Alla Public Company Limited and its subsidiary
Report and consolidated financial statements
31 December 2017

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Independent Auditor's Report

To the Shareholders of Alla Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Alla Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Alla Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

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

Inventory - work in process

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

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

Other matter

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 22 February 2018

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Alla Public Company Limited and its subsidiary

Statement of financial position

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of financial position (continued)

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of financial position (continued)

(Unit: Baht)

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

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

Directors

Alla Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of comprehensive income (continued)

For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary
Statement of changes in shareholders' equity
For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

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

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

Alla Public Company Limited and its subsidiary
Notes to consolidated interim financial statements
For the year ended 31 December 2017

1. General information

1.1 Corporate information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

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

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

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

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

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

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

3. New financial reporting standards

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

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

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

TAS 27 (revised 2016) Separate Financial Statements

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

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

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods including installment services

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

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered.

Other income

Other income is recognised on an accruals basis.

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

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

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

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in non-marketable equity securities, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for impairment loss (if any).

c) Other long-term investments are stated at cost net of allowance for impairment (if any)

d) Investments in the subsidiary are accounted for in the separate financial statements using the cost method.

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

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

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

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

4.6 Property, plant and equipment and depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.7 Borrowing costs

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

4.8 Intangible assets

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

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

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

Computer software	3 - 10	years

4.9 Deferred trade rights

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

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

4.10 Warranty reserve

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

4.11 Related party transactions

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

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiary operations.

4.12 Long-term leases

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

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

4.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Provisions

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

4.18 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Reduce cost of inventory to net realisable value

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

Plant and equipment and depreciation

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

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

Deferred tax assets

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

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

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

Warranty reserve

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

6. Related party transactions

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

Directors and management's remuneration

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

(Unit: Thousand Baht)

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

7. Cash and cash equivalents

(Unit: Thousand Baht)

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

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

8. Short-term investments

(Unit: Thousand Baht)

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

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

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

(Unit: Thousand Baht)

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

9. Trade and other receivables

(Unit: Thousand Baht)

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

10. Inventories

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

11. Restricted bank deposits

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

12. Investment in subsidiary

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

(Unit: Thousand Baht)

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

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

13. Property, plant and equipment

(Unit: Thousand Baht)

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

Depreciation for the year

2016 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)	19,782
2017 (Baht 12 million included in cost of sales and services, and the balance in selling and administrative expenses)	17,286

(Unit: Thousand Baht)

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

Depreciation for the year

2016 (Baht 8 million included in cost of sales and services, and the balance in selling and administrative expenses)	11,560
2017 (Baht 7 million included in cost of sales and services, and the balance in selling and administrative expenses)	10,472

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

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

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

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

14. Intangible assets

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

15. Short-term loans from financial institutions

(Unit: Thousand Baht)

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

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

16. Trade and other payables

(Unit: Thousand Baht)

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

17. Long-term loans

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

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

18. Liabilities under financial lease agreements

(Unit: Thousand Baht)

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

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

19. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

Significant actuarial assumptions are summarised below:

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

20. Share capital

On 22 September 2016, the Company made an initial public offering of 150 million ordinary shares from the Securities and Exchange Commission of Thailand which the Company received share subscription amounting to Baht 75 million and share premium amounting to Baht 357 million. The Company registered the increase in its issue with the Department of Business Develop on 3 November 2016, and shares of the Company began trading on the Stock Exchange of Thailand on 8 November 2016. The Company incurred expenses relating to the share offering totaling Baht 8.5 million, which were presented as a deduction from share premium.

21. Dividend paid

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

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

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

2) Final dividend payment from the operating result for the second-half year 2016 (July to December) of Baht 12 million or Baht 0.02 per share. The Company paid dividends to its shareholders on 19 May 2017.

22. Statutory reserve

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

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

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

24. Income tax

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

25. Earnings per share

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

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

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

26. Segment information

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

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

1. Sales and relevant service.
2. Service.

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

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

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

Inter-segment revenues are eliminated on consolidation.

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

(Unit: Thousand Baht)

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

Geographic information

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

Major customers

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

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

27. Provident fund

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

28. Commitments and contingent liabilities

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

28.1 Capital commitments

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

28.2 Operating lease and service commitments

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

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

(Unit: Million Baht)

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

28.3 Guarantees

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

28.4 Credit facilities

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

29. Fair value hierarchy

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

30. Financial instruments

30.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

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

(Unit : Million Baht)

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

(Unit : Million Baht)

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

Foreign currency risk

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

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

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

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

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

	As at 31 December 2017				
	Consolidated financial statements				
		Amount paid		Contractual exchange rate	
Foreign currency	Bought amount	by Baht per contract	Contractual maturity date	Bought amount	Sold amount
	(Thousand)	(Thousand Baht)		(Baht per one foreign currency unit)	
Euro	537	21,190	5 April - 28 June 2018	39.01 - 39.75	-

	As at 31 December 2016				
	Consolidated financial statements				
		Amount paid			
	Bought	by Baht		Contractual exchange rate	
Foreign currency	amount	per contract	Contractual maturity date	Bought amount	Sold amount
	(Thousand)	(Thousand Baht)		(Baht per one foreign currency unit)	
Euro	658	25,425	9 January - 7 June 2017	38.12 - 39.46	-

	As at 31 December 2017				
	Separate financial statements				
		Amount paid			
	Bought	by Baht		Contractual exchange rate	
Foreign currency	amount	per contract	Contractual maturity date	Bought amount	Sold amount
	(Thousand)	(Thousand Baht)		(Baht per one foreign currency unit)	
Euro	348	13,681	20 April - 28 June 2018	39.29 - 39.50	-

	As at 31 December 2016				
	Separate financial statements				
		Amount paid			
	Bought	by Baht		Contractual exchange rate	
Foreign currency	amount	per contract	Contractual maturity date	Bought amount	Sold amount
	(Thousand)	(Thousand Baht)		(Baht per one foreign currency unit)	
Euro	479	18,465	26 January - 7 June 2017	38.12 - 39.09	-

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

(Unit: Thousand Baht)

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

30.2 Fair values of financial instruments

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

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

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

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

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

31. Capital management

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

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

32. Event after the reporting period

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

33. Reclassification

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

(Unit: Thousand Baht)

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

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

34. Approval of financial statements

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