Alla Public Company Limited and its subsidiary
Report and consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2017

Building a better working world

EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

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 subsidiaries as at 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Alla Public Company Limited for the same periods. 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 for the three-month and six-month periods ended 30 June 2016, changes in shareholders' equity and cash flows for the six-month period ended 30 June 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 15 August 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: 9 August 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	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets					
Current assets					
Cash and cash equivalents		187,269	178,130	160,320	162,303
Current investments	*3*	211,084	210,078	211,084	210,078
Trade and other receivables	*2, 4*	112,529	142,674	90,224	104,869
Inventories	*5*	190,384	148,992	138,534	96,558
Other current assets		11,278	10,672	6,869	7,619
Total current assets		712,544	690,546	607,031	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*	168,904	167,682	54,858	58,072
Intangible assets	*8*	5,467	6,445	5,205	6,049
Deferred trade right		-	238	-	-
Deferred tax assets		9,660	9,548	7,620	7,574
Deposits and guarantees		32	42	30	40
Total non-current assets		209,603	209,495	244,953	248,975
Total assets		922,147	900,041	851,984	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	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	9	3,052	36,436	-	25,184
Trade and other payables	2, 10	56,129	27,711	42,451	21,322
Current portion of long-term loans	11	-	3,000	-	-
Current portion of liabilities under financial lease agreements	12	5,206	5,142	4,222	4,541
Income tax payable		3,149	824	3,149	60
Deposit received in advance		39,164	18,789	29,692	15,060
Accrued expenses		18,272	18,779	13,831	13,808
Provision for after sales service		6,246	7,435	4,362	5,296
Other current liabilities		5,342	8,891	3,940	6,130
Total current liabilities		136,560	127,007	101,647	91,401
Non-current liabilities					
Liabilities under financial lease agreements, net of current portion	12	6,858	8,737	5,878	7,856
Provision for long-term employee benefits		38,045	35,953	28,920	27,768
Total non-current liabilities		44,903	44,690	34,798	35,624
Total liabilities		181,463	171,697	136,445	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	
	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 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	62,151	49,811	37,052	24,890
Other components of shareholders' equity	46	46	-	-
Equity attributable to owners of the Company	740,684	728,344	715,539	703,377
Non-controlling interest of the subsidiary	-	-	-	-
Total shareholders' equity	740,684	728,344	715,539	703,377
Total liabilities and shareholders' equity	922,147	900,041	851,984	830,402

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

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Directors

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(Unaudited but reviewed)

Alla Public Company Limited and its subsidiary

Statement of comprehensive income

For the three-month period ended 30 June 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	*16*	149,808	159,518	110,080	118,955
Other income		1,623	556	2,496	1,094
Gain on exchange		-	2,153	-	1,693
Total revenues		151,431	162,227	112,576	121,742
Expenses					
Cost of sales and services		97,747	118,247	66,775	86,294
Selling expenses		5,966	6,425	3,819	4,412
Administrative expenses		22,286	21,131	17,138	14,857
Loss on exchange		1,191	-	893	-
Total expenses		127,190	145,803	88,625	105,563
Profit before finance cost and income tax		24,241	16,424	23,951	16,179
Finance cost		(482)	(1,161)	(368)	(976)
Profit before income tax expenses		23,759	15,263	23,583	15,203
Income tax expenses	*14*	(4,968)	(3,153)	(4,930)	(3,178)
Profit for the period		18,791	12,110	18,653	12,025
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		18,791	12,110	18,653	12,025
Net profit attributable to:					
Equity holders of the Company		18,791	12,110	18,653	12,025
Non-controlling interests of the subsidiary		-	-	-	-
		18,791	12,110	18,653	12,025
Total comprehensive income attributable to:					
Equity holders of the Company		18,791	12,110	18,653	12,025
Non-controlling interests of the subsidiary		-	-	-	-
		18,791	12,110	18,653	12,025
Earnings per share	*15*				
Basic earnings per share (Baht)					
Profit		0.03	0.03	0.03	0.03
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 comprehensive income

For the six-month period ended 30 June 2017

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

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income	*16*	252,317	292,026	186,729	220,032
Other income		3,463	2,551	5,005	3,676
Gain on exchange		-	1,912	-	1,312
Total revenues		255,780	296,489	191,734	225,020
Expenses					
Cost of sales and services		166,312	201,490	117,511	144,174
Selling expenses		12,300	12,207	7,963	8,204
Administrative expenses		45,024	43,682	34,666	31,569
Loss on exchange		150	-	8	-
Total expenses		223,786	257,379	160,148	183,947
Profit before finance cost and income tax		31,994	39,110	31,586	41,073
Finance cost		(1,091)	(2,298)	(843)	(1,905)
Profit before income tax expenses		30,903	36,812	30,743	39,168
Income tax expenses	*14*	(6,563)	(7,923)	(6,581)	(8,066)
Profit for the period		24,340	28,889	24,162	31,102
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		24,340	28,889	24,162	31,102
Net profit attributable to:					
Equity holders of the Company		24,340	28,889	24,162	31,102
Non-controlling interests of the subsidiary		-	-	-	-
		24,340	28,889	24,162	31,102
Total comprehensive income attributable to:					
Equity holders of the Company		24,340	28,889	24,162	31,102
Non-controlling interests of the subsidiary		-	-	-	-
		24,340	28,889	24,162	31,102
Earnings per share	*15*				
Basic earnings per share (Baht)					
Profit		0.04	0.06	0.04	0.07
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 six-month period ended 30 June 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
Dividend paid (Note 13)	-	-	-	(45,000)	-	(45,000)	-	(45,000)
Retained earnings transferred to statutory reserve	-	-	8,284	(8,284)	-	-	-	-
Total comprehensive income for the period	-	-	-	28,889	-	28,889	-	28,889
Balance as at 30 June 2016	225,000	-	22,500	81,190	46	328,736	-	328,736
Balance as at 1 January 2017	300,000	348,487	30,000	49,811	46	728,344	-	728,344
Dividend paid (Note 13)	-	-	-	(12,000)	-	(12,000)	-	(12,000)
Total comprehensive income for the period	-	-	-	24,340	-	24,340	-	24,340
Balance as at 30 June 2017	300,000	348,487	30,000	62,151	46	740,684	-	740,684

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 six-month period ended 30 June 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
Dividend paid (Note 13)	-	-	-	(45,000)	(45,000)
Retained earnings transferred to statutory reserve	-	-	8,284	(8,284)	-
Total comprehensive income for the period	-	-	-	31,102	31,102
Balance as at 30 June 2016	225,000	-	22,500	66,501	314,001
Balance as at 1 January 2017	300,000	348,487	30,000	24,890	703,377
Dividend paid (Note 13)	-	-	-	(12,000)	(12,000)
Total comprehensive income for the period	-	-	-	24,162	24,162
Balance as at 30 June 2017	300,000	348,487	30,000	37,052	715,539

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	30,903	36,812	30,743	39,168
Adjustments to reconcile profit before tax to net				
cash provided by (paid from) operating activities:				
Depreciation and amortisation	9,736	11,721	6,158	7,024
Amortisation of deferred trade rights	238	475	-	-
Bad debts and doubtful debts (reversal)	-	351	-	(155)
Reduction of inventory value to net realisable value	835	915	564	885
Loss on disposal and write-off of property, plant				
and equipment	83	30	51	12
Provision for long-term employee benefits	1,973	1,982	1,200	1,221
Unrealised gain on changes in value of current investmetns				
in trading securities	(1,006)	-	(1,006)	-
Unrealised (gain) loss on exchange	1,248	(1,157)	855	(676)
Interest income	(2,051)	(156)	(2,036)	(343)
Interest expenses	1,091	2,298	843	1,905
Profit from operating activities before changes				
in operating assets and liabilities	43,050	53,271	37,372	49,041
Operating assets (increase) decrease				
Trade and other receivables	31,108	27,399	15,607	5,576
Inventories	(42,227)	11,896	(42,540)	7,737
Other current assets	210	24	758	(2,054)
Deposits and guarantees	-	(7)	-	(9)
Operating liabilities increase (decrease)				
Trade and other payables	19,501	(17,592)	19,353	(20,801)
Deposit received in advances	20,399	(24,577)	14,646	(12,854)
Other current liabilities	(3,549)	(12,693)	(2,190)	(11,530)
Cash flows from operating activities	68,492	37,721	43,006	15,106
Cash paid for long-term employee benefits	(509)	-	(509)	-
Cash paid for income tax	(5,156)	(6,894)	(3,536)	(6,023)
Net cash from operating activities	62,827	30,827	38,961	9,083

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in restricted bank deposits	-	(25,000)	-	(25,000)
Cash received from repayment of short-term loan to subsidiary	-	-	-	7,500
Purchase of property, plant and equipment	(2,642)	(3,009)	(1,751)	(2,103)
Purchase of intangible assets	(53)	(85)	(46)	(85)
Cash received from selling assets	25	-	-	-
Interest income	1,088	156	1,074	343
Net cash used in investing activities	(1,582)	(27,938)	(723)	(19,345)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(34,055)	17,751	(25,543)	27,710
Repayment of long-term loans	(3,000)	(11,221)	-	(7,471)
Cash paid for liabilities under financial lease agreements	(2,589)	(3,064)	(2,297)	(2,294)
Cash paid for interest expenses	(463)	(1,739)	(382)	(1,480)
Dividend paid	(11,999)	(45,000)	(11,999)	(45,000)
Net cash used in financing activities	(52,106)	(43,273)	(40,221)	(28,535)
Net increase (decrease) in cash and cash equivalents	9,139	(40,384)	(1,983)	(38,797)
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	187,269	61,137	160,320	40,325
Supplement cash flows information				
Non-cash items:				
Assets acquired under financial lease agreements	774	3,492	-	2,917
Net increase in other accounts payable for purchase of fixed assets	6,619	-	354	-
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 and six-month periods ended 30 June 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 30 June				
	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Transactions with subsidiary (eliminated from the consolidated financial statements)					
Sales	-	-	214	367	Cost plus margin
Service income	-	-	-	49	Cost plus margin
Interest income	-	-	-	81	Interest rate at 6.50 percent per annum
Rental and software maintenance income	-	-	889	502	Mutually agreed price as stipulated in the contract
Purchase of goods	-	-	1,363	451	Cost plus margin
Hire of work expense	-	-	353	6	Cost plus margin
Rental expense	-	-	630	300	Mutually agreed price as stipulated in the contract

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Transactions with subsidiary (eliminated from the consolidated financial statements)					
Sales	-	-	789	1,088	Cost plus margin
Service income	-	-	-	71	Cost plus margin
Interest income	-	-	-	223	Interest rate at 6.50 percent per annum
Rental and software maintenance income	-	-	1,519	957	Mutually agreed price as stipulated in the contract
Freight income	-	-	65	-	Cost plus margin
Purchase of goods	-	-	2,646	917	Cost plus margin
Hire of work expense	-	-	364	31	Cost plus margin
Rental expense	-	-	1,260	600	Mutually agreed price as stipulated in the contract

The outstanding balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade and other receivables - related party (Note 4)				
Subsidiary company	-	-	538	148
Trade and other receivables - related party	-	-	538	148
Trade and other payables - individual and related party (Note 10)				
Subsidiary company	-	-	1,759	1,377
Key management	142	6	142	6
Total trade and other payables - individual related party	142	6	1,901	1,383

Directors and management's remuneration

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiary had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	6,132	5,828	4,695	3,889
Post-employment benefits	557	327	406	221
Other long-term benefits	12	14	9	12
Total	6,701	6,169	5,110	4,122

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	13,228	11,812	9,109	8,449
Post-employment benefits	1,147	654	809	441
Other long-term benefits	25	29	18	23
Total	14,400	12,495	9,936	8,913

3. Short-term investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2017	31 December 2016
Fixed deposit	100,000	100,000
Securities held for trading - Debt securities	111,084	110,078
Total	211,084	210,078

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

During the six-month period ended 30 June 2017, movements of securities held for trading are 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	1,006
Balance as at 30 June 2017	111,084

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade accounts receivable - related party				
Aged on the basis of due dates				
Not yet due	-	-	248	100
Overdue				
Less than 3 months	-	-	1	11
Total trade accounts receivable - related party	-	-	249	111
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	50,423	79,774	39,394	58,556
Overdue				
Less than 3 months	16,538	23,262	8,464	10,807
More than 3 months, not over 6 months	483	417	-	150
More than 6 months, not over 12 months	2,902	42	2,902	-
More than 12 months	187	203	182	193
Total trade accounts receivable - unrelated parties	70,533	103,698	50,942	69,706
Total trade accounts receivable	70,533	103,698	51,191	69,817

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Accrued income - sale of goods and service				
Aging				
Less than 3 months	22,413	32,730	21,154	29,657
More than 3 months, not over 6 months	2,466	2,509	1,814	1,973
More than 6 months, not over 12 months	14,546	847	14,099	594
More than 12 months	67	1,276	67	1,276
Total accrued income - sale of goods and service	39,492	37,362	37,134	33,500
Less: Allowance for doubtful debts	(53)	(53)	(53)	(53)
Accrued income - sale of goods and service - net	39,439	37,309	37,081	33,447
Other receivables				
Other receivables - related party	-	-	289	37
Other receivables - unrelated parties	2,557	1,667	1,663	1,568
Total other receivables	2,557	1,667	1,952	1,605
Total trade and other receivables - net	112,529	142,674	90,224	104,869

5. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the six-month period ended 30 June 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	835	564
Balance as at 30 June 2017	5,850	4,762

6. Investment in subsidiary

As at 30 June 2017 and 31 December 2016, details of investment in subsidiary company in the separate financial statements are summarised below.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the periods	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 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 six-month period ended 30 June 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	2,642	1,751
Increase in hire-purchase payable	774	-
Increase in accounts payable for purchase of plant and equipment during period	6,619	354
Total acquisition during period	10,035	2,105
Disposals and write-off during period - net book value at disposal date		
Cash received from sales of equipment	(25)	-
Loss on disposal and write-off of equipment	(83)	(51)
Net	(108)	(51)
Depreciation for period	(8,705)	(5,268)
Net book value as at 30 June 2017	168,904	54,858

As at 30 June 2017, the Company and its subsidiary pledged their land and buildings thereon, of which net book value amounted to approximately Baht 99.43 million (the Company only: Baht 21.51 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 six-month period ended 30 June 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	53	46
Amortisation for the period	(1,031)	(890)
Net book value as at 30 June 2017	5,467	5,205

9. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate percent per annum		Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trust receipts	1.55	1.73 - 3.45	3,052	36,436	-	25,184
Total			3,052	36,436	-	25,184

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.

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade accounts payable - related party (Note 2)	-	-	1,360	1,364
Trade accounts payable - unrelated parties	41,937	21,460	34,433	15,453
Other payables - related party (Note 2)	-	-	399	13
Other payables - unrelated parties	14,050	6,245	6,117	4,486
Other payables - key management (Note 2)	142	6	142	6
Total trade and other payables	56,129	27,711	42,451	21,322

11. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 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 six-month period ended 30 June 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	(3,000)	-
Balance as at 30 June 2017	-	-

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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Liabilities under financial lease agreements	13,079	15,175	11,013	13,598
Less: Deferred interest expenses	(1,015)	(1,296)	(913)	(1,201)
Total	12,064	13,879	10,100	12,397
Less: Portion due within one year	(5,206)	(5,142)	(4,222)	(4,541)
Liabilities under financial lease agreements, net of current portion	6,858	8,737	5,878	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. Dividend paid

13.1 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.

13.2 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.

14. 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 and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	4,779	3,263	4,731	3,263
Deferred tax:				
Relating to origination and reversal of temporary differences	189	(110)	199	(85)
Income tax expenses reported in the statements of comprehensive income	4,968	3,153	4,930	3,178

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	6,675	8,500	6,627	8,500
Deferred tax:				
Relating to origination and reversal of temporary differences	(112)	(577)	(46)	(434)
Income tax expenses reported in the statements of comprehensive income	6,563	7,923	6,581	8,066

15. 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.

16. 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 and six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the three-month periods ended 30 June									
	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	1,575	818	352	54	1,927	872	(1,927)	(872)	-	-
External customers	118,921	132,872	30,887	26,646	149,808	159,518	-	-	149,808	159,518
	120,496	133,690	31,239	26,700	151,735	160,390	(1,927)	(872)	149,808	159,518
Gross profit margin					52,055	41,271	6	-	52,061	41,271
Other income					3,144	3,593	(1,521)	(884)	1,623	2,709
Selling expenses					(5,966)	(6,425)	-	-	(5,966)	(6,425)
Administrative expenses					(25,053)	(21,934)	1,576	803	(23,477)	(21,131)
Finance cost					(482)	(1,242)	-	81	(482)	(1,161)
Income tax expenses					(4,968)	(3,153)	-	-	(4,968)	(3,153)
Profit for the period					18,730	12,110	61	-	18,791	12,110

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the six-month periods ended 30 June									
	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	3,433	2,005	363	102	3,796	2,107	(3,796)	(2,107)	-	-
External customers	194,195	237,774	58,122	54,252	252,317	292,026	-	-	252,317	292,026
	197,628	239,779	58,485	54,354	256,113	294,133	(3,796)	(2,107)	252,317	292,026
Gross profit margin					85,927	90,536	78	-	86,005	90,536
Other income					6,293	6,244	(2,830)	(1,781)	3,463	4,463
Selling expenses					(12,300)	(12,207)	-	-	(12,300)	(12,207)
Administrative expenses					(48,067)	(45,240)	2,893	1,558	(45,174)	(43,682)
Finance cost					(1,091)	(2,521)	-	223	(1,091)	(2,298)
Income tax expenses					(6,563)	(7,923)	-	-	(6,563)	(7,923)
Profit for the period					24,199	28,889	141	-	24,340	28,889

17. Commitments and contingent liabilities

As at 30 June 2017, the Company and its subsidiary had commitments and contingent liabilities as follows:

17.1 Capital commitments

As at 30 June 2017, the Company and its subsidiary had capital commitments of approximately Baht 44.14 million (31 December 2016: Baht 0.09 million), the Company only: Baht 0.09 million (31 December 2016: Baht 0.09 million), relating to computer software development and warehouse construction of its subsidiary.

17.2 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	
	30 June 2017	31 December 2016	30 June 2016	31 December 2015
Payable within:				
Less than 1 year	3.70	1.48	3.63	3.21
1 to 5 years	0.27	0.15	0.12	0.15

17.3 Guarantees

As at 30 June 2017, there were outstanding bank guarantees of approximately Baht 37.88 million (31 December 2016: Baht 39.15 million), the Company only: Baht 29.01 million (31 December 2016: Baht 35.98 million), issued by banks on behalf of the Company and its subsidiary to guarantee contractors work.

18. 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.

	As at 30 June 2017				
	Consolidated financial statements		Separate financial statements		Average exchange rate as at 30 June 2017
Currency	Assets	Liabilities	Assets	Liabilities	
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per one foreign currency unit)
EUR	13	686	9	510	38.8523
USD	315	89	315	69	33.9814

	As at 31 December 2016				
	Consolidated financial statements		Separate financial statements		Average exchange rate as at 31 December 2016
Currency	Assets	Liabilities	Assets	Liabilities	
	(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

Forward exchange contracts

As at 30 June 2017, the Company and its subsidiary had no outstanding forward exchange contract.

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

	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 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 December 2016 of the Company and its subsidiary, which shown as loss, that were presented by fair value hierarchy are as follow.

(Unit: Thousand Baht)

	As at 31 December 2016	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
Derivatives		
Forward exchange contracts	438	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.

19. Event after the reporting period

On 27 July 2017, the Board of Directors' Meeting of Onvalla Company Limited, a subsidiary company, passed a resolution to propose to the meeting of shareholders of the subsidiary company for approval the increment of its registered share capital from Baht 150 million 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.

20. Approval of interim financial statements

These interim financial statements were authroised for issue by the Company's Board of directors on 9 August 2017.