616
Other current liabilities	(819,883)	(1,888,303)	(1,744,946)	(2,346,859)
Cash paid for long-term employee benefits	(4,944,520)	(644,034)	(2,864,450)	(644,034)
Cash flows from operating activities	37,874,105	104,887,928	12,742,635	81,523,993
Cash received from withholding tax refundable	-	1,817,239	-	-
Cash paid for income tax	(13,393,367)	(13,250,008)	(11,129,439)	(10,520,691)
Net cash flows from operating activities	24,480,738	93,455,159	1,613,196	71,003,302

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
(Increase) decrease in current investments	(90,000,000)	100,000,000	(90,000,000)	100,000,000
Increase in investment in debt security held to maturity	(10,000,000)	-	(10,000,000)	-
Decrease in restricted bank deposits	300,000	157,456	-	157,456
Purchase of property, plant and equipments	(34,582,691)	(47,752,488)	(5,105,348)	(3,978,045)
Purchase of intangible assets	(127,410)	(249,414)	(127,410)	(195,398)
Dividend received	2,694	2,518	2,694	10,002,502
Cash received from sales of property, plant and equipments	1,365,607	1,355,841	491,775	1,302,803
Interest income	2,814,151	3,480,712	2,271,129	3,438,614
Cash paid for additional investment in subsidiary	-	-	-	(100,000,000)
Net cash flows from (used in) investing activities	(130,227,649)	56,994,625	(102,467,160)	10,727,932
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	-	(37,033,674)	-	(25,543,044)
Repayment of long-term loans	-	(3,000,000)	-	-
Cash paid for liabilities under financial lease agreements	(4,138,684)	(5,319,219)	(3,214,584)	(4,541,157)
Cash paid for interest expenses	(383,302)	(755,515)	(335,809)	(627,993)
Dividend paid	(41,986,983)	(11,998,988)	(41,986,983)	(11,998,972)
Net cash flows used in financing activities	(46,508,969)	(58,107,396)	(45,537,376)	(42,711,166)
Net increase (decrease) in cash and cash equivalents	(152,255,880)	92,342,388	(146,391,340)	39,020,068
Cash and cash equivalents at beginning of the year	270,472,091	178,129,703	201,323,507	162,303,439
Cash and cash equivalents at end of the year	118,216,211	270,472,091	54,932,167	201,323,507
Supplement cash flows information				
Non-cash items:				
Assets acquired under financial lease agreements	-	773,832	-	-
Net increase (decrease) in other accounts payable for purchase of property, plant and equipment	(6,204,814)	8,230,713	321,728	453,362

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, loading docks, electronic lifts, automated shelving and racking system 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, Onnut 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	
		2018 Percent	2017 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. Providing 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 year

During the year, the Company and its subsidiary have adopted 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 notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiary believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiary is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount

c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (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 - 30	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 defined benefit plans are recognised immediately in other comprehensive income.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

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 party. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and related party.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2018	2017	2018	2017	
Transactions with subsidiary (eliminated from the consolidated financial statements)					
Sales and service income	-	-	1,183	2,767	Cost plus margin
Dividend income	-	-	-	10,000	As declared rate
Rental and software maintenance income	-	-	4,137	3,656	Mutually agreed price as stipulated in the contract
Freight income	-	-	73	149	Cost plus margin
Cost of sales and services	-	-	6,799	5,269	Cost plus margin
Rental expense	-	-	1,649	2,226	Mutually agreed price as stipulated in the contract

As at 31 December 2018 and 2017, the balances of the accounts between the Company and related party are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other receivables - related party (Note 9)				
Subsidiary company	-	-	1,482	2,394
Trade and other receivables - related party	-	-	1,482	2,394
Trade and other payables - related party (Note 16)				
Subsidiary company	-	-	452	1,060
Total trade and other payables - related party	-	-	452	1,060

Directors and management's remuneration

During the years ended 31 December 2018 and 2017, 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	
	2018	2017	2018	2017
Short-term employee benefits	26,740	26,103	20,462	18,396
Post-employment benefits	2,474	2,326	1,663	1,649
Other long-term benefits	10	51	50	37
Total	29,224	28,480	22,175	20,082

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	215	225	135	145
Bank deposits	118,001	270,247	54,797	201,179
Total	118,216	270,472	54,932	201,324

As at 31 December 2018, bank deposits carried interests between 0.37 and 1.25 percent per annum (2017: 0.37 and 1.40 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Fixed deposit	100,000	-
Securities held for trading - Debt securities	103,511	112,213
Total	203,511	112,213

Fixed deposits had an interest rates of 1.50% and mature in January 2019.

During the years 2018 and 2017, movements of trading securities are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Balance as at 1 January	112,213	110,078
Disposal - net book value	(10,000)	-
Gain from sales of current investments in trading securities	250	-
Unrealised gain from change in value of investments	1,048	2,135
Balance as at 31 December	103,511	112,213

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - related party				
Aged on the basis of due dates				
Not yet due	-	-	29	1,544
Overdue				
Less than 3 months	-	-	244	69
Total trade accounts receivable - related party	-	-	273	1,613
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	34,460	57,431	27,164	38,131
Overdue				
Less than 3 months	25,190	21,673	13,060	14,288
More than 3 months, not over 6 months	3,291	1,415	1,227	1,175
More than 6 months, not over 12 months	12	734	12	720
More than 12 months	129	170	129	168
Total trade accounts receivable - unrelated parties	63,082	81,423	41,592	54,482
Total trade accounts receivable	63,082	81,423	41,865	56,095
Accrued income - sale of goods and service				
Aging				
Less than 3 months	118,451	58,338	81,949	42,274
More than 3 months, not over 6 months	17,435	13,634	16,820	13,113
More than 6 months, not over 12 months	24,463	3,307	23,262	2,610
More than 12 months	2,742	1,413	2,742	1,409
Total accrued income - sale of goods and service	163,091	76,692	124,773	59,406
Less: Allowance for doubtful debts	(53)	(53)	(53)	(53)
Accrued income - sale of goods and service - net	163,038	76,639	124,720	59,353
Other receivables				
Other receivables - related party	-	-	1,209	781
Other receivables - unrelated parties	19,921	3,126	19,104	777
Total other receivables	19,921	3,126	20,313	1,558
Total trade and other receivables - net	246,041	161,188	186,898	117,006

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Work in process	52,798	41,040	(3,992)	(441)	48,806	40,599
Raw materials and others	120,566	109,044	(5,683)	(4,982)	114,883	104,062
Goods in transit	36,577	9,733	-	-	36,577	9,733
Total	209,941	159,817	(9,675)	(5,423)	200,266	154,394

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Work in process	43,588	30,787	(3,193)	(384)	40,395	30,403
Raw materials and others	93,630	71,094	(4,209)	(4,359)	89,421	66,735
Goods in transit	36,119	3,215	-	-	36,119	3,215
Total	173,337	105,096	(7,402)	(4,743)	165,935	100,353

During the current year, the Company and its subsidiary reduced cost of inventories by Baht 4.25 million (2017: Baht 0.41 million) and the Company only by Baht 2.66 million (2017: Baht 0.55 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 2018 and 2017, 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 years	
	2018	2017	2018 (%)	2017 (%)	2018	2017	2018	2017
Onvalla Co., Ltd.	250,000	250,000	100	100	252,000	252,000	-	10,000
Total					252,000	252,000	-	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. Other long-term investments

(Unit: Thousand Baht)

	Interest rate	Consolidated and separate financial statements	
	(Percent per annum)	2018	2017
Investment in debt security held to maturity			
Corporate bonds due A.D. 2022	5.00	10,000	-
Total investment in debt security held to maturity		10,000	-
Other investment			
Preferred stock	-	83	83
Total other investment		83	83
Total other long-term investment		10,083	83

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2017	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
Additions	-	12	1,559	1,277	1,032	24,498	28,378
Transferred in/(out)	-	67,281	7,093	813	-	(75,187)	-
Disposals/write-off	-	-	(398)	(1,206)	(1,471)	-	(3,075)
31 December 2018	47,252	176,081	50,962	26,433	55,315	6,258	362,301
Accumulated depreciation:							
1 January 2017	-	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
Depreciation for the year	-	2,383	4,209	2,640	7,093		16,325
Depreciation on disposals/ write-off	-	-	(331)	(1,076)	(1,470)	-	(2,877)
31 December 2018	-	50,434	32,234	20,620	40,229	-	143,517
Net book value:							
31 December 2017	47,252	60,737	14,352	6,493	21,148	56,947	206,929
31 December 2018	47,252	125,647	18,728	5,813	15,086	6,258	218,784

Depreciation for the year	
2017 (Baht 12 million included in cost of sales and services, and the balance in selling and administrative expenses)	17,286
2018 (Baht 11 million included in cost of sales and services, and the balance in selling and administrative expenses)	16,325

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2017	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
Additions	-	12	1,119	865	1,032	2,399	5,427
Transferred in/(out)	-	-	171	-	-	(171)	-
Disposals/write-off	-	-	(252)	(717)	(1,471)	-	(2,440)
31 December 2018	5,941	50,764	21,039	16,530	42,137	2,434	138,845
Accumulated depreciation:							
1 January 2017	-	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
Depreciation for the year	-	1,003	1,621	1,877	5,382	-	9,883
Depreciation on disposals/ write-off	-	-	(213)	(638)	(1,470)	-	(2,321)
31 December 2018	-	33,204	16,253	12,864	29,204	-	91,525
Net book value:							
31 December 2017	5,941	18,551	5,156	4,757	17,284	206	51,895
31 December 2018	5,941	17,560	4,786	3,666	12,933	2,434	47,320

Depreciation for the year	
2017 (Baht 7 million included in cost of sales and services, and the balance in selling and administrative expenses)	10,472
2018 (Baht 6 million included in cost of sales and services, and the balance in selling and administrative expenses)	9,883

As at 31 December 2018, the Company and its subsidiary had motor vehicles with net book value of Baht 8.59 million (2017: Baht 14.22 million) and the Company only amounting to Baht 7.07 million (2017: Baht 11.86 million) which were acquired under finance lease agreements.

As at 31 December 2018, 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 63.82 million (2017: Baht 51.40 million) and the Company only amounting to Baht 45.74 million (2017: Baht 39.99 million).

As at 31 December 2018, the subsidiary pledged its land and buildings thereon, of which net book value amounting to Baht 143.37 million (2017: Baht 77.47 million), with financial institutions as collateral to secure credit facilities of the Group.

15. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
31 December 2018:		
Cost	11,475	10,603
Less: Accumulated amortisation	(8,045)	(7,207)
Net book value	3,430	3,396
31 December 2017:		
Cost	11,348	10,476
Less: Accumulated amortisation	(6,743)	(6,018)
Net book value	4,605	4,458

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	4,605	6,445	4,458	6,049
Additions	127	249	127	195
Write-off - net book value	-	(15)	-	-
Amortisation for the year	(1,302)	(2,074)	(1,189)	(1,786)
Net book value at end of year	3,430	4,605	3,396	4,458

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable - related party	-	-	426	964
Trade accounts payable - unrelated parties	80,745	47,992	76,675	31,320
Other payables - related party	-	-	26	96
Other payables - unrelated parties	12,222	17,531	8,056	7,351
Total trade and other payables	92,967	65,523	85,183	39,731

17. Liabilities under financial lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under financial lease agreements	5,551	10,073	4,984	8,534
Less: Deferred interest expenses	(356)	(739)	(343)	(678)
Total	5,195	9,334	4,641	7,856
Less: Portion due within one year	(2,753)	(4,139)	(2,296)	(3,215)
Liabilities under financial lease agreements, net of current portion	2,442	5,195	2,345	4,641

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 2018					
	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	2,979	2,572	5,551	2,510	2,474	4,984
Deferred interest expenses	(226)	(130)	(356)	(214)	(129)	(343)
Present value of future minimum lease payments	2,753	2,442	5,195	2,296	2,345	4,641

(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

18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2018 and 2017, 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	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	39,264	35,953	27,930	27,768
Included in profit or loss:				
Current service cost	8,922	6,129	7,165	3,977
Interest cost	716	1,256	487	923
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(1,382)	-	(841)
Financial assumptions changes	(246)	(4,516)	(213)	(2,986)
Experience adjustments	(2,408)	2,468	1,076	(267)
Benefits paid during the year	(4,944)	(644)	(2,864)	(644)
Provision for long-term employee benefits at end of year	41,304	39,264	33,581	27,930
Provision for employee benefits				
Current	4,050	3,329	3,585	2,864
Non-current	37,254	35,935	29,996	25,066
	41,304	39,264	33,581	27,930

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 13.49 to 14.48 years (2017: 23 to 24 years) The Company only: 14.48 years (2017: 24 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2018 (% per annum)	2017 (% per annum)	2018 (% per annum)	2017 (% per annum)
Discount rate	2.05 - 2.38	1.86 - 2.11	2.08	1.86
Salary increase rate	4.50 - 7.00	5.00	7.00	5.00
Employee turnover rate (depending on age)	0 - 19.00	0 - 24.00	0 - 19.00	0 - 24.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,236)	1,318	(985)	1,051
Salary increase rate	849	(802)	687	(648)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1,529)	1,742	(1,192)	1,360

(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

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 7.51 million (The Company only: Baht 6.87 million). The Company and its subsidiary will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective.

19. Dividend paid

19.1 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.

19.2 On 24 April 2018, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment for the operating results of the year 2017 to the Company's shareholders at the rate of Baht 0.07 per share, totaling Baht 42 million. The Company paid dividends to its shareholders on 18 May 2018.

20. 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.

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials used	325,748	278,839	232,420	200,970
Changes in inventories of work in process	(18,832)	(2,184)	(12,801)	(3,658)
Salaries, wages and other employee benefits	197,604	184,147	145,781	132,407
Depreciation and amortisation expenses	17,627	19,360	11,072	12,259
Subcontractor expenses	7,700	7,630	6,008	6,341
Freight and import expense	12,311	10,869	9,887	8,674
Transportation expenses	10,151	8,343	7,952	5,993
Utilities expenses	5,441	5,234	3,663	3,657
Commission expenses	8,006	7,204	5,900	5,114
Reduce cost of inventory value	4,252	408	2,658	545
Warranty reserve (reversal)	(2,879)	(1,476)	(1,624)	(2,163)
Repair and maintenance expenses	3,629	2,866	2,582	1,932
Professional fee	5,666	3,863	4,582	2,709
Rental expenses	711	713	2,154	2,736

22. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge for the year	19,487	15,647	15,170	13,356
Adjustment in respect of current income tax of previous year	-	168	-	5
Deferred tax:				
Relating to origination and reversal of temporary differences	(908)	(553)	(919)	70
Income tax expenses reported in the statements of comprehensive income	18,579	15,262	14,251	13,431

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to actuarial (gain) loss	(531)	(686)	173	(819)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	92,380	72,811	69,639	74,340
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	18,476	14,562	13,928	14,868
Adjustment in respect of current income tax of previous year	-	168	-	5
Effects of:				
Non-deductible expenses	615	671	401	625
Additional expense deductions allowed	(370)	(2,108)	(78)	(2,082)
Other	-	15	-	15
Related transactions	(142)	1,954	-	-
Total	103	532	323	(1,442)
Income tax expenses reported in the statements of comprehensive income	18,579	15,262	14,251	13,431

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	11	11	11	11
Allowance for diminution in value of inventories	1,935	1,085	1,480	948
Provision for long-term employee benefits	8,261	7,852	6,716	5,586
Warranty reserve	418	1,095	221	582
Total	10,625	10,043	8,428	7,127
Deferred tax liabilities				
Unrealised gain on held for trade investments	652	442	652	442
Accumulated depreciation - building	180	186	-	-
Total	832	628	652	442
Deferred tax assets - net	9,793	9,415	7,776	6,685

23. 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	
	2018 (Thousand Baht)	2017 (Thousand Baht)	2018 (Thousand shares)	2017 (Thousand shares)	2018 (Baht)	2017 (Baht)
Consolidated financial statements						
Basic earnings per share						
Profit attributable to equity holders of the Company	73,801	57,548	600,000	600,000	0.12	0.10
Separate financial statements						
Basic earnings per share						
Profit attributable to equity holders of the Company	55,388	60,908	600,000	600,000	0.09	0.10

24. 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 2018 and 2017:

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the years ended 31 December									
	Sale and relevant service income		Service income		Total segments		Eliminated transactions		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Sales and service income										
Related party	8,501	7,636	707	398	9,208	8,034	(9,208)	(8,034)	-	-
External customers	528,212	483,048	140,541	130,787	668,753	613,835	-	-	668,753	613,835
	536,713	490,684	141,248	131,185	677,961	621,869	(9,208)	(8,034)	668,753	613,835
Gross profit margin					212,914	183,533	(553)	103	212,361	183,636
Other income					13,424	23,110	(4,738)	(15,985)	8,686	7,125
Selling expenses					(32,816)	(27,025)	-	-	(32,816)	(27,025)
Administrative expenses					(101,469)	(96,287)	6,001	6,112	(95,468)	(90,175)
Finance cost					(383)	(751)	-	-	(383)	(751)
Income tax expenses					(18,579)	(15,262)	-	-	(18,579)	(15,262)
Profit for the year					73,091	67,318	710	(9,770)	73,801	57,548
Segment total assets									1,048,319	953,026
Additions to non-current assets other than deferred tax assets									20,376	37,006

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 2018, the Company and its subsidiary had revenue from 1 major customer in amount of Baht 106.53 million and the Company only of Baht 106.53 million.

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

25. 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 2018 by the Company and its subsidiary amounting to Baht 3.24 million (2017: Baht 2.87 million) and the Company only amounting to Baht 2.71 million (2017: Baht 2.27 million) were recognised as expenses.

26. Commitments and contingent liabilities

As at 31 December 2018, the Company and its subsidiary had commitments and contingent liabilities as follows:

26.1 Capital commitments

As at 31 December 2018, the Company and its subsidiary had capital commitments of Baht 1.57 million (2017: Baht 6.77 million), the Company only amounting to Baht 0.19 million (2017: Nil), relating to office and factory renovation of the Company and warehouse construction of its subsidiary.

26.2 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, security 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	
	2018	2017	2018	2017
Payable within:				
Less than 1 year	2.26	1.15	0.93	1.00
1 to 4 years	0.56	0.37	0.22	0.26

26.3 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of Baht 52.21 million (2017: Baht 42.29 million), the Company only of Baht 41.32 million (2017: Baht 26.28 million), issued by banks on behalf of the Company and its subsidiary to guarantee contractors work.

26.4 Credit facilities

The Company and its subsidiary have unused credit facilities of bank overdraft and other credits of approximately Baht 571 million which are guaranteed by land and building thereon of its subsidiary and pledge by bank deposits of the Company.

27. Fair value hierarchy

As at 31 December 2018 and 2017, 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 2018 Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	103,511	-	103,511
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	140	-	140

(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 2018 Separate financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments				
Debt instruments	-	103,511	-	103,511
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	63	-	63

(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

28. Financial instruments

28.1 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 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 2018 and 2017 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 2018											
	Consolidated financial statements						Separate financial statements					
	Fixed interest rates						Fixed interest rates					
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets												
Cash and cash equivalents	30.4	-	37.5	50.3	118.2	0.37 - 1.25	30.1	-	22.7	2.2	55.0	0.37 - 1.25
Current investments	100.0	-	-	103.5	203.5	1.50	100.0	-	-	103.5	203.5	1.50
Trade and other receivables	-	-	-	246.0	246.0	-	-	-	-	186.9	186.9	-
Other long-term investments	-	10.0	-	0.1	10.1	5.00	-	10.0	-	0.1	10.1	5.00
	130.4	10.0	37.5	399.9	577.8		130.1	10.0	22.7	292.7	455.5	
Financial liabilities												
Trade and other payables	-	-	-	93.0	93.0	-	-	-	-	85.2	85.2	-
Liabilities under financial lease agreement	4.7	-	-	0.5	5.2	4.55 - 7.69	4.2	-	-	0.5	4.7	4.55 - 7.69
	4.7	-	-	93.5	98.2		4.2	-	-	85.7	89.9	

(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	

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.

As at 31 December 2018					
Currency	Consolidated financial statements		Separate financial statements		Average exchange rate as at 31 December 2018 (Baht per one foreign currency unit)
	Assets (Thousand)	Liabilities (Thousand)	Assets (Thousand)	Liabilities (Thousand)	
EUR	12	1,635	11	1,598	37.1252
USD	41	53	41	51	32.4498
SGD	-	6	-	3	23.6943
CNY	-	75	-	75	4.7237

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

As at 31 December 2018 and 2017, the Company and its subsidiary had outstanding forward exchange contract with maturities less than one year as follows:

As at 31 December 2018				
Consolidated financial statements				
Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate of bought amount (Baht per one foreign currency unit)
Euro	529	19,943	2 April - 2 July 2019	37.69 - 38.31

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 of bought amount (Baht per one foreign currency unit)
Euro	537	21,190	5 April - 28 June 2018	39.01 - 39.75

As at 31 December 2018 Separate financial statements				
Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate of bought amount (Baht per one foreign currency unit)
Euro	278	10,470	14 June - 2 July 2019	37.69 - 37.74

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 of bought amount (Baht per one foreign currency unit)
Euro	348	13,681	20 April - 28 June 2018	39.29 - 39.50

The net fair value of the outstanding derivatives as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018 Loss	2017 Loss	2018 Loss	2017 Loss
Derivatives				
Forward exchange contracts	(140)	(107)	(63)	(43)

28.2 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, fixed deposit which mature within one year, trade and other receivables, trade and other payables 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.

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

29. 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 2018, the Company and its subsidiary's debt-to-equity ratio was 0.29:1 (2017: 0.23:1) and the Company only was 0.26:1 (2017: 0.16:1).

30. Event after the reporting period

On 20 February 2019, the Board of Directors' Meeting of the Company passed a resolution to approve the dividend payment for the operating results of the year 2018 at the rate of Baht 0.08 per share, totaling Baht 48 million. The schedule of dividend payment is in May 2019. However, such dividend payment is subject to the approval of the Annual General Meeting of the Shareholders, which to be held on 23 April 2019.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2019.

ALLA PUBLIC COMPANY LIMITED



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