Grant Thornton

Auditor's Report and Consolidated Financial Statements of

Alla Company Limited and Subsidiary

For the Year Ended 31 December 2016



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INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of Alla Public Company Limited

Opinion

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

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

Basis for Opinion

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

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Key Audit Matters

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

The key audit matter	**Audit response**
Revenue recognition The Group and the Company recognised revenue from sales and services for the year ended 31 December 2016 amounting to Baht 600 million and Baht 431 million, respectively. The revenues include the sale of cranes and docks including installation and after sales support. In addition, the Group provides a variety of support and quality services to its customers. I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition. Refer to Note 4.6 to the consolidated and separate financial statements.	My audit procedures included: - obtaining an understanding of the revenue process and the revenue recognition policy through inquiry with management and reviewing a sample of sales and services contract - evaluating the design and testing operating effectiveness of the controls over the revenue recognition and processing cycle - analysing the change in the sales and services during the year - substantively testing sales and services during the year including performing cut-off procedures on revenue recognized before and after the reporting period

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The key audit matter	Audit response
Inventory – Work in progress As at 31 December 2016, the Group and Company have work in progress amounting to Baht 40 million and Baht 27 million, respectively. Inventory is required to be carried in the financial statements at the lower of cost and net realizable value, and management apply judgement in determining whether the costs incurred are recoverable. I have focused on the valuation of work in progress since management's assessment requires them to determine the total estimated costs and potential future losses which is highly judgmental. Refer to Notes 4.12 and 10 to the consolidated and separate financial statements.	My audit procedures included: - obtaining an understanding of managements process to develop estimated costs and future potential losses - evaluation the effectiveness of the key controls over the estimation process - substantively testing supporting evidence of the costs including in the work in process - examining actual costs after the end of the reporting period

Other Information

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

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to 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 Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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.

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



Miss Sansanee Poolsawat
Certified Public Accountant
Registration No. 6977

Grant Thornton Limited
Bangkok
22 February 2017

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

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

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

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

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

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

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

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

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

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

ALLA PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

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

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

ALLA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. NATURE OF OPERATIONS

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

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH TFRSs

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) *Employee Benefits* – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners

TFRS	Topic
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall consideration

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

4.2 Basis of consolidation

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

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

4.3 Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

4.4 Segment reporting

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

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

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

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

4.5 Related parties

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

4.6 Revenue

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

Sales of goods including installment services

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

Sales of goods

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

Rendering of services

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

Other income

Other income is recognised on an accruals basis.

4.7 Operating expenses

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

4.8 Borrowing costs

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

4.9 Cash and cash equivalents

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

4.10 Short-term investments

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

- Deposits at bank is presented at cost.

- Debt securities

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

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

4.11 Accounts receivable

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

4.12 Inventories

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

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

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

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

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

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

4.13 Investment in subsidiary

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

4.14 Long-term investment

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

4.15 Property, plant and equipment

Land

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

Buildings and other equipment

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

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

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

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

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

4.16 Intangible assets

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

4.17 Deferred trade rights

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

4.18 Lease assets

Finance leases

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

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

Operating leases

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

4.19 Impairment testing of assets

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company and its subsidiary's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined to reflect current market assessments of the time value of money and asset-specific risk factors.

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

4.20 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.21 Provision for after-sales service

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

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

4.22 Shareholders

Shareholders equity comprises of the following :

- Share capital represents the nominal (par) value of shares that have been issued.

- Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

- Retained earnings includes all current and prior period retained profits

- Other components of equity includes surplus from restructuring under common control is caused by the book value of the subsidiary exceed cash paid for investment as at restructuring date. This surplus amount will decrease if the Company disposes or decreases the portion of shareholding in the subsidiary.

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

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

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

Short-term employee benefits

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

Other long-term benefits

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

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

Post-employment benefit plans

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

Defined contribution plans

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

Defined benefit plans

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

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

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

4.24 Income tax

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

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

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

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

4.25 Basic earnings per share

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

4.26 Provisions, contingent assets and contingent liabilities

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

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

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

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

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

4.27 Significant management judgement in applying accounting policies and estimation uncertainty

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

Significant management judgement

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

Recognition of deferred tax assets

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

Estimation uncertainty

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

Account receivables

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

Inventories

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

Useful lives of depreciable assets

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

Defined benefit obligation (DBO)

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

Provision for after-sales service

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

5. INTERESTS IN SUBSIDIARY

Composition of the Group

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

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

Subsidiary

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

6. RELATED PARTY TRANSACTIONS

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

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

Pricing policy

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

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

(Unit : Baht)

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

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

(Unit : Baht)

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

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

(Unit : Baht)

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

(Unit : Baht)

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

Significant transactions with the related parties for the years ended 31 December 2016 and 2015 were as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
Transaction with related parties	2016	2015	2016	2015
Sales of goods				
Subsidiary company	-	-	1,977,910	3,491,892
Sales of service				
Subsidiary company	-	-	222,400	47,300
Interest income				
Subsidiary company	-	-	239,966	453,420
Purchase of goods				
Subsidiary company	-	-	2,853,401	2,686,009
Service charge				
Subsidiary company	-	-	64,031	-
Rental and other service income				
Subsidiary company	-	-	2,039,641	2,648,800
Rental expenses				
Subsidiary company	-	-	1,530,900	750,300

(Unit : Baht)

Transaction with related parties	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
Key management personnel compensation				
Short-term employee benefits	23,478,642	24,603,438	16,632,809	18,060,818
Post-employment benefits	2,180,671	1,398,260	1,562,114	860,246
Other long - term employee benefits	59,111	73,438	45,366	60,131
Total	25,718,424	26,075,136	18,240,289	18,981,195

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

7. CASH AND CASH EQUIVALENTS

(Unit : Baht)

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

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

8. SHORT - TERM INVESTMENTS

(Unit : Baht)

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

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

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

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

(Unit : Baht)

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

9. TRADE AND OTHER ACCOUNTS RECEIVABLE - NET

(Unit : Baht)

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

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

(Unit : Baht)

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

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

(Unit : Thousand Baht)

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

10. INVENTORIES - NET

(Unit : Baht)

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

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

(Unit : Baht)

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

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

(Unit : Baht)

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

11. OTHER CURRENT ASSETS

(Unit : Baht)

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

12. RESTRICTED DEPOSIT WITH BANK

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

13. INVESTMENT IN SUBSIDIARY

(Unit : Baht)

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

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

14. LONG - TERM INVESTMENT

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

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

15. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Baht)

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

(Unit : Baht)

	Consolidated F/S						
	Land	Buildings and improvements	Machinery tools and equipment	Office decoration and equipment	Vehicles	Assets under installation	Total
Depreciation for the year 2015							
Cost of sales and services							15,503,052
Administrative expenses							6,195,519
Total							21,698,571
Depreciation for the year 2016							
Cost of sales and services							14,024,435
Administrative expenses							5,757,585
Total							19,782,020

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

(Unit : Baht)

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

(Unit : Baht)

	Separate F/S						
	Land	Buildings and improvements	Machinery tools and equipment	Office decoration and equipment	Vehicles	Assets under installation	Total
Net book value							
31 December 2015	5,932,491	21,093,825	6,951,721	5,520,999	18,218,859	-	57,717,895
31 December 2016	5,940,591	19,557,776	6,110,030	4,543,390	21,718,933	201,246	58,071,966
Depreciation for the year 2015							
Cost of sales and services							8,145,272
Administrative expenses							3,815,034
Total							11,960,306
Depreciation for the year 2016							
Cost of sales and services							7,692,553
Administrative expenses							3,867,108
Total							11,559,661

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

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

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

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

16. INTANGIBLE ASSETS - NET

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

(Unit : Baht)

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

17. DEFERRED TRADE RIGHT - NET

(Unit : Baht)

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

18. DEFERRED INCOME TAX AND INCOME TAX

18.1 Income tax recognised in profit or loss

Reconciliation of income tax expenses are as follows:

(Unit : Baht)

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

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Income tax recognized in profit and loss				
Current income tax	14,353,006	26,959,897	11,849,993	25,322,323
Deferred income tax	(529,336)	(1,302,488)	(533,739)	(850,155)
Total	13,823,670	25,657,409	11,316,254	24,472,168

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
Brought forward accrued income tax	3,101,573	14,583,998	3,101,573	11,611,977
Add Income tax for the year under the Revenue Code	14,353,006	26,959,897	11,849,993	25,322,323
Less Income tax paid during the year	(16,630,205)	(40,423,083)	(14,891,960)	(33,832,727)
Accrued income tax	824,374	3,101,573	59,606	3,101,573
Prepaid income tax	-	(1,980,761)	-	-

18.2 Income tax recognised in other comprehensive income

(Unit : Baht)

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

(Unit : Baht)

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

18.3 Deferred income tax asset and liability

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

(Unit : Baht)

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

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

(Unit : Baht)

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

(Unit : Baht)

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

(Unit : Baht)

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

(Unit : Baht)

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

19. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

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

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

20. TRADE AND OTHER ACCOUNTS PAYABLE

(Unit : Baht)

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

21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS - NET

(Unit : Baht)

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

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

22. LONG - TERM LOANS FROM FINANCIAL INSTITUTEIONS - NET

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

(Unit : Baht)

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

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

(Unit : Baht)

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

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

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

23. EMPLOYEE BENEFITS

23.1 Defined benefit plans and other long-term employee benefits

(Unit : Baht)

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

(Unit : Baht)

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

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

(Unit : Baht)

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

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

(Unit : Baht)

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

Principal actuarial assumptions are as follows:

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

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

Sensitivity analysis

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

(Unit : Baht)

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

23.2 Defined contribution plan

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

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

24. EQUITY

24.1 Registered and paid-up capital

Registered share capital

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

Issued and paid-up share capital

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

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

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

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

24.2 Share premium

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

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

24.3 Legal reserve

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

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

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

24.4 Dividend payment

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

25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit : Baht)

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

26. SEGMENTAL FINANCIAL INFORMATION

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

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

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

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

Major customers

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

27. BASIC EARNING PER SHEAR

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

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

28. CONTIGENT LIABILITIES

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

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

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

29. FINANCIAL INSTRUMENTS

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

Interest rate risk

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

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

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

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

Exchange rates risk

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

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

Liquidity Risk

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

Risk on credit provision

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

Fair Value of Financial Instruments

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

Measurement of fair values

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

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

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

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

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

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

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

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

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

(Unit : Thousand Baht)

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

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

30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

31. EVENTS AFTER THE REPORTING PERIOD

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

32. AUTHORISATION OF FINANCIAL STATEMENTS

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



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Confidentiality statement