Alla Public Company Limited and its subsidiary
Report and consolidated interim financial statements
For the three-month period ended 31 March 2017

Building a better working world

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**Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Alla Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Alla Public Company Limited and its subsidiary as at 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

**Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

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**Other matter**

The consolidated statement of financial position of Alla Public Company Limited and its subsidiary and the separate statement of financial position of Alla Public Company Limited as at 31 December 2016, presented as comparative information, was audited by another auditor who expressed an unqualified opinion on that statement, under her report dated 22 February 2017. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2016 of Alla Public Company Limited and its subsidiary, and the separate financial statements of Alla Public Company Limited presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under her report dated 13 May 2016, that nothing had come to her attention that caused she to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 11 May 2017



A member firm of Ernst & Young Global Limited

**Alla Public Company Limited and its subsidiary**

**Statement of financial position**

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | | 210,617 | 178,130 | 184,147 | 162,303 |
| Current investments | *3* | 210,612 | 210,078 | 210,612 | 210,078 |
| Trade and other receivables | *2, 4* | 96,226 | 142,674 | 80,480 | 104,869 |
| Inventories | *5* | 197,426 | 148,992 | 137,279 | 96,558 |
| Other current assets | | 10,279 | 10,672 | 6,979 | 7,619 |
| **Total current assets** | | 725,160 | 690,546 | 619,497 | 581,427 |
| **Non-current assets** | | | | | |
| Restricted bank deposits | | 25,457 | 25,457 | 25,157 | 25,157 |
| Investment in subsidiary | *6* | - | - | 152,000 | 152,000 |
| Other long-term investment | | 83 | 83 | 83 | 83 |
| Property, plant and equipment | *7* | 166,070 | 167,682 | 56,571 | 58,072 |
| Intangible assets | *8* | 5,938 | 6,445 | 5,605 | 6,049 |
| Deferred trade right | | - | 238 | - | - |
| Deferred tax assets | | 9,850 | 9,548 | 7,819 | 7,574 |
| Deposits and guarantees | | 32 | 42 | 30 | 40 |
| **Total non-current assets** | | 207,430 | 209,495 | 247,265 | 248,975 |
| **Total assets** | | 932,590 | 900,041 | 866,762 | 830,402 |

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

**Alla Public Company Limited and its subsidiary**

**Statement of financial position (continued)**

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) |
| **Liabilities and shareholders' equity** | | | | | |
| **Current liabilities** | | | | | |
| Short-term loans from financial institutions | *9* | - | 36,436 | - | 25,184 |
| Trade and other payables | *2, 10* | 73,843 | 27,711 | 64,476 | 21,322 |
| Current portion of long-term loans | *11* | 1,500 | 3,000 | - | - |
| Current portion of liabilities under financial lease agreements | *12* | 5,358 | 5,142 | 4,382 | 4,541 |
| Income tax payable | | 998 | 824 | 233 | 60 |
| Deposit received in advance | | 41,772 | 18,789 | 31,384 | 15,060 |
| Accrued expenses | | 20,641 | 18,779 | 15,349 | 13,808 |
| Provision for after sales service | | 7,140 | 7,435 | 5,179 | 5,296 |
| Other current liabilities | | 2,254 | 8,891 | 1,498 | 6,130 |
| **Total current liabilities** | | 153,506 | 127,007 | 122,501 | 91,401 |
| **Non-current liabilities** | | | | | |
| Liabilities under financial lease agreements, net of current portion | *12* | 7,937 | 8,737 | 6,776 | 7,856 |
| Provision for long-term employee benefits | | 37,254 | 35,953 | 28,599 | 27,768 |
| **Total non-current liabilities** | | 45,191 | 44,690 | 35,375 | 35,624 |
| **Total liabilities** | | 198,697 | 171,697 | 157,876 | 127,025 |

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

**Alla Public Company Limited and its subsidiary**

**Statement of financial position (continued)**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) | 31 March 2017 (Unaudited but reviewed) | 31 December 2016 (Audited) |
| **Liabilities and shareholders' equity (continued)** | | | | |
| **Shareholders' equity** | | | | |
| Share capital | | | | |
| Registered | | | | |
| 600,000,000 ordinary shares of Baht 0.50 each | 300,000 | 300,000 | 300,000 | 300,000 |
| Issued and fully paid up | | | | |
| 600,000,000 ordinary shares of Baht 0.50 each | 300,000 | 300,000 | 300,000 | 300,000 |
| Share premium | 348,487 | 348,487 | 348,487 | 348,487 |
| Retained earnings | | | | |
| Appropriated - statutory reserve | 30,000 | 30,000 | 30,000 | 30,000 |
| Unappropriated | 55,360 | 49,811 | 30,399 | 24,890 |
| Other components of shareholders' equity | 46 | 46 | - | - |
| Equity attributable to owners of the Company | 733,893 | 728,344 | 708,886 | 703,377 |
| Non-controlling interest of the subsidiary | - | - | - | - |
| **Total shareholders' equity** | 733,893 | 728,344 | 708,886 | 703,377 |
| **Total liabilities and shareholders' equity** | 932,590 | 900,041 | 866,762 | 830,402 |

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

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Directors

.....

(Unaudited but reviewed)

**Alla Public Company Limited and its subsidiary**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| **Profit or loss:** | | | | | |
| **Revenues** | | | | | |
| Sales and service income | 15 | 102,509 | 132,508 | 76,649 | 101,077 |
| Other income | | 1,840 | 1,995 | 2,509 | 2,582 |
| Gain on exchange | | 1,041 | - | 885 | - |
| **Total revenues** | | 105,390 | 134,503 | 80,043 | 103,659 |
| **Expenses** | | | | | |
| Cost of sales and services | | 68,565 | 83,243 | 50,736 | 57,880 |
| Selling expenses | | 6,334 | 5,782 | 4,144 | 3,792 |
| Administrative expenses | | 22,738 | 22,551 | 17,528 | 16,712 |
| Loss on exchange | | - | 241 | - | 381 |
| **Total expenses** | | 97,637 | 111,817 | 72,408 | 78,765 |
| **Profit before finance cost and income tax** | | 7,753 | 22,686 | 7,635 | 24,894 |
| Finance cost | | (609) | (1,137) | (475) | (929) |
| **Profit before income tax expenses** | | 7,144 | 21,549 | 7,160 | 23,965 |
| Income tax expenses | 13 | (1,595) | (4,770) | (1,651) | (4,888) |
| **Profit for the period** | | 5,549 | 16,779 | 5,509 | 19,077 |
| **Other comprehensive income for the period** | | - | - | - | - |
| **Total comprehensive income for the period** | | 5,549 | 16,779 | 5,509 | 19,077 |
| **Net profit attributable to:** | | | | | |
| Equity holders of the Company | | 5,549 | 16,779 | 5,509 | 19,077 |
| Non-controlling interests of the subsidiary | | - | - | - | - |
| | | 5,549 | 16,779 | 5,509 | 19,077 |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the Company | | 5,549 | 16,779 | 5,509 | 19,077 |
| Non-controlling interests of the subsidiary | | - | - | - | - |
| | | 5,549 | 16,779 | 5,509 | 19,077 |
| **Earnings per share** | 14 | | | | |
| Basic earnings per share (Baht) | | | | | |
| Profit | | 0.01 | 0.04 | 0.01 | 0.04 |
| Weighted average number of ordinary shares | | 600,000,000 | 450,000,000 | 600,000,000 | 450,000,000 |

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

(Unaudited but reviewed)

**Alla Public Company Limited and its subsidiary**

**Statement of changes in shareholders' equity**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of the Company | | | | | | | |
| | | | Retained earnings | | Other components of shareholders' equity | | | |
| | Issued and paid-up share capital | Share premium | Appropriated - statutory reserve | Unappropriated | Surplus from restructuring under common control | Total equity attributable to owners of the Company | Equity attributable to non-controlling interest of the subsidiary | Total shareholders' equity |
| **Balance as at 1 January 2016** | 225,000 | - | 14,216 | 105,585 | 46 | 344,847 | - | 344,847 |
| Retained earnings transferred to statutory reserve | - | - | 1,000 | (1,000) | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 16,779 | - | 16,779 | - | 16,779 |
| **Balance as at 31 March 2016** | 225,000 | - | 15,216 | 121,364 | 46 | 361,626 | - | 361,626 |
| | | | | | | | | |
| **Balance as at 1 January 2017** | 300,000 | 348,487 | 30,000 | 49,811 | 46 | 728,344 | - | 728,344 |
| Total comprehensive income for the period | - | - | - | 5,549 | - | 5,549 | - | 5,549 |
| **Balance as at 31 March 2017** | 300,000 | 348,487 | 30,000 | 55,360 | 46 | 733,893 | - | 733,893 |

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

(Unaudited but reviewed)

**Alla Public Company Limited and its subsidiary**

**Statement of changes in shareholders' equity (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand 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 | - | 14,216 | 88,683 | 327,899 |
| Retained earnings transferred to statutory reserve | - | - | 1,000 | (1,000) | - |
| Total comprehensive income for the period | - | - | - | 19,077 | 19,077 |
| **Balance as at 31 March 2016** | 225,000 | - | 15,216 | 106,760 | 346,976 |
| | | | | | |
| **Balance as at 1 January 2017** | 300,000 | 348,487 | 30,000 | 24,890 | 703,377 |
| Total comprehensive income for the period | - | - | - | 5,509 | 5,509 |
| **Balance as at 31 March 2017** | 300,000 | 348,487 | 30,000 | 30,399 | 708,886 |

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

(Unaudited but reviewed)

**Alla Public Company Limited and its subsidiary**

**Statement of cash flows**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Cash flows from operating activities** | | | | |
| Profit before tax | 7,144 | 21,549 | 7,160 | 23,965 |
| Adjustments to reconcile profit before tax to net | | | | |
| cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 4,849 | 5,895 | 3,062 | 3,542 |
| Amortisation of deferred trade rights | 238 | 238 | - | - |
| Reversal of allowance for doubtful accounts | - | (228) | - | (208) |
| Allowance for obsolete and defective inventories and | | | | |
| reduction of inventory value to net realisable value | 1,204 | 1,200 | 1,067 | 989 |
| Loss on sales of property, plant and equipment | 46 | 30 | 33 | 12 |
| Provision for long-term employee benefits | 987 | 991 | 600 | 610 |
| Unrealised gain on changes in value of current investmetns | | | | |
| in trading securities | (534) | - | (534) | - |
| Unrealised (gain) loss on exchange | (791) | 1,214 | (732) | 1,140 |
| Interest income | (1,064) | (142) | (1,057) | (142) |
| Interest expenses | 609 | 1,137 | 475 | 929 |
| Profit from operating activities before changes | | | | |
| in operating assets and liabilities | 12,688 | 31,884 | 10,074 | 30,837 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 47,263 | 20,077 | 25,197 | (8,341) |
| Inventories | (49,638) | (24,880) | (41,788) | (25,878) |
| Other current assets | 827 | 1,931 | 648 | (288) |
| Deposits and guarantees | - | (8) | - | (9) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 46,919 | 22,665 | 44,196 | 22,680 |
| Deposit received in advances | 22,983 | 487 | 16,324 | 911 |
| Other current liabilities | (6,637) | (12,657) | (4,632) | (11,376) |
| Cash flows from operating activities | 74,405 | 39,499 | 50,019 | 8,536 |
| Cash paid for income tax | (2,147) | (1,784) | (1,721) | (1,340) |
| **Net cash from operating activities** | 72,258 | 37,715 | 48,298 | 7,196 |

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

(Unaudited but reviewed)

**Alla Public Company Limited and its subsidiary**

**Statement of cash flows (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Cash flows from investing activities** | | | | |
| Increase in restricted bank deposits | - | (10,000) | - | (10,000) |
| Cash received from repayment of short-term loan to subsidiary | - | - | - | 3,750 |
| Purchase of property, plant and equipment | (449) | (1,504) | (36) | (903) |
| Purchase of intangible assets | (7) | (85) | - | (85) |
| Cash received from selling assets | 25 | - | - | - |
| Interest income | 249 | 142 | 249 | 142 |
| **Net cash from (used in) investing activities** | (182) | (11,447) | 213 | (7,096) |
| **Cash flows from financing activities** | | | | |
| Increase (decrease) in short-term loans from financial institutions | (36,436) | (16,215) | (25,184) | 68 |
| Repayment of long-term loans | (1,500) | (5,986) | - | (3,736) |
| Cash paid for liabilities under financial lease agreements | (1,358) | (1,695) | (1,239) | (1,260) |
| Cash paid for interest expenses | (295) | (855) | (244) | (716) |
| **Net cash used in financing activities** | (39,589) | (24,751) | (26,667) | (5,644) |
| **Net increase (decrease) in cash and cash equivalents** | 32,487 | 1,517 | 21,844 | (5,544) |
| Cash and cash equivalents at beginning of the period | 178,130 | 101,521 | 162,303 | 79,122 |
| **Cash and cash equivalents at end of the period** | 210,617 | 103,038 | 184,147 | 73,578 |
| | | | | |
| **Supplement cash flows information** | | | | |
| Non-cash items: | | | | |
| Assets acquired under financial lease agreements | 774 | - | - | - |
| Write off allowance for doubtful accounts | - | 265 | - | 265 |

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 three-month period ended 31 March 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, industrial doors, 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.

### 1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

### 1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Alla Public Company Limited and its subsidiary and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016 with no changes in the group structure during the current period.

### 1.4 New financial reporting standards

During the period, the Company has 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 these 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 subsidiary, 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 is 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.

### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

### 2. Related party transactions

During the periods, 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)

| | For the three-month periods ended 31 March | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | | Pricing policy |
| | 2017 | 2016 | 2017 | 2016 | |
| *Transactions with subsidiary (eliminated from the consolidated financial statements)* | | | | | |
| Sales | - | - | 575 | 721 | Cost plus margin |
| Service income | - | - | - | 22 | Cost plus margin |
| Interest income | - | - | - | 142 | Interest rate at 6.75 percent per annum |
| Rental and software maintenance income | - | - | 630 | 455 | Mutually agreed price as stipulated in the contract |
| Freight income | | | 65 | - | Cost plus margin |
| Purchase of goods | - | - | 1,283 | 466 | Cost plus margin |
| Hire of work expense | | | 11 | 25 | Cost plus margin |
| Rental expense | - | - | 630 | 300 | Mutually agreed price as stipulated in the contract |

The outstanding balances of the accounts as at 31 March 2017 and 31 December 2016 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| **Trade and other receivables - related party (Note 4)** | | | | |
| Subsidiary company | - | - | 931 | 148 |
| **Trade and other receivables - related party** | - | - | 931 | 148 |
| **Trade and other payables - related parties (Note 10)** | | | | |
| Subsidiary company | - | - | 1,394 | 1,377 |
| Key management | 22 | 6 | 22 | 6 |
| **Total trade and other payables - related party** | 22 | 6 | 1,416 | 1,383 |

**Directors and management's remuneration**

During the three-month periods ended 31 March 2017 and 2016, the Company and its subsidiary had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Short-term employee benefits | 7,096 | 5,984 | 4,414 | 4,560 |
| Post-employment benefits | 590 | 327 | 403 | 220 |
| Other long-term benefits | 13 | 15 | 9 | 11 |
| Total | 7,699 | 6,326 | 4,826 | 4,791 |

## 3. Short-term investments

(Unit: Thousand Baht)

| | Consolidated and separate financial statements | |
|---|---|---|
| | 31 March 2017 | 31 December 2016 |
| Fixed deposit | 100,000 | 100,000 |
| Securities held for trading - Debt securities | 110,612 | 110,078 |
| Total | 210,612 | 210,078 |

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

During the three-month period ended 31 March 2017, movements of securities held for trading were as follows:

(Unit: Thousand Baht)

| | Consolidated and separate financial statements |
|---|---|
| Balance as at 1 January 2016 | 110,078 |
| Unrealised gain from change in value of investments | 534 |
| Balance as at 31 March 2017 | 110,612 |

## 4. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Trade accounts receivable - related party | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | - | - | 361 | 100 |
| Overdue | | | | |
| Less than 3 months | - | - | 201 | 11 |
| Total trade accounts receivable - related party | - | - | 562 | 111 |
| Trade accounts receivable - unrelated parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 39,868 | 79,774 | 33,214 | 58,556 |
| Overdue | | | | |
| Less than 3 months | 12,967 | 23,262 | 6,895 | 10,807 |
| More than 3 months, not over 6 months | 2,913 | 417 | 2,902 | 150 |
| More than 6 months, not over 12 months | - | 42 | - | - |
| More than 12 months | 194 | 203 | 190 | 193 |
| Total trade accounts receivable - unrelated parties | 55,942 | 103,698 | 43,201 | 69,706 |
| **Total trade accounts receivable** | 55,942 | 103,698 | 43,763 | 69,817 |
| Accrued income - sale of goods and service | | | | |
| Aging | | | | |
| Less than 3 months | 20,525 | 32,730 | 17,750 | 29,657 |
| More than 3 months, not over 6 months | 14,127 | 2,509 | 13,650 | 1,973 |
| More than 6 months, not over 12 months | 824 | 847 | 824 | 594 |
| More than 12 months | 59 | 1,276 | 59 | 1,276 |
| Total accrued income - sale of goods and service | 35,535 | 37,362 | 32,283 | 33,500 |
| Less: Allowance for doubtful debts | (53) | (53) | (53) | (53) |
| **Accrued income - sale of goods and service - net** | 35,482 | 37,309 | 32,230 | 33,447 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Other receivables | | | | |
| Other receivables - related parties | - | - | 369 | 37 |
| Other receivables - unrelated parties | 4,802 | 1,667 | 4,118 | 1,568 |
| **Total other receivables** | 4,802 | 1,667 | 4,487 | 1,605 |
| **Total trade and other receivables - net** | 96,226 | 142,674 | 80,480 | 104,869 |

## 5. Reduction of inventory to net realisable value

Movements in the allowance for obsolete and defective inventories and the reduction of inventory to net realisable value account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| Balance as at 1 January 2017 | 5,015 | 4,198 |
| Reduction of inventory value during the period | 1,204 | 1,067 |
| Balance as at 31 March 2017 | 6,219 | 5,265 |

## 6. Investment in subsidiary

As at 31 March 2017 and 31 December 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 periods | |
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 March 2016 |
| | | | (%) | (%) | | | | |
| Onvalla Co., Ltd. | 150,000 | 150,000 | 100 | 100 | 152,000 | 152,000 | - | - |
| Total | | | | | 152,000 | 152,000 | - | - |

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| **Net book value as at 1 January 2017** | 167,682 | 58,072 |
| Acquisitions during period - at cost | | |
| Payment during period | 449 | 36 |
| Increase in hire-purchase payable | 774 | - |
| Increase in accounts payable for purchase of equipment during period | 1,571 | 1,114 |
| Total acquisition during period | 2,794 | 1,150 |
| Disposals during period - net book value at disposal date | | |
| Cash received from sales of equipment | (25) | - |
| Loss on disposal of equipments | (46) | (33) |
| Net | (71) | (33) |
| Depreciation for period | (4,335) | (2,618) |
| **Net book value as at 31 March 2017** | 166,070 | 56,571 |

As at 31 March 2017, the Company and its subsidiary pledged their land and buildings thereon, of which net book value amounted to approximately Baht 100.94 million (the Company only: Baht 22.75 million), with financial institutions as collateral to secure loans (31 December 2016: Baht 101.45 million, the Company only: Baht 22.99 million).

## 8. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| **Net book value as at 1 January 2017** | 6,445 | 6,049 |
| Acquisitions during the period - at cost | 7 | - |
| Amortisation for the period | (514) | (444) |
| **Net book value as at 31 March 2017** | 5,938 | 5,605 |

## 9. Short-term loans from financial institutions

(Unit: Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Interest rate percent per annum | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Trust receipts | 1.73 - 3.45 | - | 36,436 | - | 25,184 |
| Total | | - | 36,436 | - | 2,5184 |

Short-term loans from financial institutions of the Company and its subsidiary are guaranteed by deposit with bank, land and building of the Company and its subsidiary and joint guaranteed by their directors.

During the period 31 March 2017, the Company and its subsidiary had fully paid such loans.

## 10. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Trade accounts payable - related party (Note 2) | - | - | 1,372 | 1,364 |
| Trade accounts payable - unrelated parties | 63,761 | 21,460 | 54,954 | 15,453 |
| Other payables - related party (Note 2) | - | - | 22 | 13 |
| Other payables - unrelated parties | 10,060 | 6,245 | 8,106 | 4,486 |
| Other payables - key management (Note 2) | 22 | 6 | 22 | 6 |
| Total trade and other payables | 73,843 | 27,711 | 64,476 | 21,322 |

## 11. Long-term loans

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Long-term loans | 1,500 | 3,000 | - | - |
| Less: current portion | (1,500) | (3,000) | - | - |
| Long-term loans, net of current portion | - | - | - | - |

Movement of long-term loans during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| **Balance as at 1 January 2017** | 3,000 | - |
| Less: Repayment during the period | (1,500) | - |
| **Balance as at 31 March 2017** | 1,500 | - |

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

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

## 12. Liabilities under financial lease agreements

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| Liabilities under financial lease agreements | 14,465 | 15,175 | 12,209 | 13,598 |
| Less: Deferred interest expenses | (1,170) | (1,296) | (1,051) | (1,201) |
| Total | 13,295 | 13,879 | 11,158 | 12,397 |
| Less: Portion due within one year | (5,358) | (5,142) | (4,382) | (4,541) |
| Liabilities under financial lease agreements, net of current portion | 7,937 | 8,737 | 6,776 | 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.

## 13. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Current income tax:** | | | | |
| Interim corporate income tax charge | 1,896 | 5,237 | 1,896 | 5,237 |
| **Deferred tax:** | | | | |
| Relating to origination and reversal of temporary differences | (301) | (467) | (245) | (349) |
| **Income tax expenses reported in the statements of comprehensive income** | 1,595 | 4,770 | 1,651 | 4,888 |

## 14. Earnings per share

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

## 15. 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 following table presents revenue and profit information regarding the Company and its subsidiary' operating segments for the three-month periods ended 31 March 2017 and 2016, respectively.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | For the three-month periods ended 31 March | | | | | | | | | |
| | 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 | 1,858 | 1,187 | 11 | 48 | 1,869 | 1,235 | (1,869) | (1,235) | - | - |
| External customers | 75,274 | 104,902 | 27,235 | 27,606 | 102,509 | 132,508 | - | - | 102,509 | 132,508 |
| | 77,132 | 106,089 | 27,246 | 27,654 | 104,378 | 133,743 | (1,869) | (1,235) | 102,509 | 132,508 |
| Gross profit margin | | | | | 33,872 | 49,265 | 72 | - | 33,944 | 49,265 |
| Other income | | | | | 4,190 | 2,651 | (1,309) | (897) | 2,881 | 1,754 |
| Selling expenses | | | | | (6,334) | (5,782) | - | - | (6,334) | (5,782) |
| Administrative expenses | | | | | (24,055) | (23,306) | 1,317 | 755 | (22,738) | (22,551) |
| Finance cost | | | | | (609) | (1,279) | - | 142 | (609) | (1,137) |
| Income tax expenses | | | | | (1,595) | (4,770) | - | - | (1,595) | (4,770) |
| Profit for the period | | | | | 5,469 | 16,779 | 80 | - | 5,549 | 16,779 |

## 16. Commitments and contingent liabilities

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

### 16.1 Capital commitments

As at 31 March 2017, the Company had capital commitments of approximately Baht 0.09 million (31 December 2015: Baht 0.09 million), relating to computer software development.

### 16.2 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 were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2016 | 31 December 2015 |
| Payable within: | | | | |
| Less than 1 year | 4.56 | 1.48 | 5.02 | 3.21 |
| 1 to 5 years | 0.28 | 0.15 | 0.12 | 0.15 |

### 16.3 Guarantees

As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 45.84 million (31 December 2016: Baht 39.15 million), the Company only: Baht 39.09 million (31 December 2016: Baht 35.98 million), issued by banks on behalf of the Company and its subsidiary to guarantee contractors work.

## 17. Foreign currency risk

The Company and its subsidiary's exposure to foreign currency risk arises mainly from 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, which were unhedged.

(Unit: Thousand Baht)

| | As at 31 March 2017 | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | | Average exchange rate as at |
| Currency | Assets | Liabilities | Assets | Liabilities | 31 March 2017 |
| | | | | | (Baht per one foreign currency unit) |
| EUR | 8 | 1,015 | 1 | 896 | 36.7904 |
| USD | 97 | 103 | 97 | 103 | 34.4501 |

(Unit: Thousand Baht)

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

### Forward exchange contracts

The Company and its subsidiary had outstanding forward exchange contract with maturities less than one year as follows:

| | As at 31 March 2017 | | | | |
|---|---|---|---|---|---|
| | Consolidated financial statements | | | | |
| | Bought | Sold | | Contractual exchange rate | |
| Foreign currency | amount | amount | Contractual maturity date | Bought amount | Sold amount |
| | (Thousand) | (Thousand) | | (Baht per one foreign currency unit) | |
| Euro | 172 | - | 16 August - 4 October 2017 | 37.27 - 37.62 | - |

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

| As at 31 March 2017 | | | | | |
|---|---|---|---|---|---|
| Separate financial statements | | | | | |
| | Bought | Sold | | Contractual exchange rate | |
| Foreign currency | amount | amount | Contractual maturity date | Bought amount | Sold amount |
| | (Thousand) | (Thousand) | | (Baht per one foreign currency unit) | |
| Euro | 100 | - | 4 October 2017 | 37.27 | - |

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

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels 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

Fair value of the outstanding derivatives as at 31 March 2016 and 31 December 2016 of the Company and its subsidiary, which shown as loss, that were presented by fair value hierarchy were as follow.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| | Level 2 | Level 2 | Level 2 | Level 2 |
| **Derivatives** | | | | |
| Forward exchange contracts | 30 | 438 | 12 | 243 |

Valuation techniques and inputs to Level 2 valuation

Fair value of forward exchange contracts has been calculated at the rate set by the financial institutions as if the contract was terminated on the reporting date.

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

## 18. Event after the reporting period

On 25 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment for the year 2016 to its shareholders totaling 600 million shares of Baht 0.02 per share, or a total of Baht 12 million. Dividends will be paid to the shareholders on 19 May 2017.

## 19. Approval of interim financial statements

These interim financial statements were authroised for issue by the Company's Board of directors on 11 May 2017.