

ANNUAL REPORT

2017

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Vision

We have positioned ourselves as a completed range of foundation construction contributor and international standard of heavy lifting machinery provider, emphasize on working efficiently in order to meet on-time delivery and quality required



Mission

- To raise and maintain our standard of services to meet and satisfy with customers demand and worth for business
- Generate value added to the organization by providing standard services in line with the nature of customers' works.
- Deploying state-of-the-art machinery technologies from abroad to operate in Thailand
- Develop and achieve a standard of service at the international level to be accepted by customers and people in general domestically and abroad.
- Set work safety standards with the QEHS system.
- Improve quality of life and boost work capabilities through continuous training for employees in the organization.
- Provide social assistance, beginning in nearby communities and expanding to the national level.

Importance Financial Information

Unit : Million Baht

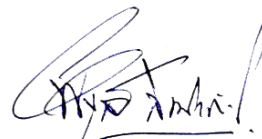
	2015 Consolidate	+ / - (%)	2016 Consolidate	+ / - (%)	2017 Consolidate	+ / - (%)
Balance Sheet						
Current Assets	433.17	-25.86	357.66	-17.43	467.31	+30.66
Total Assets	2,788.45	+2.28	2,885.20	+3.46	2935.74	+1.75
Current Liabilities	576.01	+4.19	915.04	+58.85	968.15	+5.81
Total Liabilities	1,429.84	+8.88	1,804.36	+26.19	1,701.27	-5.71
Total Shareholders' Equity	1,358.61	-3.85	1,080.84	-20.44	1,234.47	-14.21
Statements of Income						
Revenue from sales	349.26	-13.17	219.59	-37.12	269.52	+22.74
Revenue from rental and transportation	514.82	-22.64	421.19	-18.19	550.96	+30.81
Revenue from Foundation Construction	-	-	9.56	100.00	336.87	+3,423.74
Total Revenue	864.08	-19.07	650.34	-24.73	1,157.35	+77.96
Gross profit	162.55	-53.31	(19.41)	-88.05	230.39	+1,286.97
EBITDA	287.80	-49.53	113.79	-60.46	417.03	+266.49
Net Profit	(45.19)	-118.90	(280.13)	-519.89	30.42	+110.86
Financial Ratio Analysis						
Current ratio (times)	0.75		0.39		0.48	
Debts to Equity (times)	1.05		1.67		1.38	
Debt Service Coverage Ratio (times)	2.2		-2.47		1.40	
Return on Equity (%)	-3.33		-25.92		2.46	
Gross Profit Margin (%)	18.81		-2.98		19.91	
Net Profit Margin (%)	-5.01		-42.45		2.57	

Message from the Chairman of the Board of Directors

Dear All Shareholders,

In 2017, growth in the export and tourism sector and the government's investment in the development of basic transportation and shipping infrastructure has managed to bring the Thai economy to nearly four percent in growth. Although it is true that this growth is congregated in only a few industries, it is also a good driving force for steering the overall national economy ahead. Thus, the Company's entry into the foundation construction (bored pile and barrette pile construction) business is considered excellent timing. With increased volume in the basic transportation and infrastructure construction projects of the government, demand in foundation construction (bored pile and barrette pile construction) is rather high. At the same time, capable service providers in this area are few. And since the majority of construction contractors know and have used the Company's heavy machinery services before, they have confidence in the Company's services. Thus, the foundation construction (bored pile and barrette pile construction) business has been well-received by customers and generated nearly 30 percent of total revenue. Additionally, the Company believes that it will become a primary business that generates income for the Company in the future. As for the heavy machinery rental and sales businesses, positive growth has been experienced in installation projects of wind turbines, new investments and shut-downs for maintenance in oil and petroleum refinery businesses and related businesses. Because increased government investment in construction has increased demand for machinery use, the Company's overall performance has flipped over to the positive side.

On behalf of the Board of Directors, We I would like to express our great thanks to every shareholders, customers, financial institutes, executives, employees and related parties for having always provided excellent support of the Company's businesses. We promise to work closely with executives in setting the Company's strategies to enable the Company to overcome its problems and obstacles for successful market competition under good supervision and internal control principles. We, at the fullest extent of our ability, will develop the company's business capacity to succeed in achieving goals with sustainable growth for the benefit of all related persons and parties involved.



(Assist. Prof. Dr. Piboon Limprapat)

Chairman of the Board of Directors

Message from the Chief Executive Officer

Dear All Shareholders,

In 2017, the Company fully engaged in the foundation construction (bored pile and barrette pile construction) business in response to increased business opportunities resulting from investments in basic transportation and infrastructure projects such as double-track railways, various lines of mass transit transportation, Bang Pa In-Nakhon Ratchasima motorway, Bang Yai-Kanchanaburi motorway and etc. With experience in machinery management and competitive advantage, the company achieved excellent customer response successfully generated almost 340.0 million baht in revenue from the aforementioned business with a strong inclination for growth. At the same time, the rental and machinery dealer businesses were well directed with satisfactory growth rates. Furthermore, expenses were effectively managed to bring the Company's returns back into the positive direction. Although net profit remains somewhat low, the aforementioned is still a good sign that the Company is on the right track in dispersing business risks with decreased over-dependency on revenue generated from any single business. Meanwhile, as for cooperating with the provincial administration of Trang (Trang Provincial Administrative Organization), concession was granted for the management of a Na Kluea Port. The cooperation covers importation of machinery to provide port services where revenue from machinery services is split with Chu Kai Public Company Limited and Trang Provincial Administrative Organization at the ratio of 80:20. In this aspect, the Company would like to expand into the logistics business but still cannot achieve that goal because of lack of clarity from the Trang Provincial Administrative Organization in the port administration. As a result, only machinery services are provided at the port, and, in that regard, the volume of goods passing through the port is still rather low.

In 2018, the Company is focused on increasing investment in the foundation construction (bored pile and barrette pile construction) business in order to increase opportunities for accepting jobs in many transportation and basic infrastructure projects, especially the various lines of mass transit transportation projects. As for the rental business, the Company is delaying investment and is focusing on effectively managing currently available machinery consistently in line with increased profitability such as by selling off unprofitable machinery. Meanwhile, for the machinery dealer business, cooperation will be increased with XCMG to lay out strategy for pushing large lots of sales to contractors

involved in government public utility construction projects such as by increasing the availability of various types of construction machinery in addition to truck cranes and drilling rigs in order to allow XCMG products into the market and gain greater reliability. In addition, the Company retains its strict policy of effectively managing its cost and expenses. Thus, the Company is confident that these strategies and business structure will bring the Company's performance to succeed in achieving stability and sustainability growth.



.....
(Mr. Thongchai Praerangsi)

Chief Executive Officer

Audit Committee's Report

Report of the Audit Committee

The Audit Committee, Chu Kai Public Company Limited, is consisted with 3 committees, namely, Mr. Vacharin Duangdara, Mr. Surin Premamornkit, and Mrs. Werawan Boonkwan, all are independent committee duly qualified according to the requirement of SET.

In preceding year, the Audit Committee had performed its duty according to the scope of responsibilities assigned by the Board of Directors. In 2017, there were total 8 Meetings. In the Meetings, the management, the Audit Committee and the Certified Public Accountant had explained related issued which is summarized as follows:-

1. Review to ensure correct and sufficient financial report

To review interim financial statements and for 2017 of the company in jointly with the auditor including disclosure of material information and acknowledge notice of the auditor to propose to the Board of Directors for approval by exchanging idea with the auditor, management and internal audit to ensure that the preparation and disclosure of information in such financial report is correct, complete and credible.

2. Review to ensure suitable and efficient internal control system for the company

To review to ensure suitable and efficient internal control system in jointly with outsourced the auditor, such as, report on internal control efficiency assessment for 2017 and consider audit plan including to acknowledge result of audit and suggestion of internal control department by proposing to the management of the company to consider, improve and correct as deemed appropriate as the case may be including to continuously follow such improvement.

3. Review the sufficiency of Risk Management System of the company

To acknowledge and review risk management of the company in several aspects, financial risk management, risk management occurred from operation of current business including risk management for investment plan, etc. to ensure that risk management of the company is at acceptable level.

4. Review the company to comply with related laws

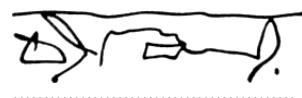
To acknowledge the compliance with related laws, e.g. Securities and Exchange Act, Notification of Security and Exchange Commission, notification of Securities Exchange of Thailand.

5. The Audit Committee had, in the Meeting, considered, selected and proposed to the Board of Directors of the company to further consider and approve in the Annual General Meeting of Shareholder year 2018, to appoint the licensed auditor, namely, Mr. Prawit Viwanthananut, Certified Public Account No. 4917, or Mr. Therdthong Thepmangkorn, Certified Public Account No. 3787, or Miss Chutima Wongsaraphanchai Certified Public Account No. 9622 or any other auditors of PV Audit Co., Ltd. was appointed as the auditors of the company and proposed the remuneration for the audition for 2018

6. Consider the disclosure of related item and conflicted item

Consider related items of related company and/or person which may be conflicted as disclosure by the auditor in consolidated financial statement. Which those inter-transaction were general trading. For inter-transaction incurred between the group of companies and director were still in accordance of contract and agreement. Loan was acquired to support financial fluency without interest.

The Audit Committee opined that the company has prepared financial statements according to the generally certified principles, having sufficient internal control system suitable to business operation, risk management at acceptable level and good governance system.



(Mr. Vacharin Duangdara)
Chairman of the Audit Committee

General information and other important information

Company Name	: Chu Kai Public Company Limited (“CRANE”)
Business Type	: To act as the exclusive distributor for brand new cranes brand XCMG from People’s Republic of China in Thailand. : To sell and repair used heavy machine for construction work : To provide service for lifting, assembling and installing of machine and large material or equipment for construction by using crane, forklift, top loader and other machines including also transportation service by, prime mover, semi-trailers and other types of trucks. : To provide service of foundation construction and bored piles business. : To provide cargo handling goods services with heavy duty machinery at the port of Ban Na Klua, Kantang District, Trang Province.
Location	: 42/62 Moo 14 Bangna-trad Road Km. 7, Bangkaew, Bangplee, Samutprakarn 10540
subsidiary Companies	: The Crane Services Co., Ltd (“TCS”) 42/51 Moo 14 Bangna-Trad Rd., Bangkaew, Bangplee, Samutprakarn 10540 : The Crane Laem Chabang Co., Ltd. (“TCL”) 195/95 Moo 5 Nongkham, Sriracha, Chonburi 20230 : The Crane Rayong Co., Ltd. (“TCR”) 4/2 Moo 4 Nikom Pattana, Ampur Nikom Pattana, Rayong 21180 : The Crane Heavy Lift Co., Ltd. (“TCH”) 42/62 Moo 14 Bangna-Trad Road Km. 7, Bangkaew, Bangplee, Samutprakarn 10540
Home Page	: www.chukai.co.th
Company Registration	: 0107548000412
Telephone	: 0-2715-0000, 0-2316-2873-7
Facsimile	: 0-2316-6574, 0-2316-6637
Registered Capital	: 1,044,637,027.00 Baht
Paid-Up Capital	: 757,057,874.00 Baht

Other references

Securities registrar	: Thailand Securities Depository Company Limited Mail Room Floor 1, Stock Exchange of Thailand Building No. 93, Rachadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400 Telephone: 0-2009-9380 Facsimile: 0-2009-9476
Auditor	: PV Audit Company Limited 14 th Floor, Vongvanich Building B 100/19 Rama 9 Road, Huay Kwang District, Bangkok 10310 Telephone: 02-645-0080
Legal Consultant	: Mr. Pholkrit Kritsanasuwan 85/1 Soi Prachauthit 54 Yak 1, Bangmod, Thungkhru, Bangkok 10140 Telephone: 02-539-0410 Facsimile: 02-539-0411

Policy and overall image of business operation

The Crane Service Company Limited (“TCS”) was incorporate registered since 1990 by the founder of the company Mr. Thongchai Praerangsri. Later when the industries expanded, it cause high demand for using the heavy duty of machinery. This lead to form the company group of the Crane in order to support the job around the industrial areas as followings: In year 1992, the Crane Laem Chabang Company Limited (“TCL”) was established in Sri Racha District, Chonburi Province, In 1996, the Crane Heavy Lift Company Limited (“TCH”) was established at Rangsit, Pathum Thani Province to support its business, particularly in industrial areas.

In addition, in 1997, CRANE group established Chu Kai Co., Ltd. as its business to import second-hand heavy mechanics machines from outside countries to distribute to customers and to provide repair service and spares distribution to CRANE group and general customers. Later in 2004, the company’s group has restructured shareholders and its organization. In 2004, Chu Kai Co.,Ltd held the company’s shares for 99.99 percent including The Crane Lhaemchabung Co., Ltd. (“TCL”), The Crane Rayong Co., Ltd. (“TCR”) and The Crane Heavy lift Co., Ltd. (“TCH”), after the shareholding was restructured in 2005, it was being transformed into Chu Kai Public Company Limited (“CRANE”) with increasing number of registered and being settled from 200 million baht to 350 million baht and prepare to have new business structure within the new group in Chu Kai group to distribute and repair heavy mechanic machines while its subsidiaries provide rental and transportation services.

Background, changes and important developments of the company

Mar. 2007	CRANE increased its registered for another baht 100 million from 350 baht million to Baht 450 million (450,000,000 share at the par value of Baht 1.00 per share) for initial public offering to be listed in MAI.
Feb. 2008	CRANE was approved for Initial Public Offering (IPO) and Registered CRANE’s ordinary shares in was a listed company in the Market for Alternative Investment (mai)
Feb. 2011	The company was appointed as distributor for ZOOMLION CRANE as the exclusive distributor from ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD., which is the leader of crane manufacturing company in the People’s Republic of China.
May 2012	Increased registered capital to Baht 506.25 million (total 506,250,000 shares, each share cost baht 1.00) to
June 2012	The Crane Heavy Lift Co.,Ltd. had terminated land lease contract and moved its office to Bangna-Trad Road Km. 7

Jan. 2013	The Company imported used crane capacity 1,250 ton from Federal Republic of Germany to support the expansion of large crane rental service under the name of The Crane Rayong Company Limited.
May 2013	Increased registered capital from formerly Baht 506.25 million to new registered capital Baht 578.57 million by issuing 72,321,375 new ordinary shares (at par value Baht 1.00 per share) to support dividend payment.
Apr.2014	TCR increased registered capital from THB 25 million to THB 150 million of paid-up capital by offering and issuances shares to existing shareholders at THB 100 par value each.
May 2014	The company increased registered capital from THB 578.57million to THB 626.78 million by issuance shares for 48,214,186shares (at THB 1 par value each) to support dividend.
Aug 2014	The company moved from MAI stock market to Stock Exchange of Thailand (SET)
May 2015	The company increased registered capital from 626.78 million baht to registered and paid-up capital of 696.42 million baht. The company issued 69,642,613 new common shares (with a par value of 1.00 baht) to support dividend payouts.
Sep 2015	The company was appointed by Xuzhou Construction Machinery Group IMP. & EXP. Company Limited or XCMG as the exclusive dealer for XCMG cranes in Thailand. (The company cancelled sales representation for ZOOMLION Cranes).
Jun 2016	<p>The Company restructured their company group for the business structure by distinguished with business characteristic as followings:</p> <ul style="list-style-type: none"> ◆ To distribute the business and to provide services for repair the heavy duty machinery conducted by the CRANE ◆ Heavy Duty Machinery rental business operated by TCR and TCL <p>Construction business of foundation construction work by TCS</p>
Jul 2016	The Company has entered into a Memorandum of Understanding (MOU) to provide services in transporting goods by the heavy duty machinery operated in Ban Na Klua Port Authority, Kantrang District, Trang Province and Trang Provincial Administration Organization
Nov 2016	TCS commenced its bored pile construction business for the first time conducting the piling construction to support the bridge in the project of road construction strategic contribution in Cheng Rai Province.
Apr 2017	<p>The annual general meeting of shareholders 2017 on 27 April 2017 passed a resolution to approve the allocation of 348,212,342 capital increase ordinary shares at 1.00 baht par value. The details of the allocation are as follows:</p> <ul style="list-style-type: none"> ◆ No more than 174,106,171 ordinary shares were allocated to existing shareholders in the existing share ratio (RO) at a rate of four existing shares per new share and offering for sale at 2.00 baht per share. ◆ No more than 174,106,171 capital increase ordinary shares at one baht par value were allocated to accommodate the exercising of warrant rights allocated to people who exercised rights to reserve the Company's capital increase shares at the ratio of one new ordinary share per warrant unit (CRANE-W1) without value calculations. In addition, rights were set to be exercised ever six months for three years with

	the first date for exercising rights coinciding with 15 January 2018.
May 2017	The Company increased its registered capital from 696.42 million baht to 1,044.64 million baht by the issuance of 348,212,343 new ordinary shares (at one baht par value) to accommodate the allocation of capital increase shares to existing shareholders in the share ratio (RO) and warrants (CRANE-W1).
Jun 2017	A total of 60,633,189 capital increase shares were distributed and offered at 2.00 baht per share. Exchanges began on 19 June 2017. As a result, the Company's registered and paid up capital increased from 696.42 million baht to 757.06 million baht.

Type of Business Operation

The Company classifies its businesses according to the nature of the business of the Company in 3 groups as follows:

1. Heavy Duty Machinery business distribution and maintenance services provided by the CRANE

- The Company operated a heavy duty machinery business in

1. The new heavy duty machinery in type of the Truck Crane, All Terrain Crane, and the Crawler Crane brand XCMG as this company was being designated by the distributor XCMG Truck Crane from China as solely distributor in Thailand with XUZHOU Construction Machinery Group IMP & EXP Company Limited (as it called "XCMG") since last 2015 as this XCMG becomes the largest producer of the heavy duty machinery and Top 5 in the world to continue developing the machinery to make it effectively and safety in use.



2. For any types of used heavy duty machinery such as truck crane, forklift truck, container truck, truck tractor, loading truck ,and other heavy duty machinery that the company has brought to improve and maintenance to keep them in perfect condition before distribute to customers or for rental and transport services

- The company provides repair services for heavy duty machinery with specialist technician and highly experiences including the cooperative team support by XCMG to send an expertise for training our technicians continuously. This is to cause the after sales service for heavy duty machinery with the company includes of general customers who bring those to repair shall meet the maximum efficiency.
- In July 2016, the company entered into the Memorandum of Understanding with Trang Provincial Administration Organization for contribution the heavy duty machinery services of transportation goods in Ban Na Klua Port Authority, Kantang District, Trang Province as it becomes a new wharf on Andaman Sea Side with relatively high potential port for the government to push forward to become an international shipping in the future. This is for learning and seeking out new business opportunities in the field of marine logistics business. The expansion shall be high with integration of ASEAN countries in Asean Economics Community or AEC, which was being formed as solid stage since 31st December, 2015. Furthermore, it will also be a heavy duty machinery of management company to invest with highest efficiency solution.



2. Heavy Duty Machinery for rental business conducted by TCR and TCL

The company has been operating the business for more than 28 years as one of the leader in the heavy duty machinery of rental business for lifting, assembling, installing, and moving large materials and equipment by Mobile crane, All Terrain Crane, Crawler Crane which give the range in size from 10 tons to 1,250 tons. Rental machine include forklifts, container handlers, trucks, trailers and tail trailers.



- The Company manages two types of rental services: 1. Daily and Monthly Crane Rental It is a service for renting machinery, driver and team with the work and the work process is not complicated. 2. Heavy Lifting Project with a full charge for the duration of the operation. The company will provide consultancy, planning, design, operation of the machinery for rent. Together with the employer. The engineers calculate the work of the whole machine with the program Auto cad to maximize the work. It is in the period when the customer manpower efficiency. The cost is reasonable. Price is in the client's budget. And most importantly, it is designed to maximize safety. Equivalent to international standards.

- At the present the company has the largest Crawler Crane in Thailand and Southeast Asia, The Capacity is 1,250 tons. The machine control license allows the company to accept customers for service. The company has been continuously using the service to date. Main customers are Petrochemical Refineries, Power Plants, Cement Plants, Wind Turbines, Electricity for Renewable Energy

The Company Recognizes the importance of providing security with maximum efficiency. The Company Achieved ISO 9001: 2015 Quality Management System and Management and BS OHSAS 18001: 2007 on Occupational Health & Safety Management System from TUV Rheinland Cert GmbH. The company



3. The Business Contractor on foundation construction conducted by TCS

The construction business on foundation construction is divided into 5 main tasks as followings:

1. Bored Piles

large projects and spacious buildings and buildings for which driven piles cannot be used. Accordingly, the use of bored piles does not cause ground vibrations, and results in no nearby impact. Furthermore, the Company's pile work involves the following three different pile sizes:

- Small piles. These are piles with a diameter ranging from 50–80 centimeters.
- Medium-sized piles. These are piles with a diameter of 100–120 centimeters.

- Large piles. These are piles with a diameter greater than 120 centimeters.

2. Barrette Piles

Barrette piles are used for construction projects in areas with limited space such as street isles, areas where vibrations are prohibited and areas with pre-existing structures above the construction area (limited head room) where bored piles are inappropriate and barrette piles are better suited. In addition, these piles do not impact nearby structures. Popular barrette pile sizes are 0.80 x 2.50 meters, 0.80 x 3.00 meters, 1.00 x 3.00 meters, 1.20 x 3.00 meters, etc. In any case, the Company can make adjustments for uses involve other sizes than those specified.

3. Diaphragm Walls

Diaphragm walls are a type of underground structure that is currently in popular usage. They are used to provide structural support and prevent movements of the soil located nearby. In terms of construction techniques, they are constructed as permanent underground earth barriers and do not require sheet piles during construction. This type of wall is effective in blocking underground water.

4. Soil Improvement by High-Pressure Cement Injection

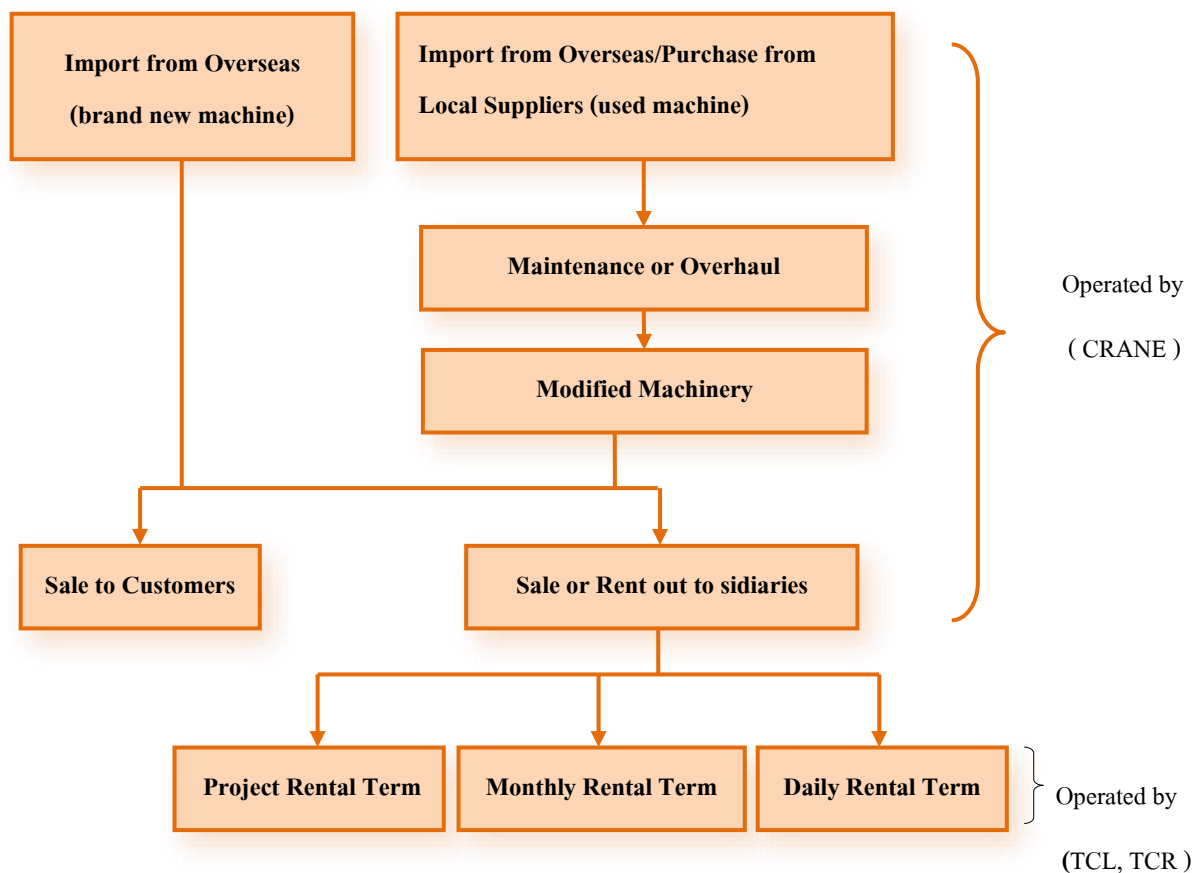
Ground improvement work is aimed at increasing the stability of the existing soil structure to allow the soil to support more weight and prevent soil movements. Soil quality improvement is carried out by injecting wet or dry cement at high pressure.

5. General Construction Work

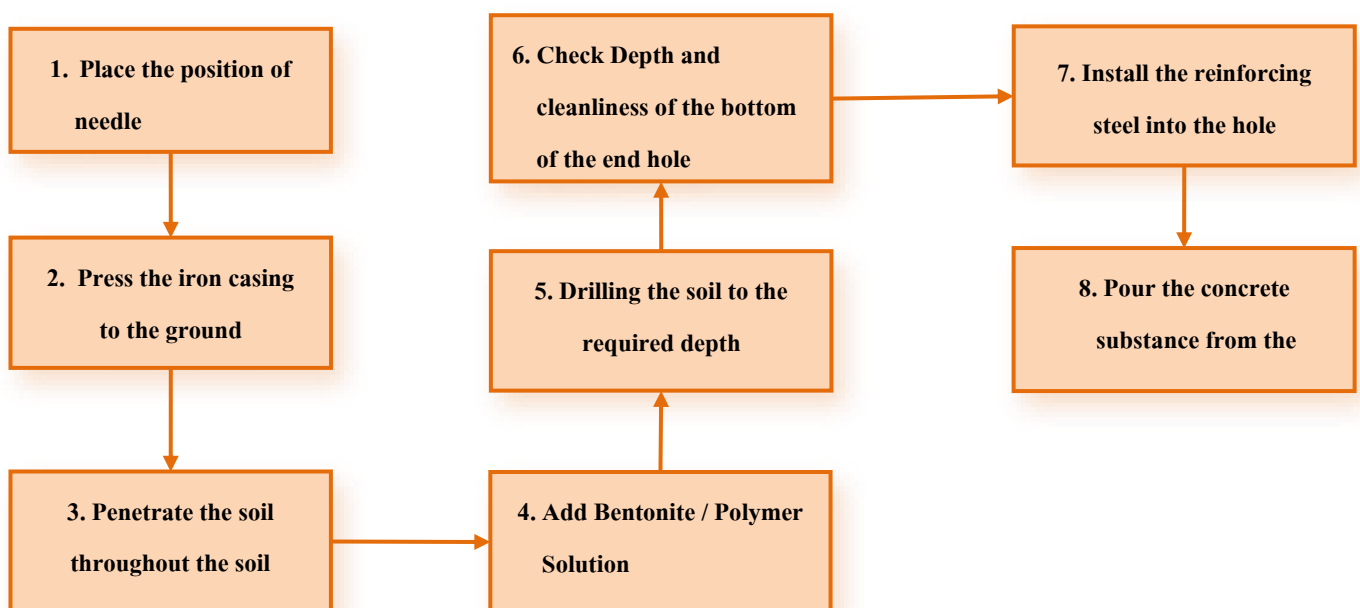
In early 2016–2017, the Company solely focused on pile-drilling work because the Company only recently launched business at the end of November 2016. The Company receives work via main contractors, and in 2017 the Company performed pile-drilling work for public utilities such as high-way construction, overpass construction, etc., year-round. The Company plans to begin accepting other jobs aside from piles in 2018 or whenever deemed fitting.



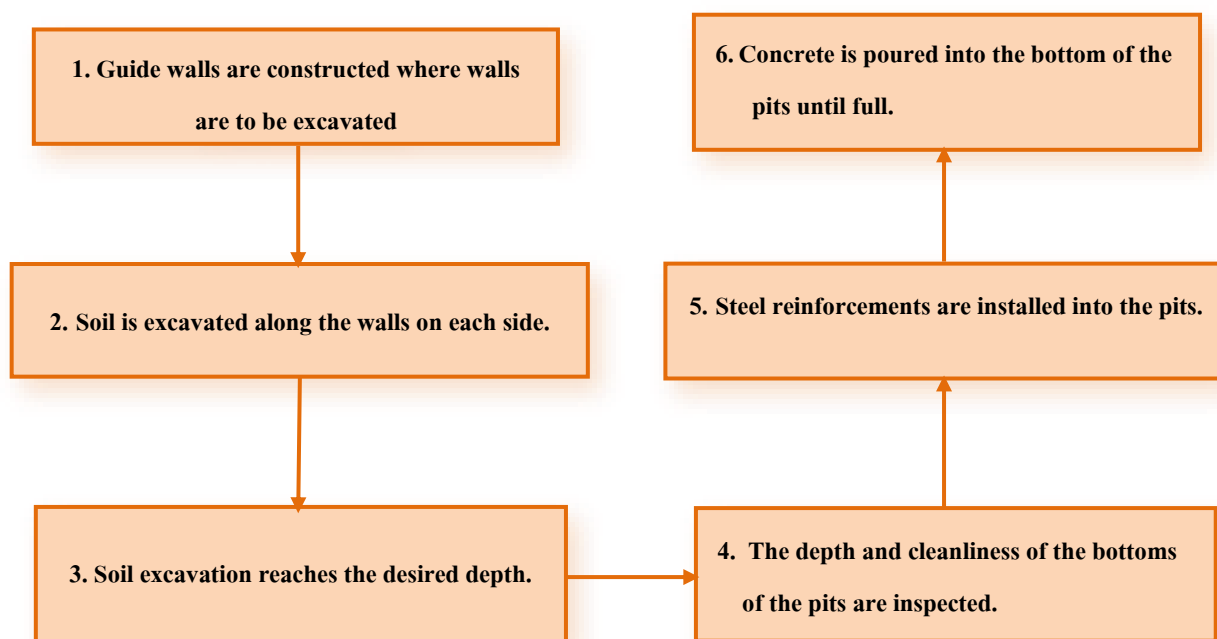
The overview of operating precedures of the company and its subsidiaries.



The overview of the piling process of foundations.



Overview of the Stages involved in Soil Barrier Construction



Business Objectives

After the Company restructured business in 2016 to be consistent with the economy and opportunities, the Company's business activities were categorized and clear objectives have been set as follows:

Heavy Machinery Distribution and Repair Services by CRANE

The Company is currently the sole dealer of cranes and excavators manufactured by XCMG, which is the top heavy machinery manufacturer of the People's Republic of China and one of the top five manufacturers around the globe. The Company has a goal to import other quality machinery from XCMG for sale as demanded by customers and aims to introduce XCMG products into Thailand and thus make them known and accepted among customers nationwide. Furthermore, the Company places emphasis on post-sale services to achieve effectiveness and knowledge and skill development for the work teams of the entire organization and customers to produce expertise in proper machinery control and maintenance for safe usage taught by expert engineers. Furthermore, customers can try practicing control of machines using simulators under the close supervision of engineers.

Heavy Machinery Rental Business by TCR and TCL

In the heavy machinery rental business, the Company has been conducting business for over 28 years and continues to hold on to the goal of maintaining leadership in providing comprehensive lifting, assembly, installation and

transportation of equipment services with emphasis on providing services to heavy industries such as oil, petroleum, power plant, wind farm businesses. The Company uses effective machinery and work teams, the Company is prepared in terms of its machinery and work teams, which meet international standards in order to support future domestic and international work projects.

The Company gives importance to safety and work effectiveness in the transportation of machinery and equipment. The Company is certified by the ISO 9001:2008 standard on Quality Management System and BS OHSAS 18001:2007 on Occupational Health & Safety Management System by TUV Rheinland Cert GmbH.

Contract foundation construction Business by TCS

This is a new business the Company recently started in late 2016 because the Company perceived the likelihood of increased business growth resulting from government investments in basic transportation and shipping infrastructure, which requires an enormous quantity of piles to be driven. Thus, the Company has a goal to access the pile-driving business market and complete assigned tasks according to schedule to create customer satisfaction and provide reference for continuously accepting work with focus on public utilities such as high-way (motorway) constructions, overpass constructions and electric train projects.

And in the future, the Company aims to provide services in the contracted construction of foundations and comprehensive general construction by using available high-quality and fully effective machinery to support government and private work projects.

Revenue Structure

Type of Products	Operated by	Percent of shares held by the company	2015		2016		2017	
			MB	Percent	MB	Percent	MB	Percent
Services								
Rental and Transportation Services	TCR, TCL	99.99	490.94	54.42	393.97	59.90	529.07	44.73
Bored piled construction Service	TCS	99.99	-	-	9.56	1.45	336.87	28.48
Port services	CRANE		-	-	2.29	0.35	6.34	0.54
Machinery repaired and parts sold	CRANE		23.88	2.65	24.94	3.79	15.54	1.31
Selling of heavy machinery								
Selling of new heavy machinery	CRANE		259.65	28.78	148.58	22.59	214.03	18.10
Sell Modified machinery	CRANE		89.61	9.93	71.01	10.80	55.49	4.69
Total revenues from sales and services			864.08	85.81	650.35	98.88	1,157.35	97.86
Other Income			38.08	1.93	9.58	1.12	25.33	2.14
Total Revenues			902.16	100.00	659.92	100.00	1,182.68	100.00

Remarks : Proportion of revenue from Rental and Transportation Services and Sell modified machinery shall vary according to industry situation and rivalry during each period.

Main Customers

The Company's customers can be divided into three main groups as follows:

1. Customers in the heavy machinery dealer and maintenance business. Sales are made to ordinary customers who use machinery directly in their businesses or to small customers who provide heavy machinery rental services.

2. Customers in the heavy machinery rental business. The main customers of the rental service business are industries such as oil and petroleum refineries, power plants, cement factories, drill platforms, alternative energy wind turbines.
3. Customers in the contract foundation construction business. Focus is placed on primarily accepting bridge foundation work projects. Jobs are accepted through major contractors such as CH Karnchang Public Company Limited, Christiani & Nielsen (Thai) Public Company Limited, China State Construction Engineering Public Company Limited, Banchakij Company Limited, etc. In 2018, the Company has a policy to expand construction to include buildings and factories in addition to existing work.

Machinery Acquisition

Machinery acquisition for the company's business mainly acquires from brand new ZOOMLION manufacturer which the company is Thailand's exclusive distributor. The company shall directly purchase from the manufacturer in Peoples' Republic of China at reasonable price. For the used heavy machines from abroad, the company shall manage through more than 80 companies who supplied and sold used machines in Japan and European countries. The company imports these used machinery by average 95 percent of total machines imported per year from Japan, German, the Netherlands and England; the remaining portion is purchased within Thailand from auction companies and end users. However, if there is shortage of used machinery, the company may purchase brand new machinery.

Competition by Business Group

1. Heavy equipment distribution business and repair service

For the past, the heavy machinery as being popular used by the customer was the heavy machine from Germany and Japan, but because of this machinery from these both countries are extremely high, it causes the heavy machinery in the past 3-4 years from China become more popular due to cheaper price and the performance is almost similar as some brand becomes recognize in the market which is XCMG, ZOOMLION, and SANY as these become highly competitive especially in terms of price, the company focuses on good after-sales service policy as the strategic in competing and also the company is the distributor for XCMG as it is the number one largest

2. **Heavy Machinery Rental Business**

Turn-key project services cover factory expansions and annual factory maintenance in petrochemical, power plant and oil refinery industries. This is because most customers sign yearly turn-key project contracts with large companies and/or international companies that have a large number of heavy machinery available at their disposal (200 tons and up), since this allows service providers to accommodate entire projects without requiring customers to contact or coordinate

with other service providers, which prevents complications involved in employing many service providers at once. In addition, this is also because the aforementioned companies are reliable and have personnel who possess extensive experience and expertise in large projects. In providing services to the aforementioned large industry customers, the employer gives great importance to work safety, procedures, work plans and teamwork processes in addition to effectiveness, technical skills and work abilities. These factors have resulted in only a few major service providers composed of the same service providers who have always provided services. At the present, there are six major service providers that are the Company's main competitors, namely, Mammoet from the Netherlands, Sarens from Belgium, Tat Hong and TiongWoon from Singapore, Ek Crane Logistics Company Limited and TSK Crane Company Limited from Thailand. However, with readiness in machinery, personnel, expertise, safe work systems, appropriate pricing and over 28 years of experience, the Company has always been accepted by customers.

3. Monthly and Daily Services

Competition is rather heavy because services are provided to industrial factory customers that do not carry the same difficulties and challenges in lifting and transportation as big projects, along with the fact that there are many service providers covering small to medium-sized companies with machinery ranging from 10–200 tons available for service. Accordingly, most competition is by prices.

4. Contract Foundation Construction Business

Since the end of 2016, the government has rushed to approve and sign construction contracts for basic transportation and shipping infrastructure such as motorway projects, double-track railway projects, various train routes designated by color, etc. As a result, there is a large increase in the volume of pile-driving jobs. At the same time, there are few large foundation construction contractors at the present, so competition is not very intense and there is sufficient room for the Company to enter the business. The Company is confident that the Company's readiness in terms of machinery and experienced work teams, together with the fact that the Company is well-known and accepted for its work performance among large project contractors who already use heavy machinery services, will make the Company one of the foundation construction contractors selected by customers.

Risk Factor

The Company has risk under business operation as of the following;

1. Risk from relying on the specialist:

The company was not engage only in the business of selling new heavy machine, ZOOMLION Brand from People's Republic of China. used heavy machines but also being minor company to provide logistic services by using cranes, forklifts, etc., including to provide logistic services by using trailers and trucks which required special knowledge and skill. The company was thus necessary to rely on personnel who were knowledgeable and expert in technical aspect, such as, overhaul of machine to be in good and perfect conditions readily for use, quick and safety transport of material or equipment at high efficiency, etc.

The company has an expertise from XCMG to train the internal staffs within the company to gain knowledge, understanding to take care, maintenance, and control the machinery on a regular basis.. For the next step, the company plans to provide trainings for external people who are capable and interested in working with the company. This is to promote opportunity of people in terms of career growth and compensation whereby they will be the company's sustainable human resource in the long run.

2. Risk regarding to the operation life of used cranes :

Most of the Company cranes is used cranes with average of useful life between 3 to 19 years so there shall have risk regarding to the condition of cranes. There is more chance of the malfunction of used cranes is higher than the brand new cranes.

The company plans to replace old machines which have been used for a long time by continually imports used machines from Japan and Europe with less usage years. The Company has assigned specialized technicians and machine operators to effectively operate, maintain, and inspect conditions of machines after use to ensure full functioning. In addition, the company has insurance for all machines covered any loss and damages that might be incurred.

3. The Risk of Depending on Exclusive Heavy Mechanic Machine Manufacturer in New Machine Distribution Business

The company has been appointed by XUZHOU CONSTRUCTION MACHINERY GROUP IMP. & EXP. CO.LTD, or XCMG as the exclusive dealer for brand-new machinery from XCMG (in replace of Zoomlion machine the company terminated dealership).

The company focuses on creating good relationship with XCMG and gets strong support from XCMG in business planning and developing that aims to extend product lines, in addition to existing product, which are excavators and drilling machines. XCMG also closely cooperates with The Crane Academy by providing simulation set and assign engineers to conduct trainings and share knowledge with company's employees.

4. Risk regarding to exchange rate :

Almost acquired New heavy machine and used cranes are imported from overseas; therefore the payment shall be made regarding to seller's currency which is three main currencies (Japanese Yen , EURO Dollars and United States Dollar) under the L/C term. for the used machine and the company was granted commercial term 3 6 0 days from XCMG manufacturer without financial risk prevention. Therefore, the company had risk of profit (loss) from currency exchange. Should it is significantly changed between the sale-purchase date and the date of actual payment,

The company has signed forward contract with financial institutions in case that exchange rate is highly fluctuated. On December 31st, 2017, the company's debts were approximately 3.40 million Yen and 6.37 million US\$.

5. Risk regarding to lawsuit :

Under the Company's normal business operation, CRANE and its subsidiaries shall expose to risk from lawsuit such as risk regarding to loan guarantee for clients, risk from delay registration, or risk from accident claim suit. As at 31 December 2017, the company and affiliates were sued against business operation in 1 cases, valued approx. Baht 11.87 million which all the provision has been booked. In order to reduce risk from the accident, CRANE and its subsidiaries have set up the policy in not conducting buyback guarantee inform registration transfer restriction, and safety standard in every step including buying insurances for every project.

Shareholders Structure

Major shareholders as stated on the shareholder's book on December 29th, 2017 are as follows;

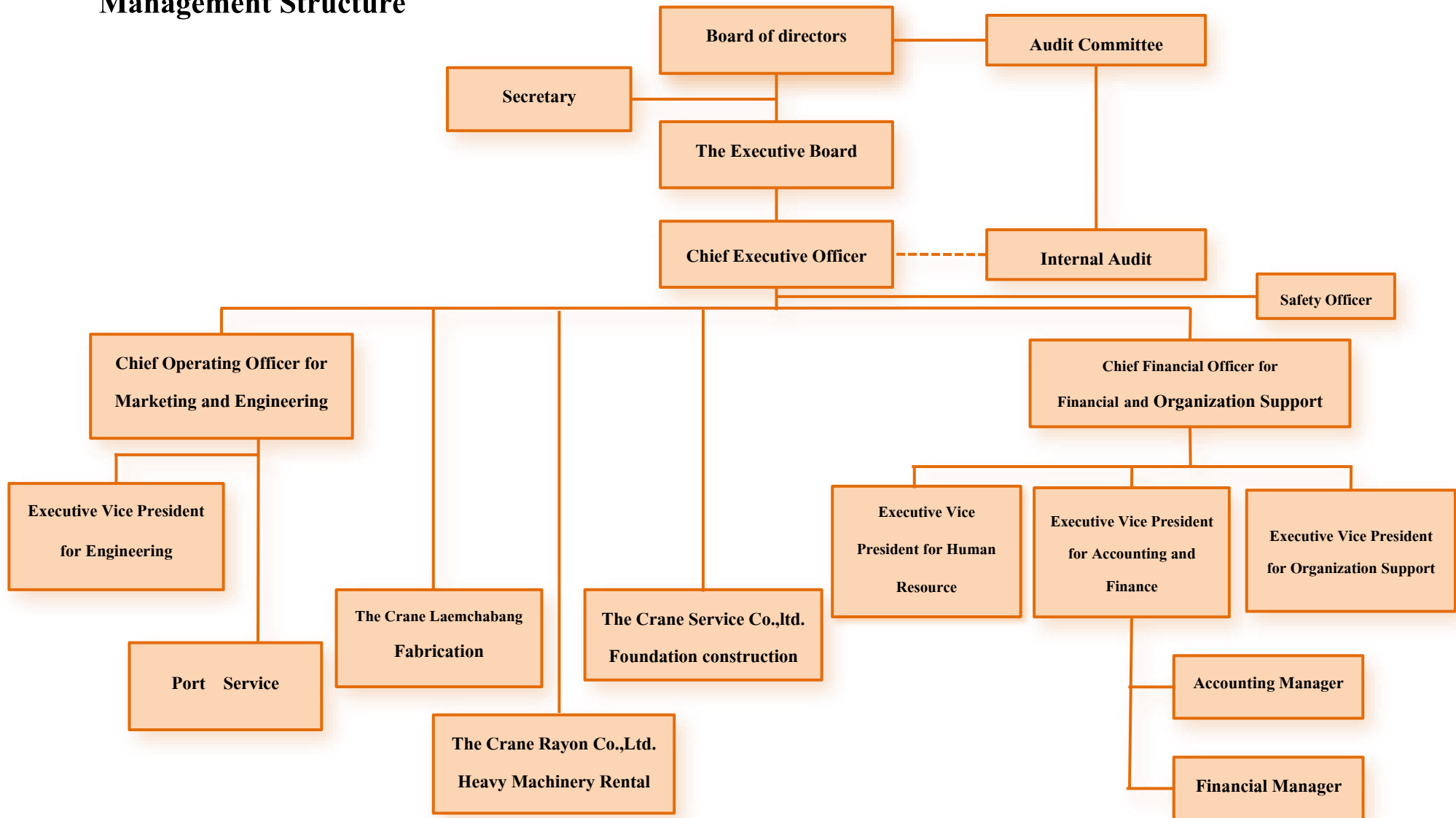
ชื่อ	จำนวน	ร้อยละ
1. Mr. Thongchai Praerangsi's Group 1	389,759,067	51.48
2. Mr. Suthat Hiranyaphinan	18,134,003	2.40
3. Mr. Pahon Limpisuk	16,254,200	2.15
4. Mr. Chairat Kowitjindachai	11,529,500	1.52
5. Thai NVDR Co.,Ltd.	11,395,685	1.51
6. Mr. Udom Yangkul	11,370,000	1.50
7. Mr. Chairat Kowitmongkhon	11,278,152	1.49
8. Mr. Narongsak Yingcharoenanan	10,375,041	1.37
9. Mrs. Sirirat Jarusombuti	9,228,055	1.22
10. Mr. Somsak Tirakanon	8,972,000	1.19
11. Others (3,128 persons with share less than 1.19) percent	258,762,171	34.18
รวม	757,057,874	100.00

Remarks : 1. Mr. Thongchai Praerangsi's group is included of

– Mr. Thongchai Praerangsi	204,958,333	Shares
– Ms. Unchisa Praerangsi	30,952,378	Shares
– Ms. Junjira Praerangsi	30,952,377	Shares
– Ms. Janejira Praerangsi	28,544,970	Shares
– Mr. Wanchana Praerangsri	28,544,670	Shares
– Ms. Jiraluck Praerangsi	28,301,321	Shares
– Ms. Wanida Darachai	28,088,165	Shares
– Ms. Nateeporn Duangsawasdi	<u>9,416,853</u>	Shares
	<u>389,759,067</u>	

Each major's Shareholder above is not related person as defined by section 258, and is not a shareholder under the same controlling person.

Management Structure



Management Structure

The Company's boards and committees can be divided into 4 boards as of the following;

1. Board of Director
2. Audit Committee
3. Executive Board
4. Management

Board of Directors consisted of :

No.	Name	Position
1.	Assist.Prof.Dr.Piboon Limprapat	Chairman of the Board of Directors / Independent Director
2.	Mr. Thongchai Prarangsi	Deputy Chairman of the Board of Directors / Directors
3.	Mr. Vacharin Duangdara	Independent Director
4.	Mr. Surin Premamornkit	Independent Director
5.	Ms. Werawan Boonkwan	Independent Director
6.	Mr. Jessada Promjart	Director
7.	Mr. Than Siripokee	Director
8.	Mr. Chamnan Ngampojanavong	Director
9.	Ms. Wanida Darachai	Director / Company's Secretary
10.	Ms. Unchisa Praerangsi	Director
11.	Ms. Junjira Praerangsri	Director

Remark : 1 Mr. Jessada Promjart resigned on April 27th, 2017

2. Mr. Than Siripokee was Appointed as Director From the Annual General Meeting of Shareholders for the year 2017 on April 27, 2017

Authorized Directors

Authorized Directors of the Company are Mr.Thongchai Praerangsi or Ms.Unchisa Praerangsri co-signs with Mr.Chamnan Ngampojanavong or Ms. Wanida Darachai or Ms. Junjira Prairangsi with the Company's seal.

Authorized of the Company's Board of Directors

The Board of Directors have set powers, duties, and responsibilities to manage the business of the Company to comply with the law and the Company's objectives, Articles of Association as well as the resolution of the shareholders' meeting.

However, the Board of Directors may authorize any other directors or other persons to perform any action on behalf of the

Board of Directors' Powers, Duties, and Responsibilities.

- 1) To manage, control, and supervise on the Company's business according to law, its objectives, Article of Association, rules and regulations as well as shareholders' meeting resolution.
- 2) To determine the main policies such as financial policy, fund raising policy, cash management policy, accounting policy, inventory management policy, and risk management policy.
- 3) To determine the Company's rules and regulations.
- 4) To approve the annual budget or the additional budget, revise investment budget, make use of the budget, and supervise the project as plan.
- 5) To monitor the business of the Company to ensure that targets will be achieved or overachieved, and amend if there is any problem.
- 6) To approve for making loan or obtain any credit facilities for normal business operation, including collateral or loan repayment for normal business operation under any balance according to authorized manual.
- 7) To review the organization chart and authorized structure including human resource plan, acquiring plan, training plan, hiring plan, and terminate plan.
- 8) To determine the remuneration policy regarding to experience, traditional, and laws.
- 9) To arrange for the preparation and submission of the general information and the audited financial statement at the end of each accounting period to the shareholders' meeting for its consideration and approval.
- 10) To acknowledge of any important audited report and determine the policy to amend the fallacy.
- 11) To review the sufficiency of its internal control and risk management.

The Audit Committee

The Audit Committee of the company total 3 persons as following :-

No.	Name	Position
1.	Mr. Vacharin Duangdara	Chairman of the Audit Committee / Independent Director
2.	Mr. Surin Premamornkit*	Audit Committee / Independent Director
3.	Ms. Werawan Boonkwan*	Audit Committee / Independent Director

* He is with knowledge, expertise and experience in finance and accounting.

Having Ms Chittra Thongsamut, The Internal Audit Manager as a secretary

Powers, Duties, and Responsibilities of Audit Committee

Audit Committee has duties and responsibilities regarding to rules and regulation of The Securities and Exchange Commission and The Stock Exchange of Thailand, and shall directly report to the Board of Directors. Audit Committee's powers, duties, and responsibilities are

- 1) To review for the accuracy and adequate disclosure of the Company's financial statement.
- 2) To ensure that the Company maintains an appropriate and efficient of internal audit and internal control system, review the independency of internal audit department, and responsible for appointing, transferring, and terminating of internal audit manager.
- 3) To ensure that the Company complies with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or other relevant laws related to the Company.
- 4) To select and propose for the appointment of the auditor and considering auditor's remuneration, and attend the meeting with external auditor without any of the management at least once a year.
- 5) To approve that the related transactions or transactions which could create a conflict of interest regarding to regulations of the Stock Exchange of Thailand are reasonable and for the Company's best interest.
- 6) To prepare and disclose Audit Committee's activities Report in the Company annual report as of the following;
 - a) To opine of the accuracy and adequate disclosure of the Company's financial statement.
 - b) To opine of the adequate of the Company's internal control system.
 - c) To opine that the Company complies with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or other relevant laws related to the Company.
 - d) To opine of the appropriateness of the external auditor.
 - e) To opine on the transactions that could create a conflict of interest.
 - f) The number of the audit committee's meeting and the attendant of each audit committee.
 - g) Opinion or notice of the audit committee
 - h) Other issues that shareholders or investors should be disclosed under the duties and responsibilities received from the Board of Directors.
- 7) To perform any other tasks delegated by the Board of Directors and approved by the Audit Committee.

Executive Board consisted of :-

No.	Name	Position
1.	Mr. Thongchai Praerangsi	Executive Chairman
2.	Mr. Chamnan Ngampojanavong	Executive Director
3.	Ms. Wanida Darachai	Executive Director
4.	Ms. Junjira Praerangsi	Executive Director
5.	Ms. Unchisa Praerangsi	Executive Director

Powers, Duties, and Responsibilities of Executive Management

Executive Board is responsible for reviewing and submitting the conclusion report to the Board of Directors especially policy details to synchronize with the main policy including the comment and recommendation to Chief Executive Officer in order to manage regarding to main policy or any other duties assigned from Board of Directors. Powers, Duties, and Responsibilities of Executive Board are;

- 1) To determine policies, plans, strategies, and overall management for the Company's operation in accordance to policies, economics, and competitiveness as presenting to shareholders and proposed to the Board of Directors for approval.
- 2) To determine business plans, budgets, and authorized power of the Company in order to be approved by the Board of Directors.
- 3) To determine the organization chart and authorized structure including human resource plan, acquiring plan, training plan, hiring plan, and terminating plan.
- 4) To examine and monitor the business policies for the effectiveness of business operation.
- 5) To examine and monitor the Company's performance in accordance with approved business plans.
- 6) To approve the transaction with financial institution such as opening bank accounts, making loan, collateral, or other transaction including buying or selling any land for normal business operation under any balance according to authorized manual.
- 7) To manage any other delegate tasks from Board of Directors.

The approval of transactions and the assigned authorities of Executive Board will not include to any transaction which cause possible conflict of interest between Executive Board or related persons (as defined by the Securities and Exchange

Commission and the Stock Exchange of Thailand) and the Company and its subsidiaries. Furthermore, in case of transaction concerning to the related transaction must be approved by Board of Directors' meeting and the related persons have no rights to vote in that agenda.

Management as of the following;

No.	Name	Position
1.	Mr. Thongchai Praerangsi	Chief Executive Officer
2.	Mr. Chamnan Ngampanavong	Chief Financial Officer for Finance and Organization Support / Acting Executive Vice President for Financial and Accounting
3.	Ms. Unchisa Praerangsri	Chief Operating Officer for Sales and Engineering / Acting Executive Vice President of Engineering
4.	Ms. Wanida Darachai	Executive Vice President for Organization Support / Acting Organization Support Manager
5.	Ms. Junjira Praerangsri	Executive Vice President for Human Resource / Acting Public Relation and Investors Relations Manager

Powers, Duties, and Responsibilities of Chief Executive Officer

- 1) To make decision on the important matters. To establish missions, purposes, directions, and policies in doing business. To supervise and control the whole business operations, customers' relationship, and take responsibility to the Board of Directors.
- 2) To hire, appoint, and reshuffle all the employees as necessary and appropriated. To determine remuneration and terminate all the employees as appropriated.
- 3) To act as the Company's representative and authorized person to public concerning related business operation and beneficial to the Company.
- 4) To determine the credit term such as credit balance, term payment, buying and selling agreement, rental agreement, leasing agreement, and amend the credit term.
- 5) To approve any accrued expenses and advance payment according to company's authorization manual.
- 6) To review the fund raising of the Company and propose to the Board of Directors.

- 7) To appointed any necessary advisory services.
- 8) To manage any related normal business operation of the Company.
- 9) To approve department operation plans and approve the request from any department.
- 10) To delegate any important and necessary operation under Chief Executive Officer's consideration in accordance with laws and the Company's regulations.
- 11) To manage any operations appointed by the Board of Directors.

The approval of transactions and the assigned authorities of Chief Executive Officer will not be made to any transaction which cause possible conflict of interest between Chief Executive Officer or related persons (as defined by the Securities and Exchange Commission and the Stock Exchange of Thailand) to the Company and its subsidiaries. Furthermore, in case of transaction concerning to the related transaction must be approved by Board of Directors' meeting and the related persons have no rights to vote in that agenda.

Moreover, in the case of transaction concerning to the related transaction or transaction about acquiring or disposal of assets of the Company and its subsidiaries as defined by the Stock Exchange of Thailand, this kind of transaction must be approved by shareholders' meeting and/or any other treatment about criteria and process related to the transaction in complying with the Stock Exchange of Thailand rules and regulations.

Company Secretary

The Board of Directors' Meeting No. 6/2008 dated 17 July 2008, had resolved to appoint Miss Wanida Darachai as the company secretary who was fully qualified and had suitable experiences to be responsible and acted as secretary of the company with her duties to ensure the company's compliance with law and related requirements according to the Good Governance Principles of the company for more efficiency of management.

Scope of authorities, duties and responsibilities of company secretary

The company secretary is required to carefully and honestly perform her duties as prescribed in Section 89/15 and Section 89/16 of Securities and Exchange Act (No. 4), B.E. 2551 including also to comply with law, objectives, Articles of Association, Board of Director's resolution and of the Shareholders' Meeting. In this regard, duties according to the law of company secretary are as follows:-

- 1) To honestly and carefully comply with policy of the Board of Directors.
- 2) To provide suggestion to the Board of Directors to ensure the compliance with Good Governance Principle and to review result of such compliance.

- 3) To act as the coordinator on investor relations for the organization, to act as representative of the company in building good relation by communicating all data and disclosure of important information to the shareholders, analyst and general public.
- 4) Prepare and keep record of directors register, summon for Board of Directors' Meeting, Minutes of Meeting, annual report of the company, summon for Shareholders' Meeting and annual report of the Shareholders' Meeting.
- 5) Keep the report of interests of directors or executives.
- 6) Hold Board of Directors' Meeting including Board of Executives' Meeting, take care and prepare invitation letter for the meeting, meeting agenda including supporting documents for consideration in several agendas and deliver to the directors in advance at least 7 days before the meeting to provide them sufficient time to review all information before attending the meeting.
- 7) Hold Shareholders' Meeting, take care and prepare invitation for the Meeting, agenda, annual report, financial statements, power of attorney including all related documents attached to each agenda and deliver to all shareholders in advance in order to provide them sufficient time to review those information before attending the Meeting including to deliver invitation letter and all attached documents to Department of Business Development and advertise on newspaper as prescribed by law.
- 8) Oversee to ensure correct performance according to the law on the Shareholders' Meeting date, such as, signature of the participants, authorization, quorum including voting in several agendas.
- 9) Assist the director to comply with law and regulation of SET.
- 10) Follow up the compliance with Memorandum of Association and Articles of Association of the company.
- 11) Act as coordinator to keep the shareholders register book.
- 12) Perform other duties as assigned by the Board of Directors time to time.

Selection of Board Members and Executives

Currently, the Company does not have the Nomination Committee. Potential candidate or person proposed by shareholders shall be considered from experience, knowledge, capability, and qualification set by laws. The Board of Directors shall propose the potential candidates to Shareholders' meeting for approval. For Audit Committee and Independent Directors shall be considered from experience, knowledge, capability, and qualification set by laws in regarding to the Independent Directors under the Securities and Exchange Commission regulations Re: Application for and Approval of Offer for Sale of Newly Issued Shares. The Audit Committee shall be selected from proposed list by shareholders and approved by shareholders' meeting afterwards. For Management, Board of Directors shall select from specialist in each branch such as marketing, accounting, financing and etc.

In selecting the Board of Directors as set in the Article of Association can be summarized as follows;

- 1) Board of Directors consists of five directors, half of which shall live in Thailand. Directors shall have qualifications as set by laws
- 2) The Company's directors will be approved by Shareholders' meeting under the methods as follows;
 - (a) A shareholder shall have one vote per share for each share held.
 - (b) In selecting Company's Directors, voting by each shareholder can use all the voting rights to vote for each person.
 - (c) The Directors' selection vote shall be decided on the basis of the majority of the vote cast. In case of a tie of votes, the chairman presiding over the meeting shall have the casting vote.
- 3) In Annual General Shareholders' Meeting, the directors shall be terminated by one third of total number of directors. If the number of directors can not be divided by three, the closet number shall be used. The terminated directors can be selected to be directors afterwards.

Besides the Selection of Board Members, the Company has set the three Independent Directors with the qualification and selection as follows;

- 1) Independent Directors shall not hold more than 5 percent of voting shares in the Company.
- 2) Independent Directors shall not involve in management and be the Company's employee or advisor who receives monthly remuneration and shall not have power to control the Company, its subsidiaries, and its associated as well as persons who may create a conflict of interest, in the sense that it may obstruct at least one year prior to be appointed as Independent Director.
- 3) Independent Directors must not be directly or indirectly related to the Company, its subsidiaries, and its associates, or major shareholders, or conflict of interest persons, in the sense that it may obstruct independent assessment at least one year prior to be appointed as Independent Director.
- 4) Independent Directors is not a close relative with Management, major shareholders of the Company, its subsidiaries, and its associates or conflict of interest persons and is not represent any directors, managements, or major shareholders' interest.
- 5) Independent Director has knowledge, experienced and provided independent opinion without the controlling of any persons.

Directors and Management's Remuneration

Directors' remuneration: The company considered remuneration for the director and management by considering the suitability and responsibility of the director, management, environment, economic situation and comparison with other companies in the same industrial business including comparison with other company who earned similar or nearly income and net profit. Remuneration of Board of Directors and Sub-Committee was already approved by the Annual General Meeting of Shareholders.

Board of Directors' remuneration: The Annual General Meeting of Shareholders year 2017 on April 27th, 2017 was unanimously approved directors' remuneration as follows;

Monthly Remuneration for each position;

- Chairman of the Board of Directors at Baht 40,000.00.
- Deputy Chairman of the Board of Directors and Chairman of the Audit Committee at Baht 30,000.00 each.
- Independent Director and Director at Baht 20,000.00 each.

Meeting Allowance for each director per each attendance;

- Chairman of the Board of Directors at Baht 12,000.00
- Deputy Chairman of the Board of Directors, Chairman of the Audit Committee and Director at Baht 10,000.00 each

Directors' Bonus

- Upon dividend is paid to the shareholders, the Board of Directors is required to consider to allocate pension as deemed appropriate to the directors of all positions provided that total dividend throughout the year must not exceed Baht 5.0 million.

Any director who takes more than one position will receive monthly remuneration for only of his higher position. Meeting allowance will be paid only to those who attend the meeting.

Remuneration for the management was in accordance with principles and policies determined by the Board of Directors based on business operating result of the company and performance of each management.

Remuneration for director and executive

Financial remuneration

Board of Directors	2016		2017		Type
	persons	Amount (Baht)	persons	Amount (Baht)	
Directors	10	2,650,000.00	11	2,688,000.00	Meeting Allowance and monthly remuneration
Executive Directors and Management	7	20,612,203.13	5	18,504,46.99	Salaries, Bonus, and Allowance

Remuneration for individual director

unit: Baht

No.	Name	2016		2017	
		Meeting Allowance and Monthly Remuneration	Directors Bonus	Meeting Allowance and Monthly Remuneration	Directors Bonus
1.	Assist.Prof.Dr.Piboon Limprapat	600,000	-	588,000	-
2.	Mr. Vacharin Duangdara	530,000	-	530,000	-
3.	Mr. Surin Premamornkit	420,000	-	410,000	-
4.	Mrs. Werawan Boonkwan	420,000	-	410,000	-
5.	Mr. Jessada Promjart	220,000	-	100,000	-
6.	Mr. Than Siripokee	-	-	220,000	-
7.	Mr. Thongchai Praerangsi	70,000	-	90,000	-
8.	Mr. Chamnan Ngampojanavong	100,000	-	90,000	-
9.	Ms. Wanida Darachai	100,000	-	90,000	-
10.	Ms. Unchisa Praerangsi	90,000	-	70,000	-
11.	Ms. Junjira Praerangsi	100,000	-	90,000	-
	Total	2,650,000	-	2,688,000	-

Remark : Directors' remunerations consisted of meeting allowance and monthly remuneration bonus

Other Benefits

Other remuneration 7 units cars for directors and management with the fuel of 360 liters per person per month.

The Company sets up provident fund for its employees on April 27th, 2007 through BT Asset Management Co., Ltd. The employees pay 2.00 percent of their salary for the provident fund and the Company pays 2.50 percent of employee's salary to the provident fund.

Corporate Governance

The Board of Director is highly committed to applying corporate governance and ensure compliance with rules and regulations of Stock Exchange of Thailand and Securities and Exchange Commission of Thailand. To achieve stability and sustainable growth, Board of Director focuses on 5 key principles as follows;

1. Right of the shareholders

The Board of Director realizes the importance of fairness and right of all shareholders. The company will not infringe the rights of shareholders and facilitate them to use their rights and ensure that basic rights of shareholders will be protected;

1. The company will keep shareholders updated about operating progress by informing them directly or communicating via company's website or Stock Exchange of Thailand's channel.

2. The company will facilitate all shareholders to attend meeting by scheduling date, time, and venue that are close to sky train or venues which are conveniently accessible . Registration for attending the meeting will be arranged 2 hours in advance

3. The company will issue invitation letter and meeting agenda to shareholders 7 days or 14 days in advance according to applicable laws. Materials include opinions of Board of Directors, 3 forms of Proxy as identified by laws, and name of at least one independent director, and advices about authorization in case that shareholders might need to delegate representative to attend meeting.

4. Prior to shareholder meeting, Company has identified meeting and voting regulations. The company has allocated sufficient meeting time and allow shareholders to share ideas, suggestions, and address questions based on agenda. Participants including chairman, chief executive officer, , directors, committees appointed for special assignments, internal auditors, legal advisors, and auditors have attended meeting to provide information and to answer questions.

5. Each shareholder earns the right to appoint each director individually in replace of the resigned director.

6. The company will not add meeting agenda or change important information without informing shareholders in advance.

7. After the meeting, significant views and queries including voting tolls were recorded iin the minutes of meeting. The minutes of meeting were disseminated to the shareholders via company's website www.chukai.co.th and Stock Exchange of Thailand's channel within 14 days after meeting.

2. Equitable treatments of Shareholders

The company had realized to maintain impartial and fair treat to all shareholders as follows:-

1. The company proposed at least 1 independent director as option for authorization of the shareholder in making Power of Attorney to exercise his right to attend the Meeting and vote in each agenda on his behalf whereby in the Annual General Meeting of Shareholders 2016, the company proposed Mr. Surin Premamonkit, the Audit Committee.
2. The Board of Directors proceeded the Meeting according the agendas as notified in the Invitation Letter for the Meeting and did not increase any agendas without advance notice to all shareholders in order to provide sufficient time for the shareholders to study related information in advance.
3. The company provided voting card for all agendas by using barcode system to record and publicize voting result including also provided facilitators to collect voting card in the Meeting room. The cards were collected both of those agreed and disagreed votes except in case of the election of the board of directors whereby voting cards would be collected in all cases, i.e. agreed, disagreed and suspended votes and after the Meeting, the card collector would collect voting card for all agendas.
4. The Board of Directors had assigned the company's secretary to correctly and completely produce and record Minutes of Meeting and publicize thereof to all shareholders via investor relation website and the company also delivered those Minutes to SET after completion of the Meeting not exceeding 14 days.
5. The company had policy and strictly complied with internal data management by disclosing only to those related persons. Report of publication of internal data was allowed to do only by the authorized person. In this regard, all managements and directors of the company had well realized to their duties and responsibilities toward internal data and did not use thereof for personal benefit nor for security trading. Moreover, the company determined the management to report change of security holding to SEC pursuant to Section 59 of Securities and Exchange Act, B.E. 2535.
6. To prevent conflict of interest, the Board of Directors had carefully managed upon there was any items which would be conflict of interest by determining the policy and method to prevent the management and related party to use internal data for their private benefits, as follows:-

Report on conflict of interest

The report would be approved by the Board of Directors subject to Audit Committee was also required to approved those correlated items. In this regard, approval to record correlated items was based on optimal benefit of the company, rules of fairness, reasonability of items and the compliance with market condition and market price. Moreover, the stakeholders or those who had conflict interest in correlated item was unable to involve in such approval of correlated item. This was for fairness and optimal benefit of the company. In case of such correlated item was under the scope of regulation, notification, order, requirement or rule of SEC, the company would comply with SEC by determining price and condition as if it was item made with the outsider and disclosed correlated item that contained details, item value, contractual parties, reason/necessity in annual report and annual data disclosure form.

The Board of Directors then approved in principle according to the guidelines of SEC in compliance with Section 89/12(1) of Securities and Exchange Act (No. 4), B.E. 2551 regarding director, management or related person who would do legal transaction with the company dated 13 August 2010, had resolved that the management could approve such transaction should it contained commercial agreement in the same manner which those wise men would do with their general parties in the same situations based on trading negotiation power that free from any influences from the position of director, executive or related persons. In this regard, the management would prepare report to summarize such transaction to the Board of Directors' Meeting for acknowledgement of such intention onwards.

In the Board of Directors' Meeting, should in any agenda which some directors has any conflict of interest , the Chairman would request those directors to comply with policy by suspending vote nor comment in such agenda.

Internal Information Control

The company determined policy to control the directors and managements not to bring internal information which was still not publicized to the public to use for private benefit. The management and employee of any unit who knew about such internal information were prohibited to purchase or sell company's security at least 1 month before public announcement and at least 3 days after public annoucemen. This prohibition was prescribed in the notification of the company regarding Policy on the Supervision of Business, Business Code of Conduct and Employee Code of Conduct. In this regard, the company also determined disciplinary action in Working Rules and Regulations of the Company as well. Moreover, the Company had informed the management of all departments to understand about their duties in reporting about possession of company's security of himself/herself, his/her wife/husband and immature children including change of security possession to SEC pursuant to the Securities and Exchange Act, B.E. 2535 and requirements of SET after the company was permitted by SEC to offer for sale its ordinary share for capital increase to general public.

3. Roles of the stakeholder

The company emphasized on right of all groups of stakeholders regardless internal stakeholders, i.e. employees and managements of the company or external stakeholders, i.e., partner, competitor and other related organization due to the company had well realized to the support of all stakeholders which promoted the competitive ability to build profit and long term success of the company. For this purpose, the company would take care the stakeholders according to related lawful right but would not conduct any action to infringe against the right of those stakeholders, as summarized as follows:-

<u>The stakeholder</u>	<u>Business Governance Policy</u>
Shareholder :	The Company would sincerely engage its business and strictly adhere to develop sustainable business and become the leader in providing standard logistic service based
Partner :	Concerned on equality and sincerely in business operation and joint benefit with the partner by strictly comply with all related laws and rules.
Competitor :	The Company would comply with good competition rules and avoid dishonest method to defeat the competitor.
Creditor :	The Company would strictly comply with all contract and agreed conditions .
Customer :	The Company paid attention and take responsibilities to the customer, both in term of good service to the standard, post sale service and keep confidential of the customers' secret.
Employee :	The Company equally and fairly treated all employees by providing training course to enhance knowledge and working efficiency for the employees and also provided
Society :	The Company engaged its business based on responsibility to community environment and society by adhering on the policy about environmental maintenance and safety from activity of the company, of which, the group of companies had also been accredited by ISO 9001:2000 which related on Quality Management System and ISO 18001:1999 which related on Occupation Health & Safety from TUV Rheinland. In addition, the company committed to comply with related laws and rules.

For complaint and report of any clue related to legal offense, correctness of financial report, defective internal audit or breach against business ethics of the management and employee, can be made by mail to the Chairman of the Board of

Director who is independent director at Chu Kai Public Company Limited address no. 42/62 Moo 14, Bangna-Trad Road Km. 7, Bang Kaew Sub-district, Bangplee District, Samutprakan Province 10540 or at inf@chukai.co.th and all information of the reporter would be kept confidential.

4. Disclosure for transparency

Corporate Governance

The Board of Directors of the company has concerned on the importance of the Principles of Good Corporate Governance and has thus prescribed as policy to engage good transparency and auditable business by determining clear responsibility. In addition, the company also concerned on the governance and internal audit systems. For risk management, the company tried to closely control and manage risk and concerned on business ethics by maintaining fairness to the partner, shareholder and stakeholder in all groups.

Report of Board of Director

The Board of Directors was responsible to operate important business and to control financial statements of the company including also IT system as disclosed to the public in annual declaration form and annual report. Such financial statements were prepared according to the general certified accounting standard by selection to use and regularly complied with suitable accounting standard including sufficient disclosure of important data on notes to the financial statements.

In this regard, the Board of Directors had thus appointed Audit Committee which was consisted of non-management director who has sufficient freedom to take care and responsibilities about quality of such financial report and internal audit system.

Relationship of the investor

After the company had been listed in SET, the company had policy to provide investor relation coordinator to be responsible for disclosure of data which was quick, complete, transparent and thoroughly both report of financial data and general data including other important date duly impacted security price of the company by publication IT message of the company to all investors, institutes, shareholders, government officers and general publics via channels of SET. In addition, the company had publicized both Thai and English versions on investor relation website, which having, **Ms. Wanida Darachai**, Executive Vice President of organizational support to take responsibilities about the investor relation affairs who are contactable at Telephone no. 02-715-000 or www.chukai.co.th

5. Board of Directors' responsibilities

Leadership and vision

The Board of Directors of the company has independent roles subject to good corporate governance standard in the following matters:-

- Determine vision, mission, strategy, goal, business plan and budget of the company.
- Supervise and regularly follow up performance of the management to ensure it is in accordance with work plan to achieve targeted goals.
- Maintain and regularly follow up sufficient internal control.
- Maintain and regularly follow up sufficient risk management for optimal benefit of the company.

Promote the company directors to attend training course of the Thai Institute of Directors

Business Ethics

The company determined procedures about ethics of Board of Directors, management and employee for guidelines of other persons to sincerely, honestly, fairly and responsible to perform their duties and responsible for the stakeholder, shareholder and all related parties.

Authority balance of non-management director

In 2017, the company had altogether 10 directors as consisted of:-

- | | |
|------------------------------------|-----------------|
| ● Directors who are the management | Total 5 persons |
| ● Independent directors | Total 5 persons |

Therefore the company thus had directors who were outsiders and non-management total 5 person or 50 % of total Board of Directors which was more than one-half of the whole directors. The stakeholders therefore felt confidence that the directors would be able to independently perform their duties as representative of the shareholders, of which, this could balance and repeatedly check management of the directors.

Integrated or separated position director

The company determined the Chairman of the Board of Directors and Chief Executive Officer was not the same person by clearly prescribing scope of authority and duties of Chairman and Chief Executive Officer. Chairman and Chief Executive Officer were thus had no absolute authority. This was to balance the important resolution which required approval from the Board of Directors or Shareholders' Meeting. Moreover, authority and power vested to the Managing Director or Board of Directors was unable to approve any item which they or other stakeholder had benefit thereon or may had conflict of interest in any other manner with the company or affiliated companies.

The company determined to hold Board of Directors' Meeting at least once every 3 months and additional special Meeting as deemed necessary by producing Invitation Letter including Meeting agendas and other supporting documents 7 days before the Meeting day to enable all directors sufficient and reasonable time to study all related data before attending the Meeting.

In each Board of Directors' Meeting, the Chairman had sufficiently allocated time for the Directors to carefully summarize important problem. In addition, Chairman and Board of Directors had invited the auditor to attend the Board of Directors Meeting in order to provide additional information and record Minutes of Meeting in written, to compile the Minutes duly approved by the Board for verification of other related parties.

The Board of Director determined the management to prepare operating result report on monthly basis to propose to the up coming Meeting to enable the Board of Director to follow up the progressiveness of business operation of the company.

In 2017, the Board of Directors had held altogether 9 Meetings, each at approx. 3 hours. In each Meeting, other related persons were invited to provide additional information. The Audit Committee had held 8 Meetings, being normal agenda 4 Meetings and Meeting between Audit Committee and Auditor 4 Meetings details of attendance in Board of Directors' Meeting in 2017 are as follows:-

Details of attendance in Board of Directors' Meeting in 2017

Name	Position	Board of Directors' Meeting	Audit Committee's Meeting
		Total Meeting (9)	Total Meeting (8)
1. Asist.Prof.Dr. Piboon Limprapat	Chairman of the Board of Directors/Independent Director	9/9	-
2. Mr. Vatcharin Duangdara	Chairman of the Audit Committee/Independent Director	9/9	8/8
3. Mr. Surin Premamornkit	Audit Committee / Independent Director	9/9	8/8
4. Mr. Jessada Promjart	Director	2/9	-
5. Ms. Werawan Boonkwan	Audit Committee / Independent Director	9/9	8/8
6. Mr. Thongchai Praerangsi	Deputy Chairman of the Board of Directors / Director	9/9	-
7.Mr.Chamnan Ngampojanavong	Director	9/9	-
8. Ms. Wanida Darachai	Director/Company's Secretary	9/9	-
9. Ms. Unchisa Praerangsi	Director	7/9	-
10. Ms. Junjira Praerangsi	Director	9/9	-

Sub-committee

The Extraordinary Meeting of Shareholders No. 2/2549, dated 25 August 2006; the Board of Directors' Meeting No. 19/2549 dated 8 December 2006; The Board of Directors' Meeting, No. 3/2551 dated 27 March 2551 and the Board of Directors' Meeting, No. 5/2552 dated 26 June 2009, had appointed 4 Audit Committees, each of them were retained in position for 3 years per rotation to supervise the company's affairs whereby the authorities and powers of the Audit Committee was in accordance with details in clause 8 of management structure. The Audit Committee would hold their Meeting at least one every quarter and may be specially held in emergency agenda.

The Executive Board duly consisted of 6 Executives Board of Directors whereby the authorities and powers of the Executives Board of Directors was in accordance with details in clause 8 of management structure. The Executives Board of Directors would hold their Meeting in jointly with the managements regularly at least once a month and may be specially held in emergency agenda.

Remuneration for director and management

Remuneration for director : The Company considered remuneration for the director and management by considering the suitability and responsibility of the director, management, environment, economic situation and comparison with other companies in the same industrial business including comparison with other company who earned similar or nearly income and net profit. Remuneration of Board of Directors and Sub-Committee was already approved by the Annual General Meeting of Shareholders.

Remuneration for the management was in accordance with principles and policies determined by the Board of Directors based on result of business operating of the company and performance of each management.

In 2017, the company had paid remuneration to the directors and managements total Baht 18.50 Million

Internal control and internal audit

1. **Internal control and internal audit:** The Company had emphasized on the internal control both in management and operation levels. To enhance its efficiency, the company thus determined duties, authorities of the management in written with control the use of company's property for greatest benefit and divided duties among the operator, the follower and to control and separately assess to make balance and suitably audit each other. In addition, the company provided internal control about financial aspect as the company provided financial report system to propose to the responsible management. Moreover, PV Audit Co., Ltd., who was the company's auditor had also assessed and reviewed internal control system of the company in examining annual account and there was no any

weakness nor significant failure were reported in the comment toward financial statement and issued unconditional auditor's report.

In addition, the company had Internal Audit Department to audit to ensure that major operation and significant financial activities of the company was in line with the prescribed guidelines and effective including the audition and compliance with law and all controls. To provide freedom for internal control unit, the Board of Directors defined that result of audit was directly reported to the Audit Committee and also assessed by the Audit Committee.

2. **Risk assessment** The company had assessed both internal and external risk factors which would impact business operation of the company including to analyze and follow up all situations which was the cause of risk factor to determine appropriate measure to regularly manage risk and follow up result thereto.

Corporate Social responsibilities

1. Fair business operation

The company determines to treat related person in every unit, shareholders, customers, trade partners, creditors, employees and the society with fairness and morality and to give accurate recommendations about the products and to serve for the highest benefit, including following all conditions toward customers.

2. Fair treatment to the labor

The company focus on fairness toward employees, respects their rights and their liberty. No use of children workers, the company encourage employees to have a good quality of life and career, by offering provident fund and allowances such as life insurance, employee's uniforms, lunchbox, scholarships for employees' children and funeral support of employee's relatives.

3. Responsibilities to the consumer

The company adheres and complies with policy to respond the customer's demand who purchased products and services directly from the company to ensure that they shall receive products and services at fair price and good quality, the company also has the policy that the customer shall be fairly treated in case of receiving unfair product or under standard service by providing warranty under the reasonable conditions and period.

4. CSR

In 2017, the company arranged CSR projects as follows:

Education Development : The company arranged the 16th scholarship program for children of its employees

Internal Control

In the Board of Directors' Meeting No. 1/2017 dated 25 February 2017, there were 3 members of Audit Committee attending the Meeting, an evaluation in respect of the Company's internal control was made by the Board of Directors as follows;

1. Organization and Environment : The Company's Management has set up an organization chart and responsibilities of Board of Directors as well as business goal for evaluation of management and employees. Moreover, the Company has also set up a code of conduct, three manuals for its procurement practices and the penalty for violation.
2. Risk Management : The Company has always been attentive to the internal and external risks which may have significant effects to the Company's business. The Company always analyzes various risk related incidents and has procedures for implementation and monitors all risks management regularly.
3. Control over Management's Practice : Scope of duties and responsibilities of each management level have been set up including procedure of connected transactions with major shareholders, directors, managements, and related persons.
4. Information Technology and Communication Systems : The Board of Directors has been provided with sufficient and accurate information to be considered in each meeting. The information regarding asset utilization between the Company and its subsidiaries has been made every month for asset management and account receivables management. With this information system, the Company shall be published accounting and financial information ontime.
5. Follow – up System : Actual operational results have been reported to the Company's Board of Directors by management on a quarterly year basis in order to compare with the Company's target.

In addition, the auditor of the company was PV Audit Co., Ltd., had studied and assessed the efficiency of internal control in accounting as deemed appropriate for benefit in determining intensive and suitable operation scope. The auditor commented that no any material mistake was found in expressing comment toward financial statements and issued unconditional auditor's report.

Internal Audit Chief

In the Meeting of Audit Committee No. 7/2011 dated 28 November 2011, the Meeting resolved to appoint Mrs. Chittra Thongsamut as internal audit chief of the company since 7 December 2011 since she was knowledgeable and capable as considered from her past performance, her understanding in activities and operation of the company according to her qualification as appeared in Annex 3.

Dividend Policy

The Company has set up policy to pay dividend no less than 50 percent of net profit after tax and legal reserve of the Company; however, the dividend payment will be paid depend upon the Company's financial results, financial condition and cash requirements, investment plan, and such other factors as the Company's management consider appropriated.

The dividend policy for its subsidiaries will depend upon their financial results, investment plans, financial condition and cash requirements.

Related Party Transaction

Rules and procedures for approving connected transactions

In case that the Company has a transaction with a related companies or related persons who may have conflicts of interest or stakes or future conflicts of interest, the transaction shall be made on the appropriateness of fair market price by considering all the conditions in according with operations in the same type of industry and comparing with the external price or the market price. If the related transaction has been made under the normal business operation, the management is allowed to approve the transaction but have to quarterly reviewed by the Audit Committee for consideration of the fairness and reasonableness of such transactions.

If the related transaction has not been made under the normal business operation, the Audit Committee has to approve the transaction prior to the transaction taking place. If the Audit Committee is not specialized on the related transaction, the Company will provide an independent specialist or the Company's Auditor to make suggestions on the transaction for the decision making of the Board of Directors, the Audit Committee or the shareholders. Besides, the related transactions of the Company will comply with the obligations, announcements, orders or the requirements of the Stock Exchange of Thailand. Thus the executive who may have conflicts of interest or a vested interest or benefits from the transaction has no rights to vote on that related transaction.

Policy or the Tendency of Future Related Transactions

In the future related transactions, which is regular transaction, the Company has set up criteria and direction in compliance with the general commerce by referring to reasonable price and appropriate conditions which can be audited and be presented to the Audit Committee to consider approval the criteria and directions. The Audit Committee shall opine in necessity and reasonableness of such transaction including all conditions. If the Audit Committee is not specialized on the related transaction, the Company will provide an independent specialist to make suggestions on the transaction for the decision making of the Audit Committee, and passed to the Board of Directors or the shareholders for final approval.

The approval of the related transactions shall comply with the obligations, announcements, orders or the requirements of the Stock Exchange of Thailand and shall disclose in the Notes to Financial Statement or electronic devices of the Stock Exchange of Thailand.

Related Transactions in the year 2017

Related Companies / Related Persons	Relationship	Transaction	Consolidated Financial Statement	Necessity and Reasonableness
			2017	
Mr. Thongchai Praerangsi	Directors / Major Shareholders	Accrued expenses for the cost of land of TCH to Mr. Thongchai Praerangsri due to such item was under the consideration of the Trustee in Bankruptcy case. It was thus recorded as accrued expenses as follows:-		<p>1) The subsidiary company had terminated lease contract since 1 June 2012. Therefore, there was no rental expense since that date.</p> <p>2) Accrued rental since 28 February 2002 until the termination date had stopped its movement and pending for consideration of the Trustee.</p> <p>3) For building on the leased land which must be demolished, the subsidiary company requested the Lessor to purchase such building and the Lessor agreed to purchase at Baht 5 million and payment was made by mean of offsetting debt with accrued rental of which as at 31 December 2012 was Baht 6.2 million.</p> <p>4) After offsetting debt with accrued rental of which as at 31 December 2015 was Baht 1.20 million</p> <p>However, provided that subsidiary company still did not pay rental until the case would be finalized and Mr.Thongchai Praerangsri was still responsible for damage cost in case of the Trustee or the court ordered the company to be liable for rental more than such prescribed by the subsidiary company.</p> <p><u>Audit Committee</u> opined that the management had reasonably managed such matters according to the condition under limited facts and provision of law to meet optimal benefit and intention of the com</p>
		-Beginning balance	1.20	
		-Increasing	0.00	
		-Decreasing	<u>0.00</u>	
		-Ending balance	<u>1.20</u>	
		Sold buildings of The Crane Heavy Lift Co., Ltd., situated on Phaholyothin Road, Klong Nung Sub-district, Klong Luang District, Pathumthani Province, since 30 November 2012 total Baht 5.0 million.		
		-Beginning balance	0.00	
		-Increasing	0.00	
		-Decreasing	<u>0.00</u>	
		-Ending balance	<u>0.00</u>	

Related Companies / Related Persons	Relationship	Transaction	Consolidated Financial Statement	Necessity and Reasonableness
			2017	
Crane Daeng Co., Ltd.	Shareholder (Ms. Jiraluck Praerangsri)	<p>Rental, repair cost, purchase of machine and spare part, the balance was shown as total trade with The Crane group of companies</p> <p><u>Account receivables</u></p> <p>-Beginning balance 0.85</p> <p>-Increasing 7.28</p> <p>-Decreasing 5.42</p> <p>-Ending balance <u>2.71</u></p> <p><u>Account payables</u></p> <p>-Beginning balance 0.06</p> <p>-Increasing 3.63</p> <p>-Decreasing 3.13</p> <p>-Ending balance <u>0.56</u></p>		<p>Service charge and selling price of those above items were subject to the marketing price and used the same rule as those general customers. In this regard, Ms.Jiraluck Praerangsri has entered as director of such company on 17 January 2013</p> <p><u>Audit Committee</u> had considered the above items and deemed appropriate as normal items in business operation.</p>
20 Auction Co.,Ltd	Shareholder (Ms. Jiralak Praerangsi)	<p>Rental fee, repairmen fee, machine purchasing cost and spares costs, the balance declares the total amount of trade with companies in CRANE's group.</p> <p><u>Trading Debtors:-</u></p> <p>- Beginning Balances 0.22</p> <p>- Increasing 0.17</p> <p>- Decreasing 0.31</p> <p>- Balance of Payment <u>0.08</u></p> <p><u>Commercial Creditors:-</u></p> <p>- Beginning Balances 0.00</p> <p>- Increasing 0.06</p> <p>- Decreasing 0.06</p> <p>- Balance of Payment <u>0.00</u></p>		<p>This transaction includes service fees and selling price depending on market price and using general criteria such as general customers, thus Ms.Jiralak Praerangsi has been appointed to be a director of the company as at 3 July 2014.</p> <p><u>Audit Committee</u> of the company reviewed the above transaction and resolved as appropriate.</p>

Related Companies / Related Persons	Relationship	Transaction	Consolidated Financial Statement	Necessity and Reasonableness
			2017	
Farm Valley Co.,Ltd	Shareholder (Mr. Thongchai Praerangsi)	<p>Repair cost, purchasing of machine, the balance declares the total amount of trade with companies in CRANE's group.</p> <p><u>Trading Debtors:-</u></p> <ul style="list-style-type: none"> - Beginning Balances 0.02 - Increasing 0.01 - Decreasing <u>0.03</u> - Balance of Payment <u>0.00</u> <p><u>Commercial Creditors:-</u></p> <ul style="list-style-type: none"> - Beginning Balances 0.00 - Increasing 0.00 - Decreasing <u>0.00</u> - Balance of Payment <u>0.00</u> 		<p>This transaction includes service fees and selling price depending on market price and using general criteria such as general customers, thus Mr. Thongchai Praerangsi has been appointed to be a director of the company.</p> <p><u>Audit Committee</u> of the company reviewed the above transaction and resolved as appropriate.</p>

Report of Board of Directors' Responsibilities

The Company's Board of Directors recognize the significance of duties and responsibilities to manage the business of the Company in compliance with the law, the Company's objectives, the Articles of Association as well as the resolution of the shareholders' meeting with integrity and care for the best benefits of the company, all shareholders and investors by providing reasonable assurance that the financial statements recorded accuracy, adequate and present fairly financial position of the Company.

The Board of Directors have appointed the Audit Committee which comprises of qualified independent directors in compliance with regulations of the Stock Exchange of Thailand and other Securities and Exchange Act to review and responsible for the accuracy, and adequate disclosure of the Company's financial statement as well as to provide and to maintain efficient internal control system for the reasonable believe on the credibility of financial statements, good prevention system for property maintenance that freed from corruption item nor any abnormal operation including to comply with related laws and regulations and the disclosure of related transactions and conflicts of interest as well as compliance with related laws and regulations. The Audit Committee has prepared a report on the committee's monitoring activities and disclosed these to the Board of Directors

The Board of Directors have opined that the financial statements for the year 2017 of Chu Kai Public Company Limited and subsidiaries being consolidated, in which the Audit Committee, the Company's management and independent auditor have all reviewed, have been prepared in accordance with Generally Accepted Accounting Principle and present fairly financial position of the Company.



(Assist. Prof. Dr. Piboon Limprapat)

Chairman of the Board of Directors

Details about directors, executives, authorized persons and secretary of the Company

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Assist. Prof. Dr. Piboon Limprapat ♦ Chairman of the Board of Directors ♦ Independent Director	77	♦ Ph.D. University of Illinois M.A. (ECON.)University of Philippines, ♦ Bachelor of Economics, Thammasart University <u>duly passed training program</u> ♦ The role of Chairman (RCM) year 2001 (IOD) ♦ Director Certification Program (DCP) year 2002 (IOD) ♦ Audit Committee Program (ACP) year 2004 (IOD) ♦ Role of Committee in Determining Remuneration Policy year 2009 (IOD)	-	-	2009- present 2007 - present 2004 - present	♦ Chairman of the Board of Directors of Chu Kai PCL. ♦ Director, Chairman of Audit Committee and Chairman of Recruitment and Remuneration Committee N.C. Housing Public Co., Ltd. ♦ Director, Chairman of Audit Committee and Chairman of Recruitment and Remuneration Committee Ladprao Hospital
Mr. Vacharin Doungdara ♦ Chairman of the Audit Committee ♦ Independent Director	58	♦ Bachelor of Law, Thammasat University ♦ Barrister of Law, The institute of Legal Education ♦ EX-MBA, Kasetsart University <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2004 (IOD) ♦ Director Certification Program (DCP) year 2006 (IOD)	-	-	Present Experiences 2013 – 2015 2011 – 2013 2008 – 2011 2004 – 2008 1999 – 2004 1995 – 1999 1992 – 1995 1982 – 1992	(1) Lawyer (2) Chairman of Audit Committee of Chu Kai PCL. (3) Audit Committee of Permsin Steel Works PCL. (4) Chairman of the Board and Chairman of Audit Committee of AJ Advance Technology PCL. ♦ SVP - Special Case Litigation “ SCB ” ♦ SVP – Legal “ KTC ” ♦ SVP – Court Proceeding “ BAY ” ♦ Lawyer “ Legal Line ” ♦ Executive Director “ Asia Recovery Management ” ♦ MD – M-Thai Asset Management ♦ VP – MD Office “ EFS ” ♦ VP – Legal “ NFS ”

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Surin Premamornkit ♦ Audit Committee ♦ Independent Director	69	♦ Bachelor of Economics in Finance Thammasart University,	-	-	2016-present	♦ Audit Committee and Independent Director Proud Real Estate PCL.
					2009 - present	♦ Audit Committee and Independent Director Chu Kai Public Company Limited
		<u>Duly passed training program</u>			2008 - present	♦ Audit Committee and Independent Director Recruitment and Remuneration Committee Sriwichai Wetwivat Co., Ltd.
		♦ Risk Management Committee Program(RMP) ,The Thai Institute of Directors(IOD)			1999 - 2008	♦ Senior Executive Vice President, Business Corporation 2, Bank Thai Public Co., Ltd.
		♦ Director0 Accreditation Program (DAP) Class 59 (IOD)			2008 - 2008	♦ Director BT Business Consulting Co.,Ltd.
		♦ Director Certification Program (DCP) Class 147 (IOD)			2006 - 2008	♦ Director BT Securities Co., Ltd.
		♦ Audit Committee Class 39 (IOD)			2005 - 2006	♦ Director BT Asset Management Co., Ltd.
		♦ Role of Compensation Committee (RCC) Class 14 (IOD)			1999 - 2005	♦ Director BT Insurance Co., Ltd
		♦ Finance Executive 8 (Finex'8) The Thai Institute of Banking and Finance Association				
		♦ Syndicated Loans The Euro Money Institute Hong Kong				
Mrs. Werawan Boonkwan ♦ Audit Committee ♦ Independent Director	48	♦ Master's degree (Finance & International Business), University of Wisconsin, USA.	-	-	2013 – present	♦ Director and Audit Committee, Sahamitr Pressure Container PCL
		♦ Bachelor's degree (Accounting) Chulalongkorn University			2013 - present	♦ CFO / Director BBB & V Co.,Ltd.
		<u>Duly passed training program</u>			2006- present	♦ Director and Audit Committee Chu Kai PLC
		♦ Director Accreditation Program (DAP) year 2006 (IOD)			2002 - 2007	♦ CFO Business Consultant & Advisory Co., Ltd.
		♦ Director Certification Program (DCP) year 2008 (IOD)			2000 - 2002	♦ General Manager A Thai Market Co., Ltd.
					1999 – 2000	♦ Analyst-Asset Management Bangkok Capital Aluance Co., Ltd.

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Than Siripokee ♦ Independent Director	57	♦ Master in Management Asian Institute of Management	-	-	May 2017–Present	♦ Director Chu Kai PCL
		♦ Master of Housing Development (MH.D) Chulalongkorn University			2016 - Present	♦ Executive Vice President, Banking,Bangkok Bank PCL
		♦ Bachelor of Accountancy (B.Acc.) Chulalongkorn University			2009	♦ Executive Vice President , Metropolitan Business Banking,Bangkok Bank PCL
		<u>Duly passed training program</u>			2007	♦ Senior Vice President , Metropolitan Business Banking,Bangkok Bank PCL
		♦ Diploma, National Defence College, The Joint State- Private Sector Course Class 23			2005	♦ Region Manager1 Provincial Commercial Banking, Bangkok Bank PCL
		♦ Thai Intelligent Investors Program (THIP 4)			2004	♦ Approval Unit ,Provincial Commercial Banking, Bangkok Bank PCL
		♦ Institute of Metropolitan Development (MAHANAKORN 4)			2000	♦ Vice President Bankthai PCL
		♦ Microfinance Appreciation Couse (Philippines)			1993	♦ Manager , Bang Kapi , Bangkok Bank PCL
		♦ Executive Energy Program (EEP 1)				

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Thongchai Praerangsi ♦ Chief Executive Officer ♦ Authorized Directors	65	♦ Certificate, Nida Business School <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2006 (IOD)	27.07	Ms. Jiraluck, Ms. Jiraporn and Ms. Junjira Praerangsi's father	May 2016-present Sep.2014-May2016 2012–Aug.2014 2005 - 2012 2006 - present 1996 - present 19947 - present 1992 - present	♦ Chief Executive Officer Chu Kai PCL ♦ Advisor Chu Kai PCL Acting Chief Executive Officer and Authorized Directors Chu Kai PCL ♦ Chief Executive Officer and Authorized Directors Chu Kai PCL ♦ Authorized Director The Crane Services Co., Ltd. ♦ Authorized Director The Crane Heavy Lift Co.,Ltd. ♦ Authorized Director The Crane Rayong Co., Ltd. ♦ Authorized Director The Crane Laem Chabang Co., Ltd.
Mr. Chamnan Ngampojanavong ♦ Chief Financial Officer ♦ Authorized Directors	57	♦ Master's degree (Management) Kasetsart University ♦ Bachelor's degree (Capital Accounting) Chulalongkorn University <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2008 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	-	-	2008- present Oct. 2008-present 1993 - 2008 1990 – 1993 1985 - 1990	♦ Chief Financial Officer and Director Chu Kai PCL ♦ Authorized Director The Crane Laem Chabang Co., Ltd. The Crane Rayong Co., Ltd. The Crane Heavy Lift Co.,Ltd. ♦ Senior President Medium and Small Enterprises Bank Thai PCL ♦ Finance & Accounting Manager Pulthip Housing Co., Ltd. ♦ Primary Manager – Credit Management Department Siam Commercial Bank PCL

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Ms. Wanida Darachai ♦ Executive Vice President ♦ Authorized Directors ♦ Company Secretary	50	♦ Bachelor of Arts Ramkhamhaeng University <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2005 (IOD) ♦ Director Certification Program (DCP) year 2008 (IOD) ♦ Company Secretary Program (CSP) year 2005 (IOD) ♦	3.71	-	Jun 2015-present 2004 - present 2006 -present 2001 - present	♦ Acting Managing Director The Crane Services Co., Ltd. ♦ Executive Vice President and Authorized Director Chu Kai PCL ♦ Authorized Director The Crane Services Co., Ltd. ♦ Authorized Director The Crane Laem Chabang Co., Ltd. The Crane Heavy Lift Co., Ltd. The Crane Rayong Co., Ltd.
Ms. Unchisa Praerangsi ♦ Chief Operating Officer ♦ Authorized Directors	36	♦ Bachelor's degree, Marketing Assumption University <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2006 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	4.09	Mr. Thongchai Praerangsi's daughter	May 2016-present 2012 - present 2008 – 2012 2006–present	♦ Chief Operating Officer and Authorized Directors Chu Kai PCL ♦ Executive Vice President and Authorized Directors Chu Kai PCL ♦ Managing Director The Crane Laem Chabang Co., Ltd. ♦ Authorized Directors The Crane Laem Chabang Co., Ltd.
Ms. Junjira Prairungsi ♦ Executive Vice President ♦ Authorized Directors	37	♦ Master Degree, In Organization Change and Development Hawaii Pacific University <u>Duly passed training program</u> ♦ Director Accreditation Program (DAP) year 2006 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	4.09	Mr. Thongchai Praerangsi's daughter	Present 2017–present 2013–present 2006 - present	♦ Executive Vice President Chu Kai PCL ♦ Authorized Directors Chu Kai PCL The Crane Laem Chabang Co., Ltd. The Crane Rayong Co., Ltd. ♦ Managing Director The Crane Laem Chabang Co., Ltd. ♦ Authorized Directors The Crane Rayong Co., Ltd.

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Miss Wilai Nakwila ♦ Accounting Manager	49	♦ Bachelor Degree, Accounting Program Ramkhamhaeng Universit	-	-	2012–present 2007 – 2012 1997 - 2007	♦ Accounting Manager Chu Kai PCL. ♦ Accounting-Financial Division Manager The Crane Heavy Lift Co.,Ltd. ♦ Accounting-Financial Chief The Crane Heavy Lift Co.,Ltd.
Ms. Pajaree Srisuwan ♦ Financial Manager	54	♦ Bachelor Degree Accounting Program Ramkhamhaeng University	-	-	2014–present 2012 - 2014 2008 - 2012	♦ Financial Manager Chu kai Public Co., Ltd. ♦ Asst. Financial Manager Chu kai Public Co., Ltd. ♦ Office Manager Wattanasiri Metal Work Co.,Ltd.

Remarks: All the Company's Board of Directors has qualifications in compliance with the requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

Details about directors of subsidiary companies

Name-Surname	Chu Kai Public Company Limited	The Crane Services Company Limited	The Crane Laem Chabang Company Limited	The Crane Rayong Company Limited	The Crane Heavy Lift Company Limited
Assist.Prof.Dr.Piboon Limprapat	1,3				
Mr. Vacharin Doungdara	3,6				
Mr .Surin Premaornkit	3,7				
Ms. Werawan Boonkwan	3,7				
Mr. Than Siripokee	3				
Mr. Thongchai Praerangsi	3,4,9	3	3	3	3
Mr. Chamnan Ngampojanavong	3,5,9	3	3	3	3
Ms. Wanida Darachai	3,5,9	3, 8	3	3	3
Ms. Unchisa Praerangsi	3,5,9		3		
Ms. Junjira Praerangsi	3, 5		3	3	
Ms. Janejira Praerangsi			8	3, 8	

หมายเหตุ:	1	Chairman	6	Chairman of the Audit Committee and Independent Director
	2	Deputy Chairman	7	Audit Committee and Independent Director
	3	Director	8	Managing Director
	4	Executive Chairman	9	Executive
	5	Executive Director		

Financial Statements and Operating Result Analysis

Overview of the Company's Work Activities

In 2017, the Company's performance improved with overall revenue increasing by 507.0 million baht or 78 percent from 650.3 million baht in 2016 to 1,157.3 million baht. As a result, the Company's net profit recovered to over 30.4 million baht, a 111-percent increase from 2016, in which the Company experienced a net loss of 277.8 million baht. Meanwhile, nearly 65 percent of increased revenue resulted from the pile-driving contractor business, the new business in which the Company only fully began to operate this year. The business focuses on accepting bridge support pile-driving jobs and only accepting jobs for wages. Although the Company only recently started this business, the good relationships and work achievements in the Company's heavy machinery rental business have made the Company well-trusted with the confidence of large contractor customers who can bid for government projects in line with the basic transportation and shipping infrastructure development projects such as the Bang Pa In-Nakhon Ratchasima motorway, double-track railway at Jira-Khon Kaen section, the Bang Yai-Kanchanaburi motorway project, etc. Furthermore, the Company perceives increased income from the machinery dealer business and machinery rental business. The Company's ratio of revenue from sales: revenue from services: revenue from contract foundation construction (pile-driving) businesses is 23:48:29. In addition, the Company effectively managed sale and administrative expenses. Sales and administrative expenses have not increased, even though the business is new.

For 2018, the Company is confident that returns will continuously improve because the government is quickly engaging in investments in improving basic infrastructure and transportation, which have been ongoing from 2017, including the Eastern Economic Corridor (EEC) project. The pile-driving contractor business will spearhead the Company's increased revenue. Because of customer acceptance achieved in 2017, we expect employment contracts to continuously approach the Company, particularly those involving the construction of the colored railway lines, several of which are simultaneous ongoing. In addition, the Company is expanding to accept projects in building support pile-driving. As for the machinery rental business, the Company has slowed down investment and is focused on using available machinery to fully generate income and effectively manage costs. Accordingly, the Company expects to successfully maintain its revenue as high as in the past, but with a higher gross profit ratio. As for sales work, focus is placed on joint marketing with XCMG in the sales of construction machinery aside from truck cranes and drilling rigs that the Company is currently selling to large construction contractors.

Profit and Loss Analysis

Revenue

In 2017, the Company's overall revenue increased by 522.76 million baht or 79 percent when compared to the previous year. Growth was experienced in every business category, namely, 49.9 million baht increase from sales or 23 percent, 129.8 million baht increase from services or 31 percent and 327.3 million baht increase from contract foundation construction (pile-driving) or 327 percent, which resulted from the fact that the Company just started the new pile-driving business as government projects are being implemented, especially basic transportation and shipping infrastructure development projects. Thus, the Company entered the business at the right moment. Furthermore, the continuously increasing oil prices are providing the Company with regular jobs in the petroleum and oil refinery businesses, as well as electric wind turbine installations, which are being installed more and more.

Financial Expenses

In 2017, the Company's financial expenses increased by 1.80 million baht or 2.55 percent when compared to 2016. This is because the year 2017 saw reductions in principle repayment conditions with financial institutes, which led to only small reductions in principles and greater interest.

Net Profit and Net Profit Rate

In 2017, the Company's net profit was 30.42 million baht, an increase of 310.55 million baht or 111 percent from 2016. This occurred as a result of an increase in overall revenue and effective management of sales and administrative expenses.

Financial Analysis

Assets

The Company's total assets in 2016 amounted to 2,935.74 million baht. When compared with the 2,885.20 million baht of the previous year, the Company's total assets increased by 50.54 million baht, or 1.75 percent. Most of the Company's assets (70 percent) are machinery and equipment in which the Company invests in order to support the rental and contract foundation construction (pile-driving) businesses. As for the Company's inventory, it is continuously decreasing due to rapid sales. On the other hand, trade receivables are increasing in line with increased revenue.

The Company's total liabilities as of 31 December 2017 amounted to a total of 1,701.3 million baht, a decrease of 103.0 million baht or 5.71 percent when compared to 1,804.3 million baht in 2016. Bank and financial institute debts decreased by 223.7

million baht. Hence, the Company's total liabilities of 1,234.9 million baht in 2016 decreased to 1,011.2 million baht in 2017. Meanwhile, short-term loans (B/E) decreased by 20.0 million baht, from 200.0 million baht in 2016 to 180.0 million baht in 2017. At the same time, the Company increased its use of credit terms granted by XCMG for 12 months. Hence, trade payables increased by 120.2 million baht from 225.1 million baht in 2016 to 345.3 million baht in 2017.

Shareholders' Equity

The Company's shareholders' equity as of 31 December 2017 is 1,234.47 million baht. This is an increase from 1,080.84 million baht in 2016 by 153.63 million baht or 14.21 percent due to 60.6 million baht of capital increase at two baht par value for a total of 121.2 million baht and the Company's net profit in 2017.

Liquidity

The Company's revenue increased, especially in the contract foundation construction (pile-driving) business. In addition, the credit terms granted by XCMG and reduction in principle repayment conditions with some financial institutes caused the Company's financial liquidity to improve. The Company's cash flow from operations amounted to 283.76 million baht, while the Company's cash flow spent in investment activities was 86.05 million baht and cash flow spent in financing activities was 181.63 million baht. Thus, at the end of the accounting period, the Company's remaining cash flow and cash-equivalent transactions circulating in businesses was 21.40 million baht with the debt per equity ratio decreased from 1.67 times in 2016 to 1.38 times in 2017.

For 2018, the contract construction business is inclined to experience continuous growth, especially in construction projects part of the project to develop basic transportation and shipping infrastructure by the government, which is pressing for ongoing construction and rapid spending in order to meet economic targets (GDP). From the Company's activities in the contract foundation construction (pile-driving) business in this year, which were well-received by customers, the Company is provided with a driving force that will attract the trust of customers. Furthermore, the Company believes firmly that the contract foundation construction (pile-driving) business will experience a rather high growth rate in revenue. Nonetheless, in 2018 the Company continues to primarily focus on managing financial liquidity by using the same strategies as in 2017, i.e., quickly empty the stock, increase debt collection effectiveness, delay increased investment in the crane rental business and sell of cranes that are no longer generating income to increase investment in the pile-driving contractor business and sufficiently meet market demands in order to increase competitiveness and, most importantly, effectively manage costs and expenses.

AUDITOR'S REPORT & FINANCIAL REPORT

AUDITOR'S REPORT

To the Board of Directors and Shareholders of Chukai Public Company Limited

Opinion

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

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respect, the consolidated and separate financial position of Chukai Public Company Limited and its subsidiaries and of Chukai Public Company Limited as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

As described in Notes 3 and 29 to the financial statements, accounting policies and details of revenues. As the revenue from services of the Group has high volume of transactions and significance to the consolidated and separate financial statements, which may cause the risks of incorrect recognition of revenue.

I obtained an understanding of the nature of internal control system relevant to the revenue cycle from the Group's rendering of services. I also tested the design and the effectiveness of internal control in this cycle to determine the sample sizes for substantive tests by checking invoices and client confirmation documents for the services rendered, and testing the cutoff of revenue recognition of service rendering. The tests of internal control and substantive tests established audit evidences that the revenue recognition from the rendering of services was accurately and properly recorded in the accounting period.

Inventories and Machineries for Rent

As described in Notes 3, 7 and 10 to the financial statements, accounting policies and details of inventories and machineries for rent that the balances of those assets are significance to the consolidated and separate financial statements because of the similar nature of the Group's inventories and machineries for rent which most of them are cranes, forklifts, excavators with large amounts. Moreover, the construction industry in the country is slowing down which causes the significant decline in revenue from sales and services. As a result, there is the risk that the Group may state the carrying values of inventories and machineries for rent higher than their net recoverable amount.

I obtained an understanding of the nature of internal control system relevant to the management of inventories and machineries for rent and observed the physical inventory taking and tested the conditions of inventories and machineries for rent. I inquired the management to obtain an understanding of the Group's policies about the estimation of net realizable values of inventories and recoverable amount of machineries for rent, and performed random tests of the net recoverable amount against price lists and market prices as well as relevant selling expenses.

Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above 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 materially misstated.

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and Company'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 and Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Prawit Viwanthananut

Certified Public Accountant

Registration Number 4917

PV Audit Co., Ltd.

Bangkok, 22 February 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets	3				
Current assets					
Cash and cash equivalents	5	21,400,162.09	5,331,141.87	5,361,170.87	773,821.47
Trade and other receivables	4, 6	266,139,611.25	102,416,901.08	117,994,601.98	214,669,886.37
Short-term loans to related parties	4	-	-	643,651,778.56	268,687,121.97
Inventories	7	124,016,742.15	217,633,906.99	125,306,313.75	218,923,478.59
Other current assets		55,751,704.81	32,277,341.46	1,805,337.12	1,967,798.70
Total current assets		467,308,220.30	357,659,291.40	894,119,202.28	705,022,107.10
Non-current assets					
Investments in subsidiaries	4, 8	-	-	274,992,130.00	274,992,130.00
Investment property	9	49,518,957.62	47,843,120.85	47,806,677.63	46,106,677.63
Property, plant and equipment	4, 10	2,321,679,624.36	2,402,880,821.40	583,894,712.62	633,352,868.22
Intangible assets	11	6,387,244.80	-	6,387,244.80	-
Other non-current assets		90,847,647.97	76,817,299.95	17,207,707.92	10,573,208.35
Total non-current assets		2,468,433,474.75	2,527,541,242.20	930,288,472.97	965,024,884.20
Total assets		2,935,741,695.05	2,885,200,533.60	1,824,407,675.25	1,670,046,991.30

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity	3				
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	12	74,390,408.78	81,490,842.53	64,478,681.77	71,533,879.71
Trade and other payables	4, 13	345,269,305.33	225,078,044.60	261,558,081.43	153,580,396.88
Current portion of debts	14	312,287,227.10	382,440,914.19	58,806,053.46	61,878,722.56
Short-term loans from related parties	4	14,000,000.00	-	47,950,000.00	62,000,000.00
Other short-term loans	15	178,853,143.30	199,475,744.73	178,853,143.30	199,475,744.73
Current income tax payable		357,275.27	-	-	-
Other current liabilities		42,992,834.06	26,550,327.02	15,720,072.01	11,014,140.45
Total current liabilities		968,150,193.84	915,035,873.07	627,366,031.97	559,482,884.33
Non-current liabilities					
Long-term loans from financial institutions	16	50,160,000.00	106,798,000.00	50,160,000.00	105,048,000.00
Long-term liabilities under finance leases	17	574,303,265.09	664,143,712.32	422,488.83	4,341,687.21
Deferred tax liabilities	18	78,356,582.79	88,660,169.22	35,245,078.22	36,568,321.97
Employee benefit obligations	19	16,487,084.85	18,387,681.81	8,255,735.03	9,215,507.79
Other non-current liabilities		13,811,069.87	11,331,029.01	2,240,673.00	2,308,344.10
Total non-current liabilities		733,118,002.60	889,320,592.36	96,323,975.08	157,481,861.07
Total liabilities		1,701,268,196.44	1,804,356,465.43	723,690,007.05	716,964,745.40

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital	20				
Authorized share capital					
1,044,637,027 ordinary shares					
(Year 2016: 696,426,133 shares), Baht 1 par value		1,044,637,027.00	696,426,133.00	1,044,637,027.00	696,426,133.00
Issued and paid-up share capital					
757,057,874 ordinary shares					
(Year 2016: 696,424,685 shares), fully paid-up		757,057,874.00	696,424,685.00	757,057,874.00	696,424,685.00
Premium on shares	22	269,475,237.50	209,553,500.00	269,475,237.50	209,553,500.00
Surplus arising from business combination					
under common control	2	39,195,609.23	39,195,609.23	-	-
Retained earnings					
Appropriated - legal reserve	23	32,849,309.98	31,524,151.37	32,849,309.98	31,524,151.37
Unappropriated		135,895,467.90	104,146,122.57	41,335,246.72	15,579,909.53
Total shareholders' equity		1,234,473,498.61	1,080,844,068.17	1,100,717,668.20	953,082,245.90
Total liabilities and shareholders' equity		2,935,741,695.05	2,885,200,533.60	1,824,407,675.25	1,670,046,991.30

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2017	2016	2017	2016
3, 4					
Revenue from sales and services	29	1,157,346,030.48	650,344,725.67	553,523,270.89	430,018,084.26
Cost of sales and services	26	(926,960,818.87)	(669,750,154.39)	(533,625,884.54)	(437,009,562.82)
Gross profit (loss)		230,385,211.61	(19,405,428.72)	19,897,386.35	(6,991,478.56)
Other income		25,326,079.11	9,582,541.08	56,202,580.16	34,025,015.96
Dividend income from subsidiaries	24	-	-	92,994,374.00	-
Distribution costs	26	(27,926,832.12)	(33,279,933.67)	(13,891,412.76)	(17,244,191.78)
Administrative expenses	26	(126,834,609.35)	(131,149,010.26)	(100,333,855.71)	(116,698,013.64)
Finance costs	27	(72,350,275.52)	(70,549,523.57)	(29,833,474.42)	(22,557,349.94)
Profit (loss) before income tax		28,599,573.73	(244,801,355.14)	25,035,597.62	(129,466,017.96)
Tax income (expense)	28	1,821,897.13	(35,331,237.28)	1,467,574.64	(9,232,138.30)
Profit (loss) for the year		30,421,470.86	(280,132,592.42)	26,503,172.26	(138,698,156.26)
Other comprehensive income (loss):					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial gains	19	3,316,291.36	2,951,922.66	721,654.43	653,522.54
Income tax relating to defined benefit plan actuarial gains	28	(663,258.28)	(590,384.53)	(144,330.89)	(130,704.51)
Other comprehensive income for the year - net of tax		2,653,033.08	2,361,538.13	577,323.54	522,818.03
Total comprehensive income (loss) for the year		33,074,503.94	(277,771,054.29)	27,080,495.80	(138,175,338.23)
Basic earnings (loss) per share					
Earnings (loss) attributable to equity holders of the Company	3	0.0416	(0.4022)	0.0362	(0.1992)
Weighted average number of ordinary shares (Shares)	3	731,804,758	696,424,685	731,804,758	696,424,685
Diluted earnings per share					
Earnings attributable to equity holders of the Company	3	0.0411		0.0358	
Weighted average number of ordinary shares (Shares)	3	739,633,141		739,633,141	

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

		Baht				
		Consolidated financial statements				
Note	Issued and paid-up		Surplus arising from business operation under common control	Retained earnings (deficit)		Total
	share capital	Premium on shares		Appropriated	Unappropriated	
Beginning balance as at 1 January 2016	696,424,685.00	209,553,500.00	39,195,609.23	31,524,151.37	381,917,176.86	1,358,615,122.46
Changes in shareholders' equity						
Loss for the year	-	-	-	-	(280,132,592.42)	(280,132,592.42)
Other comprehensive income for the year	-	-	-	-	2,361,538.13	2,361,538.13
Ending balance as at 31 December 2016	696,424,685.00	209,553,500.00	39,195,609.23	31,524,151.37	104,146,122.57	1,080,844,068.17
Changes in shareholders' equity						
Increase in ordinary shares	20	60,633,189.00	59,921,737.50	-	-	120,554,926.50
Profit for the year		-	-	-	30,421,470.86	30,421,470.86
Other comprehensive income for the year		-	-	-	2,653,033.08	2,653,033.08
Legal reserve	23	-	-	1,325,158.61	(1,325,158.61)	-
Ending balance as at 31 December 2017		757,057,874.00	269,475,237.50	32,849,309.98	135,895,467.90	1,234,473,498.61

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

Baht					
Separate financial statements					
Note	Issued and paid-up		Retained earnings (deficit)		Total
	share capital	Premium on shares	Appropriated	Unappropriated	
Beginning balance as at 1 January 2016	696,424,685.00	209,553,500.00	31,524,151.37	153,755,247.76	1,091,257,584.13
Changes in shareholders' equity					
Loss for the year	-	-	-	(138,698,156.26)	(138,698,156.26)
Other comprehensive income for the year	-	-	-	522,818.03	522,818.03
Ending balance as at 31 December 2016	696,424,685.00	209,553,500.00	31,524,151.37	15,579,909.53	953,082,245.90
Changes in shareholders' equity					
Increase in ordinary shares	20	60,633,189.00	59,921,737.50	-	120,554,926.50
Profit for the year		-	-	26,503,172.26	26,503,172.26
Other comprehensive income for the year		-	-	577,323.54	577,323.54
Legal reserve	23	-	-	1,325,158.61	(1,325,158.61)
Ending balance as at 31 December 2017		757,057,874.00	269,475,237.50	41,335,246.72	1,100,717,668.20

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before income tax	28,599,573.73	(244,801,355.14)	25,035,597.62	(129,466,017.96)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (used in) operating activities				
Depreciation	316,078,466.30	288,042,050.94	44,455,073.07	55,890,906.29
Doubtful accounts and bad debts	1,441,657.42	15,123,869.91	22,626,640.17	14,557,050.57
Loss on obsolete stock	4,048,328.58	1,041,230.29	4,048,328.58	1,041,230.29
Loss on impairment of investments in subsidiaries	-	-	-	24,999,300.00
Loss on impairment of assets and written-off assets	3,905,310.30	241,549.60	-	47,252.61
Gain on sales of assets	(271,587.94)	(895,230.44)	(271,587.94)	(184,161.64)
Unrealized (gain) loss on exchange rate and revaluation	(7,590,028.12)	1,195,698.82	(7,590,028.12)	1,412,454.82
Dividend income from subsidiaries	-	-	(92,994,374.00)	-
Interest income	(1,024,743.58)	(608,178.99)	(22,310,296.16)	(15,836,113.49)
Finance costs	72,350,275.52	70,549,523.57	29,833,474.42	22,557,349.94
Employee benefit obligations	4,213,887.31	2,240,286.77	918,919.22	970,493.65
Profit (loss) from operating activities before change in operating assets and liabilities	421,751,139.52	132,129,445.33	3,751,746.86	(24,010,254.92)
Change in operating assets (increase) decrease				
Trade and other receivables	(165,164,367.67)	19,816,433.90	93,880,447.71	(24,782,375.34)
Inventories	(36,360,480.03)	(31,088,446.52)	93,184,457.39	35,596,174.60
Other current assets	(23,440,812.10)	(11,395,472.80)	163,427.83	2,506,227.56
Restricted bank deposits	-	411,119.92	-	280,766.24
Other non-current assets	(20,194,269.13)	(1,370,203.59)	(675,846.82)	(1,827,155.15)
Change in operating liabilities increase (decrease)				
Trade and other payables	98,144,033.60	79,140,787.64	115,642,553.71	74,017,404.20
Other current liabilities	16,442,507.04	6,354,240.25	4,705,931.56	264,840.79
Employee benefit obligations paid	(2,798,192.91)	(1,327,121.40)	(1,157,037.55)	(979,450.16)
Other non-current liabilities	(1,198,891.65)	(515,412.00)	(67,671.10)	(1,775.00)
Cash generated from operations	287,180,666.67	192,155,370.73	309,428,009.59	61,064,402.82

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
Interest received	1,024,743.66	623,402.33	22,113,836.08	7,892,488.08
Proceeds from income tax refund	30,926,374.29	36,921,524.02	-	19,734,345.92
Income tax paid	(35,374,028.46)	(23,564,144.07)	(5,958,652.75)	(3,053,132.33)
Net cash provided by operating activities	283,757,756.16	206,136,153.01	325,583,192.92	85,638,104.49
Cash flows from investing activities				
Dividend received from subsidiaries	-	-	92,994,374.00	-
Increase in short-term loans to related parties	-	-	(394,600,000.00)	(182,200,000.00)
Purchases of equipment	(86,941,903.22)	(30,739,706.44)	(7,316,045.93)	(1,464,106.22)
Proceeds from sales of assets	887,850.47	1,834,600.18	887,850.47	652,347.45
Net cash used in investing activities	(86,054,052.75)	(28,905,106.26)	(308,033,821.46)	(183,011,758.77)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(7,100,433.75)	16,096,038.54	(7,055,197.94)	22,015,809.38
Proceeds from short-term loans from related parties	32,000,000.00	-	32,000,000.00	15,600,000.00
Repayment for short-term loans from related parties	(18,000,000.00)	-	(46,050,000.00)	(36,000,000.00)
Proceeds from other short-term loans	-	197,781,059.08	-	197,781,059.08
Repayment for other short-term loans	(20,000,000.00)	-	(20,000,000.00)	-
Proceeds from sale and leaseback agreement	-	94,690,000.00	-	-
Repayment for liabilities under finance leases	(162,825,951.70)	(363,274,849.15)	(6,991,867.48)	(26,564,161.53)
Repayment for long-term loans from financial institutions	(57,888,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Proceeds from increase in share capital	120,554,926.50	-	120,554,926.50	-
Finance costs	(68,375,224.24)	(69,838,621.80)	(30,531,883.14)	(20,980,892.81)
Dividend payment	-	(0.22)	-	(0.22)
Net cash provided by (used in) financing activities	(181,634,683.19)	(182,434,373.55)	(12,962,022.06)	96,963,813.90
Net increase (decrease) in cash and cash equivalents	16,069,020.22	(5,203,326.80)	4,587,349.40	(409,840.38)
Cash and cash equivalents at the beginning of the year	5,331,141.87	10,534,468.67	773,821.47	1,183,661.85
Cash and cash equivalents at the end of the year	21,400,162.09	5,331,141.87	5,361,170.87	773,821.47

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Chukai Public Company Limited “the Company” was incorporated in Thailand under the Civil and Commercial Code on 26 May 1997 and became a public company limited on 8 June 2005. The Company’s principal activities are to trade, repair and provide maintenance services, rental services and transportation services for cranes, forklifts, excavator, trailers and trucks.

On 29 January 2008, the Company was listed on the Stock Exchange of Thailand in Market for Alternative Investment. On 7 August 2014, the Company’s listed securities were moved to trade on the Stock Exchange of Thailand.

The office of the Company is at 42/62, Moo 14, Bangkaew, Bangplee, Samutprakarn.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The presentation of the financial statements 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 accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards requires management to make judgments and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgements and estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The judgements and estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consisted of the financial statements of Chukai Public Company Limited, and subsidiaries (together referred to as “the Group”) as follows:

Subsidiaries	Located in	Business type	Percentage of holding	
			2017	2016
The Crane Lamechabang Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Rayong Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Heavy Lift Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Service Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiaries 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 significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The surplus arising from business combination under common control is the difference between the net book value of such acquired investment and cost of acquired investment from restructuring into the Company under common control. These said investments are from merging the entities which have the same shareholders and management team. The said surplus is presented in the statement of financial position under shareholders’ equity.

Changes in application of new and revised TFRS

New and revised TFRS that became effective in the current year

During the year 2017, the Group has adopted new and revised TFRS (revised 2016) which are effective for the accounting period beginning on or after 1 January 2017. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standard, 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 TFRS does not have any significant impact on the financial statement of the Group.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2017, FAP has issued Notifications, mandating the use of revised TAS, TFRS, TSIC and TFRIC which are effective for the financial statement for the period beginning on or after 1 January 2018 as follow:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Asset
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts

TAS/TFRS/TSIC/TFRIC	Topic
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017)
TFRIC 10 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TFRIC 12 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2017)	Service Concession Arrangements
TFRIC 14 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 20 (revised 2017)	Transfers of Assets from Customers
TFRIC 21 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
	Levies

The management of the Group is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from services of rental and transportation are recognized when services are rendered.

Revenue is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rental

Revenue from rental is recognized in profit or loss by the straight-line method over the term of the agreement.

Dividend income

Dividend income is recognized when the right to receive the dividends is established.

Interest income and other income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

Expenses

Operating leases

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Finance 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.

The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

Other expenses are recognized on an accrual basis.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Group. Contributions to the provident fund are charged to profit or loss in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the actuarial assumptions are changed, the Group recognizes actuarial gains (losses) immediately in other comprehensive income.

Termination benefits

The Group recognizes termination benefits as a liability and expense when the Group terminates the employment of an employee or group of employees before the normal retirement date.

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 Group applied 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 Group measured fair value using valuation techniques 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 Group determined 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.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less excluded cash at banks on obligation.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

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 experiences and analysis of debtor aging.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Inventories are valued at the lower of cost or net realizable value.

Inventories which are spare parts and components are valued at the weighted average cost method and other inventories are valued at the specific identification cost method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

A provision for devaluation of inventories is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment (if any).

Investment property

Investment property is land and building which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Land is stated at cost less allowance for impairment (if any).

Building is stated at cost less accumulated depreciation and allowance for impairment (if any).

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of building of 30 years.

No depreciation is provided on land.

Property, plant and equipment

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets as follows:

Type of assets	Years
Land improvements	5 and 30
Buildings	3 and 30
Machinery and equipment for rent	5, 7, 10 and 15
Machinery and equipment	5 and 7
Furniture and office equipment	5
Vehicles	5

No depreciation is provided on land, part of land improvement and construction in progress and assets in transit.

In year 2017, the Group changed the estimated useful lives of the machineries for rent which were purchased from China (Cranes and Forklifts) to comply with current use. Therefore, the Group changed the estimated useful lives of the machineries for rent from 15 years to 10 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in profit or loss.

The machinery and equipment for rent had an objective to lease and sell. Therefore, the machinery and equipment which did not sell, then the assets go to service were recorded in “Property, plant and equipment” and were depreciated over its useful life as above recorded in “Cost of services” until there are sales will stop the depreciation and will be reclassified to be “Inventories” if sold out and will recognize the cost of sales at the net book value (cost less accumulated depreciation) on the disposed date to profit or loss in the period in which they are incurred.

Intangible assets

Intangible assets are computer software and stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of assets.

No amortization is provided on computer software under installation.

Finance lease

Leases of asset which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance costs so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Under finance leases has condition about bargain purchase option under finance leases when complete at the value or the rate agreement. Therefore, if the Group has policy purchase such assets, will record the amount of payment of assets include in liabilities under finance leases.

Impairment of assets

The carrying amounts of the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgments and estimates are as follows:

Commercial disputes and litigation

The Group has contingent liabilities as a result of commercial disputes and litigation. The management has used judgment to assess the results of the commercial disputes and litigation and believes that the estimated provision is adequate to cover the compensation for litigation and claims. However, actual results could differ from the estimates.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Forward exchange contracts at the transaction date are converted to Thai Baht by using the contract rates.

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting bank with the same maturity. At each statement of financial position date, the unrealized gains or losses on outstanding forward exchange contracts, calculated as describe above, are included within other receivables or other payables from forward exchange contracts in the statement of financial position.

Foreign exchange differences are recognized in profit or loss on the period.

Dividends

Dividend and interim dividend payment are recognized in the consolidated and separate financial statements in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the years by the weighted average number of ordinary shares issued and paid-up during the years.

For the year ended 31 December 2017 were as follows:

	Consolidated	Separate
	Financial statements	Financial statements
Profit for the year (Baht)	30,421,470.86	26,503,172.26
Weighted average number of ordinary shares		
Issued ordinary shares as at 1 January	696,424,685	696,424,685
Effect of shares issued during the year	35,380,073	35,380,073
Weighted average number of ordinary shares (shares)	731,804,758	731,804,758
Basis earnings per share (Baht)	0.0416	0.0362

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary shares into ordinary shares when the exercise price is lower than the average market price during the year of ordinary shares.

Basic earnings per share and diluted earnings per share for the year ended 31 December 2017 were as follows:

	Consolidated financial statements			Separate financial statements		
	Baht	Shares	Baht per share	Baht	Shares	Baht per share
		Weighted			Weighted	
		average number	Earnings		average number	Earnings
	Profit	of ordinary shares	per share	Profit	of ordinary shares	per share
Earnings per share						
Basic earnings per share	30,421,470.86	731,804,758	0.0416	26,503,172.26	731,804,758	0.0362
Effect of dilutive potential ordinary shares	-	7,828,383	-	-	7,828,383	-
Diluted earnings per share	30,421,470.86	739,633,141	0.0411	26,503,172.26	739,633,141	0.0358

4. TRANSACTIONS WITH RELATED PARTIES

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

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

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Group and those related parties.

Significant transactions with related parties for years ended 31 December 2017 and 2016 were as follows:

		Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Subsidiaries					
The Crane Lamechabang Co., Ltd.					
Revenue from sales and services	-	-	2,682,412.96	28,196,009.36	
Interest income	-	-	3,565,546.98	3,018,193.61	
Other income	-	-	4,448,400.00	4,748,400.00	
Purchase of goods	-	-	12,394,000.00	12,387,049.00	
Cost of sales and services	-	-	1,589,446.73	2,112,922.99	
Distribution costs	-	-	169,258.32	494,868.02	
The Crane Rayong Co., Ltd.					
Revenue from sales and services	-	-	39,658,418.79	17,070,260.19	
Interest income	-	-	15,388,640.61	12,523,399.61	
Other income	-	-	6,150,000.00	4,200,000.00	
Purchase of goods	-	-	13,449,114.22	14,724,000.00	
Cost of sales and services	-	-	1,625,436.15	1,379,641.66	
Distribution costs	-	-	46,600.00	48,800.00	
The Crane Heavy Lift Co., Ltd.					
Revenue from sales and services	-	-	72,285.00	62,220.00	
Other income	-	-	600,000.00	600,000.00	
Dividend income	-	-	12,999,974.00	-	
Purchase of goods	-	-	2,340,000.00	-	
Interest expenses	-	-	635,942.84	640,825.36	

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Subsidiaries				
The Crane Service Co., Ltd.				
Revenue from sales and services	-	-	219,714,166.16	141,367,985.23
Interest income	-	-	2,906,830.11	-
Other income	-	-	5,940,000.00	4,020,000.00
Dividend income	-	-	79,994,400.00	-
Purchase of goods	-	-	4,876,000.00	15,216,000.00
Cost of sales and services	-	-	632,025.87	962,740.67
Distribution costs	-	-	342,398.83	1,688.05
Administrative expenses	-	-	513,396.30	367,142.41
Interest expenses	-	-	16,386.99	475,071.90
Related companies				
Crane Daeng Co., Ltd.				
Revenue from sales and services	6,802,963.13	2,335,953.04	168,595.00	185,318.25
Other income	13,041.00	590.70	-	-
Cost of sales and services	3,254,600.47	599,800.00	80,000.00	-
20 Auction Co., Ltd.				
Revenue from sales and services	143,971.00	678,309.00	143,971.00	401,349.00
Other income	5,268.13	84,648.06	-	-
Distribution costs	35,000.00	-	-	-
The Farm Valley Co., Ltd.				
Revenue from sales and services	15,925.00	55,110.00	15,925.00	43,110.00
Related persons (director / shareholders)				
Land and building rental expenses	3,765,000.00	195,000.00	1,200,000.00	-
Interest expenses	1,011,915.21	-	1,011,915.21	-

Key management personnel compensation

Key management personnel compensation for years ended 31 December 2017 and 2016 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	44,966,263.70	45,571,738.44	44,815,839.72	45,335,960.87
Post-employment benefits	1,542,851.16	2,023,379.68	1,542,851.16	2,023,379.68
Total	46,509,114.86	47,595,118.12	46,358,690.88	47,359,340.55

The significant balances with related parties as at 31 December 2017 and 2016 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016

Subsidiaries

The Crane Lamechabang Co., Ltd.

Accrued interest income	-	-	2,061,915.78	1,537,010.69
Deposit	-	-	95,700.00	95,700.00

The Crane Rayong Co., Ltd.

Accrued interest income	-	-	6,261,199.28	9,340,245.54
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The Crane Heavy Lift Co., Ltd.

Accrued interest expenses	-	-	117,846.54	203,471.75
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The Crane Service Co., Ltd.

Accrued interest income	-	-	2,750,601.33	-
Accrued interest expenses	-	-	-	65,058.24

Investments in subsidiaries (see Note 8)

	-	-	274,992,130.00	274,992,130.00
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Related company

20 Auction Co., Ltd.

Other receivable	20,330.00	-	-	-
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Related persons (director / shareholders)

Accrued expenses	1,200,000.00	1,200,000.00	-	-
Accrued interest expenses	80,547.94	-	80,547.94	-

Trade receivables - related parties

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
The Crane Lamechabang Co., Ltd.	-	-	3,072,531.87	49,073,745.99
The Crane Rayong Co., Ltd.	-	-	25,095,182.29	90,022,269.27
The Crane Heavy Lift Co., Ltd.	-	-	-	50,000.00
The Crane Service Co., Ltd.	-	-	23,518,955.00	44,821,131.17
Crane Daeng Co., Ltd.	2,708,987.99	853,823.59	2,568.00	11,128.00
20 Auction Co., Ltd.	61,882.38	221,201.10	61,882.38	221,201.10
The Farm Valley Co., Ltd.	-	19,730.80	-	19,730.80
Total	2,770,870.37	1,094,755.49	51,751,119.54	184,219,206.33

Trade payables - related parties

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
The Crane Lamechabang Co., Ltd.	-	-	12,989,397.01	550,354.63
The Crane Rayong Co., Ltd.	-	-	16,600,516.49	3,858,510.45
The Crane Heavy Lift Co., Ltd.	-	-	2,503,800.00	-
The Crane Service Co., Ltd.	-	-	5,309,352.99	486,436.96
Crane Daeng Co., Ltd.	557,827.07	116,346.00	-	12,000.00
Total	557,827.07	116,346.00	37,403,066.49	4,907,302.04

Short-term loans to related parties

	Baht	
	Separate financial statements	
	2017	2016
The Crane Lamechabang Co., Ltd.	99,000,000.00	41,900,000.00
The Crane Rayong Co., Ltd.	253,100,000.00	239,200,000.00
The Crane Service Co., Ltd.	323,600,000.00	-
Total	675,700,000.00	281,100,000.00
Less: Allowance for doubtful accounts	(32,048,221.44)	(12,412,878.03)
Short-term loans to related parties - net	643,651,778.56	268,687,121.97

The Company had short-term loans to The Crane Lamechabang Co., Ltd., The Crane Rayong Co., Ltd. and The Crane Service Co., Ltd. by issuing promissory notes, the term not more than 1 year with interest charged at the rate referred to minimum overdraft rate (MOR) and unsecured.

Movements of short-term loans to related parties for the years ended 31 December 2017 and 2016 were as follows:

	Baht	
	Separate financial statements	
	2017	2016
Beginning balance	281,100,000.00	98,900,000.00
Increase	535,100,000.00	205,200,000.00
Decrease	(140,500,000.00)	(23,000,000.00)
Ending balance	675,700,000.00	281,100,000.00

Movements of allowance for doubtful accounts for the years ended 31 December 2017 and 2016 were as follows:

	Baht	
	Separate financial statements	
	2017	2016
Beginning balance	12,412,878.03	-
Add: Doubtful accounts	19,635,343.41	12,412,878.03
Ending balance	32,048,221.44	12,412,878.03

Short-term loans from related parties

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
The Crane Heavy Lift Co., Ltd.	-	-	33,950,000.00	47,000,000.00
The Crane Service Co., Ltd.	-	-	-	15,000,000.00
Related person	14,000,000.00	-	14,000,000.00	-
Total	14,000,000.00	-	47,950,000.00	62,000,000.00

The Company had short-term loans from The Crane Heavy Lift Co., Ltd. and The Crane Service Co., Ltd. by issuing promissory notes, the term not more than 1 year with interest charged at the rate referred to fixed deposit of commercial bank and unsecured.

The Company had short-term loans from related person by issuing short-term promissory notes, due at call with interest charged at the rate referred to minimum loan rate (MLR) and unsecured.

Movements of short-term loans from related parties for years ended 31 December 2017 and 2016 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	-	-	62,000,000.00	82,400,000.00
Increase	32,000,000.00	-	32,000,000.00	15,600,000.00
Decrease	(18,000,000.00)	-	(46,050,000.00)	(36,000,000.00)
Ending balance	14,000,000.00	-	47,950,000.00	62,000,000.00

Co-guarantee for liabilities with related parties

As at 31 December 2017, the Group had co-guarantee liabilities with related parties as follows:

The Company

The Company had co-guarantee for bank overdrafts and loans from financial institutions of subsidiaries in the amount of Baht 38 million (see Notes 12 and 16).

The Company had co-guarantee for liabilities under finance leases of subsidiaries at carrying values in the amount of Baht 817.27 million (see Note 17).

The Company had co-guarantee for bank guarantees of subsidiaries in the amount of Baht 19 million.

Related company

The Farmland 2 Co., Ltd. mortgaged land including existing construction and to be constructed against other short-term loans (see Note 15).

Related persons (director / shareholders)

Related persons had co-guarantee for liabilities under finance leases of the Group at carrying values in the amount of Baht 82.09 million (see Note 17).

Nature of relationship

Name	Country/Nationality	Relation	Type of relation
The Crane Lamechabang Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Rayong Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Heavy Lift Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Service Co., Ltd.	Thailand	Subsidiary	Direct holding
Crane Daeng Co., Ltd.	Thailand	Related company	Management and/or shareholders of the same family
20 Auction Co., Ltd.	Thailand	Related company	Management and/or shareholders of the same family
The Farm Valley Co., Ltd.	Thailand	Related company	Management and/or shareholders of the same person
The Farmland 2 Co., Ltd.	Thailand	Related company	Shareholders of the same person
Related persons	Thai	-	Management and/or shareholders

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase - sale of machinery and equipment for rent and goods	As agreed upon basis
Rendering of rent and transportation services	As agreed upon basis
Rendering of repair services	As agreed upon basis
Services and administrative expenses	As agreed upon basis
Land and building rental expenses	Stipulate in the agreement
Interest income and expense	Referred to the bank's interest rate

5. CASH AND CASH EQUIVALENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	460,878.20	227,418.28	138,000.00	54,457.53
Cash at banks	20,939,283.89	5,103,723.59	5,223,170.87	719,363.94
Total	21,400,162.09	5,331,141.87	5,361,170.87	773,821.47

6. TRADE AND OTHER RECEIVABLES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables	246,801,748.25	139,600,954.52	112,581,501.42	206,977,784.44
Less: Allowance for doubtful accounts	(59,163,578.33)	(57,666,666.25)	(6,183,507.45)	(3,295,975.18)
Trade receivables - net	187,638,169.92	81,934,288.27	106,397,993.97	203,681,809.26
Other receivables				
Accrued income	77,615,175.86	19,777,379.10	11,225,346.30	10,877,256.22
Advance payments	657,325.12	616,545.03	242,226.70	66,880.00
Others	1,194,100.57	1,230,719.86	582,062.01	496,967.89
Total	79,466,601.55	21,624,643.99	12,049,635.01	11,441,104.11
Less: Allowance for doubtful accounts	(965,160.22)	(1,142,031.18)	(453,027.00)	(453,027.00)
Other receivables - net	78,501,441.33	20,482,612.81	11,596,608.01	10,988,077.11
Trade and other receivables - net	266,139,611.25	102,416,901.08	117,994,601.98	214,669,886.37

Movements of allowance for doubtful accounts for the years ended 31 December 2017 and 2016 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	58,808,697.43	44,931,382.45	3,749,002.18	1,781,519.94
Add: Doubtful accounts	1,441,657.42	15,123,869.91	2,991,296.76	2,144,172.54
Less: Written-off bad debts	(121,616.30)	(1,246,554.93)	(103,764.49)	(176,690.30)
Ending balance	60,128,738.55	58,808,697.43	6,636,534.45	3,749,002.18

As at 31 December 2017 and 2016, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - other parties				
Current	20,740,934.84	40,779,456.01	2,545,158.47	2,029,228.24
Overdue				
Not over 3 months	149,574,402.13	37,420,586.24	48,548,215.96	15,339,601.40
Over 3 months up to 6 months	16,058,391.97	7,008,347.29	2,863,000.00	1,739,657.50
Over 6 months up to 12 months	8,637,901.15	12,424,393.58	3,504,932.57	799,984.37
Over 12 months	49,019,247.79	40,873,415.91	3,369,074.88	2,850,106.60
Total	244,030,877.88	138,506,199.03	60,830,381.88	22,758,578.11
Trade receivables - related parties				
Current	2,675.00	442,829.25	7,153,566.30	15,193,697.12
Overdue				
Not over 3 months	85,850.38	265,315.38	17,289,729.61	35,978,811.30
Over 3 months up to 6 months	2,303,481.12	386,610.86	12,096,596.87	8,250,028.57
Over 6 months up to 12 months	378,863.87	-	12,871,564.61	20,437,580.91
Over 12 months	-	-	2,339,662.15	104,359,088.43
Total	2,770,870.37	1,094,755.49	51,751,119.54	184,219,206.33

7. INVENTORIES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cranes	79,870,179.37	123,412,124.01	81,058,180.97	124,600,125.61
Forklifts	21,079,881.27	21,079,881.27	21,079,881.27	21,079,881.27
Excavator	9,665,757.67	49,776,456.45	9,665,757.67	49,776,456.45
Spare parts and component	16,084,265.13	17,340,037.30	16,185,835.13	17,441,607.30
Work in process and goods in transit	6,199,050.37	10,859,471.04	6,199,050.37	10,859,471.04
Total	132,899,133.81	222,467,970.07	134,188,705.41	223,757,541.67
Less: Allowance for devaluation of inventories	(8,882,391.66)	(4,834,063.08)	(8,882,391.66)	(4,834,063.08)
Inventories - net	124,016,742.15	217,633,906.99	125,306,313.75	218,923,478.59

Movements of allowance for devaluation of inventories for the years ended 31 December 2017 and 2016 were as follows:

	Baht	
	Consolidated and separate financial statements	
	2017	2016
Beginning balance	4,834,063.08	3,792,832.79
Add: Loss from obsolete stock	4,048,328.58	1,041,230.29
Ending balance	8,882,391.66	4,834,063.08

8. INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Holding (%)		Baht							
			Paid-up share capital		Cost		Allowance for impairment		Net	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
The Crane Lamechabang Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,300.00	24,999,300.00	(24,999,300.00)	(24,999,300.00)	-	-
The Crane Rayong Co., Ltd.	100	100	150,000,000.00	150,000,000.00	149,999,200.00	149,999,200.00	-	-	149,999,200.00	149,999,200.00
The Crane Heavy Lift Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,930.00	24,999,930.00	-	-	24,999,930.00	24,999,930.00
The Crane Service Co., Ltd.	100	100	100,000,000.00	100,000,000.00	99,993,000.00	99,993,000.00	-	-	99,993,000.00	99,993,000.00
Total					299,991,430.00	299,991,430.00	(24,999,300.00)	(24,999,300.00)	274,992,130.00	274,992,130.00

For the years ended 31 December 2017 and 2016 movements of allowance for impairment of investments in subsidiaries in separate financial statements were as follows:

	Baht	
	2017	2016
Beginning balance	24,999,300.00	-
Add: Loss on impairment	-	24,999,300.00
Ending balance	24,999,300.00	24,999,300.00

The Company provided an allowance for impairment of investments in subsidiaries based on the net book value in the financial statements of such subsidiary.

9. INVESTMENT PROPERTY

	Baht			
	Consolidated			Separate
	financial statements			financial statements
	Land and			
	Land	commercial building	Total	Land
Cost				
At 1 January 2016	-	3,563,066.00	3,563,066.00	-
Transfer in - land (see Note 10)	46,106,677.63	-	46,106,677.63	46,106,677.63
At 31 December 2016	46,106,677.63	3,563,066.00	49,669,743.63	46,106,677.63
Transfer in - land (see Note 10)	1,700,000.00	-	1,700,000.00	1,700,000.00
At 31 December 2017	47,806,677.63	3,563,066.00	51,369,743.63	47,806,677.63
Accumulated depreciation				
At 1 January 2016	-	1,802,459.58	1,802,459.58	-
Depreciation	-	24,163.20	24,163.20	-
At 31 December 2016	-	1,826,622.78	1,826,622.78	-
Depreciation	-	24,163.23	24,163.23	-
At 31 December 2017	-	1,850,786.01	1,850,786.01	-
Net book value				
At 31 December 2016	46,106,677.63	1,736,443.22	47,843,120.85	46,106,677.63
At 31 December 2017	47,806,677.63	1,712,279.99	49,518,957.62	47,806,677.63

	Millions Baht	
	Consolidated financial statements	
	2017	2016
Depreciation for the years ended 31 December		
were included in administrative expenses	0.02	0.02

The subsidiary has pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts (see Note 12).

The Company hired Noble Property Valuation Co., Ltd., an independent appraiser, to appraise the land. The appraised price is in the total amount Baht 65.51 million. The appraised price is based on the market price approach according to Property Appraisal Report dated 28 - 29 December 2016.

The management of the subsidiary appraised its land and commercial building. The appraisal value of Baht 3.88 million was determined based on average nearly published price.

As at 31 December 2017		
Parties	Period	The rate of lease per month (Millions Baht)
Property lease agreement (lessor)		
The Crane Lamechabang Co., Ltd.	Another person	1 year
		0.01

10. PROPERTY, PLANT AND EQUIPMENT

	Baht								
	Consolidated financial statements								
		Land		Machinery and	Machinery and	Furniture and		Construction in	
	Land	improvements	Buildings	equipment for rent	equipment	office equipment	Vehicles	progress and assets	
								in transit	Total
Cost									
At 1 January 2016	243,366,200.67	47,567,760.04	153,695,144.85	3,106,802,619.27	40,312,270.90	32,422,087.66	53,788,687.29	77,344,709.75	3,755,299,480.43
Purchases / transfer in	-	-	-	485,613,356.23	9,518,567.33	1,535,745.54	5,848,236.57	9,470,049.00	511,985,954.67
Transfer out / adjust	-	3,008,959.89	-	15,379,769.60	-	-	-	(18,388,729.49)	-
Transfer out - investment									
property (see Note 9)	(46,106,677.63)	-	-	-	-	-	-	-	(46,106,677.63)
Disposals / transfer out	-	-	-	(87,795,380.59)	(123,932.19)	(80,191.87)	(4,199,645.45)	(18,000.00)	(92,217,150.10)
At 31 December 2016	197,259,523.04	50,576,719.93	153,695,144.85	3,520,000,364.51	49,706,906.04	33,877,641.33	55,437,278.41	68,408,029.26	4,128,961,607.37
Purchases / transfer in	-	-	17,980.00	10,827,735.73	203,787,991.45	2,167,927.29	4,256,985.59	36,178,015.09	257,236,635.15
Transfer out / adjust	-	-	53,757.50	(166,325,490.61)	200,105,824.18	-	-	(33,834,091.07)	-
Transfer out - investment									
property (see Note 9)	(1,700,000.00)	-	-	-	-	-	-	-	(1,700,000.00)
Disposals / transfer out	-	-	-	(90,672,455.60)	(815,163.56)	-	(3,081,307.64)	(2,011,368.08)	(96,580,294.88)
At 31 December 2017	195,559,523.04	50,576,719.93	153,766,882.35	3,273,830,154.03	452,785,558.11	36,045,568.62	56,612,956.36	68,740,585.20	4,287,917,947.64
Accumulated depreciation									
At 1 January 2016	-	26,883,873.97	72,341,955.19	1,310,019,691.14	23,408,546.44	25,762,034.94	25,990,764.08	-	1,484,406,865.76
Depreciation	-	7,446,192.05	5,991,580.55	260,488,701.59	5,162,634.68	2,529,305.71	6,399,473.16	-	288,017,887.74
Disposals / transfer out	-	-	-	(49,251,137.41)	(97,533.21)	(28,133.52)	(3,338,733.04)	-	(52,715,537.18)
At 31 December 2016	-	34,330,066.02	78,333,535.74	1,521,257,255.32	28,473,647.91	28,263,207.13	29,051,504.20	-	1,719,709,216.32
Depreciation	-	5,708,476.20	5,992,100.36	233,216,004.90	62,058,829.98	2,563,548.40	6,515,343.23	-	316,054,303.07
Disposals / transfer out	-	-	-	(72,775,851.12)	(758,492.78)	-	(2,465,046.11)	-	(75,999,390.01)
At 31 December 2017	-	40,038,542.22	84,325,636.10	1,681,697,409.10	89,773,985.11	30,826,755.53	33,101,801.32	-	1,959,764,129.38

Baht								
Consolidated financial statements								
	Land	Land improvements	Buildings	Machinery and equipment for rent	Machinery and equipment	Furniture and office equipment	Vehicles	Construction in progress and assets in transit
	Land	improvements	Buildings	equipment for rent	equipment	office equipment	Vehicles	Total
Allowance for impairment								
At 1 January 2016	-	-	-	5,747,897.12	-	623,672.53	-	-
Loss on impairment	-	-	-	-	-	-	-	-
At 31 December 2016	-	-	-	5,747,897.12	-	623,672.53	-	-
Loss on impairment	-	-	-	-	-	-	-	102,624.25
At 31 December 2017	-	-	-	5,747,897.12	-	623,672.53	-	102,624.25
Net book value								
At 31 December 2016	197,259,523.04	16,246,653.91	75,361,609.11	1,992,995,212.07	21,233,258.13	4,990,761.67	26,385,774.21	68,408,029.26
At 31 December 2017	195,559,523.04	10,538,177.71	69,441,246.25	1,586,384,847.81	363,011,573.00	4,595,140.56	23,511,155.04	68,637,960.95

	Baht								
	Separate financial statements								
		Land		Machinery and	Machinery and	Furniture and		Construction in	
	Land	improvements	Buildings	equipment for rent	equipment	office equipment	Vehicles	progress and assets	Total
								in transit	
Cost									
At 1 January 2016	221,880,991.88	28,589,033.21	88,772,310.86	703,686,611.94	5,084,250.34	13,545,587.47	26,494,579.19	59,264,036.01	1,147,317,400.90
Purchases / transfer in	-	-	-	15,269,313.31	488,853.14	410,441.49	-	-	16,168,607.94
Transfer out - investment property (see Note 9)	(46,106,677.63)	-	-	-	-	-	-	-	(46,106,677.63)
Disposals / transfer out	-	-	-	(21,042,980.79)	-	(21,401.87)	(2,169,711.13)	-	(23,234,093.79)
At 31 December 2016	175,774,314.25	28,589,033.21	88,772,310.86	697,912,944.46	5,573,103.48	13,934,627.09	24,324,868.06	59,264,036.01	1,094,145,237.42
Purchases / transfer in	-	-	-	6,773,881.26	12,500.00	916,301.13	-	-	7,702,682.39
Transfer out - investment property (see Note 9)	(1,700,000.00)	-	-	-	-	-	-	-	(1,700,000.00)
Disposals / transfer out	-	-	-	(31,219,864.74)	(747,663.56)	-	(3,081,307.64)	-	(35,048,835.94)
At 31 December 2017	174,074,314.25	28,589,033.21	88,772,310.86	673,466,960.98	4,837,939.92	14,850,928.22	21,243,560.42	59,264,036.01	1,065,099,083.87
Accumulated depreciation									
At 1 January 2016	-	21,294,240.27	27,604,440.52	344,266,173.20	4,344,717.37	10,184,660.32	9,806,789.67	-	417,501,021.35
Depreciation	-	4,448,697.20	4,634,877.16	41,598,518.84	248,906.72	1,060,002.94	3,899,903.43	-	55,890,906.29
Disposals / transfer out	-	-	-	(12,720,200.30)	-	(8,141.61)	(1,714,785.58)	-	(14,443,127.49)
At 31 December 2016	-	25,742,937.47	32,239,317.68	373,144,491.74	4,593,624.09	11,236,521.65	11,991,907.52	-	458,948,800.15
Depreciation	-	2,612,326.84	4,634,877.16	32,768,395.16	286,708.92	1,012,482.33	3,140,282.66	-	44,455,073.07
Disposals / transfer out	-	-	-	(20,830,362.35)	(747,662.56)	-	(2,465,046.11)	-	(24,043,071.02)
At 31 December 2017	-	28,355,264.31	36,874,194.84	385,082,524.55	4,132,670.45	12,249,003.98	12,667,144.07	-	479,360,802.20

Baht								
Separate financial statements								
	Land	Land improvements	Buildings	Machinery and equipment for rent	Machinery and equipment	Furniture and office equipment	Vehicles	Construction in progress and assets in transit
								Total
Allowance for impairment								
At 1 January 2016	-	-	-	1,219,896.52	-	623,672.53	-	-
Loss on impairment	-	-	-	-	-	-	-	-
At 31 December 2016	-	-	-	1,219,896.52	-	623,672.53	-	-
Loss on impairment	-	-	-	-	-	-	-	-
At 31 December 2017	-	-	-	1,219,896.52	-	623,672.53	-	-
Net book value								
At 31 December 2016	175,774,314.25	2,846,095.74	56,532,993.18	323,548,556.20	979,479.39	2,074,432.91	12,332,960.54	59,264,036.01
At 31 December 2017	174,074,314.25	233,768.90	51,898,116.02	287,164,539.91	705,269.47	1,978,251.71	8,576,416.35	59,264,036.01

	Millions Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Depreciation for the years ended 31 December				
were included in				
- Cost of services	296.92	267.26	34.48	43.27
- Distribution costs	3.01	3.82	2.57	3.32
- Administrative expenses	16.12	16.94	7.41	9.30
Total	<u>316.05</u>	<u>288.02</u>	<u>44.46</u>	<u>55.89</u>
As at 31 December,				
Book value of equipment before less accumulated depreciation				
which have been fully depreciated and still in use.	<u>772.42</u>	<u>751.58</u>	<u>225.11</u>	<u>157.54</u>
Transferred machinery and equipment for rent to inventories				
at net book value and recognized as cost of sales when disposed				
the assets for the years ended 31 December,	<u>17.95</u>	<u>38.99</u>	<u>10.39</u>	<u>8.32</u>
Transferred inventories to machinery and equipment for rent				
for the years ended 31 December,	<u>143.88</u>	<u>104.66</u>	<u>6.77</u>	<u>15.27</u>
As at 31 December,				
the net book value of assets under finance lease agreements (see Note 17)				
- machinery and equipment	1,151.95	1,315.52	6.60	7.36
- vehicles	19.58	24.91	7.63	12.33
Total	<u>1,171.53</u>	<u>1,340.43</u>	<u>14.23</u>	<u>19.69</u>

The Group pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions (see Notes 12 and 16).

As at 31 December 2017			
	Parties	Period	The rate of lease per month (Millions Baht)
Property lease agreement (lessee)			
The Crane Lamechabang Co., Ltd.	The Company	3 years	0.10
The Crane Heavy Lift Co., Ltd.	The Company	1 year	0.05
The Crane Service Co., Ltd.	Related person	1 year	0.80
The Company	Related person	1 year	0.40

In year 2017, the Group changed the estimated useful lives of the machineries for rent which were purchased from China (Cranes and Forklifts) to comply with current use. Therefore, the Group changed the estimated useful lives of the machineries for rent from 15 years to 10 years. The effect of such change in estimated useful lives to increase in depreciation for the year ended 31 December 2017 in the amount of Baht 6.34 million in the consolidated financial statements and Baht 0.63 million in the separate financial statements.

11. INTANGIBLE ASSETS

In year 2017, the Company has computer software under installation in the amount of Baht 6.39 million in the consolidated and separate financial statements.

12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	19,390,408.78	34,050,125.73	9,478,681.77	24,093,162.91
Promissory notes	55,000,000.00	45,000,000.00	55,000,000.00	45,000,000.00
Trust receipt	-	2,440,716.80	-	2,440,716.80
Total	74,390,408.78	81,490,842.53	64,478,681.77	71,533,879.71

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2017	2016	
The Company				
Bank	Bank overdrafts	35.00	35.00	MOR
Bank	Promissory notes	55.00	45.00	MLR
Bank	Trust receipt / Letter of credit	250.00	250.00	MLR
Bank	Forward foreign currency contract	159.57	170.52	
Subsidiaries				
Bank	Bank overdrafts	23.00	23.00	MOR

The Group pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions. Moreover, the Company had co-guarantee for liabilities of subsidiaries (see Notes 4, 9 and 10).

13. TRADE AND OTHER PAYABLES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables	300,710,452.12	171,972,724.24	252,179,183.07	145,844,343.80
Other payables				
Accrued expenses	33,187,092.53	25,181,523.99	7,895,488.78	6,686,671.97
Payables from purchases of assets	7,888,125.70	25,190,950.92	467,000.00	494,285.00
Others	3,483,634.98	2,732,845.45	1,016,409.58	555,096.11
Total	44,558,853.21	53,105,320.36	9,378,898.36	7,736,053.08
Grand total	345,269,305.33	225,078,044.60	261,558,081.43	153,580,396.88

14. CURRENT PORTION OF DEBTS

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Loan from financial institutions	16	56,638,000.00	57,888,000.00	54,888,000.00	54,888,000.00
Liabilities under finance leases	17	255,649,227.10	324,552,914.19	3,918,053.46	6,990,722.56
Total		<u>312,287,227.10</u>	<u>382,440,914.19</u>	<u>58,806,053.46</u>	<u>61,878,722.56</u>

15. OTHER SHORT-TERM LOANS

	Baht	
	Consolidated and separate financial statements	
	2017	2016
Principal	180,000,000.00	200,000,000.00
Less: Deferred interest and fee	(1,146,856.70)	(524,255.27)
Net	<u>178,853,143.30</u>	<u>199,475,744.73</u>

Movements of other short-term loans for the years ended 31 December 2017 and 2016 were as follows:

	Baht	
	Consolidated and separate financial statements	
	2017	2016
Beginning balance	200,000,000.00	-
Increase	-	200,000,000.00
Decrease	(20,000,000.00)	-
Ending balance	<u>180,000,000.00</u>	<u>200,000,000.00</u>

In year 2016, the Company had short-term loans by issued 2 bills of exchange to securities company in the amount of Baht 100 million each, which were matured in 3 months with the interest rate of 4.5 percent per annum. On 19 January 2017 and 26 January 2017 the Company issued bills of exchange to another securities company in the amount of Baht 200 million, which were matured in 6 months with the interest rate of 7 percent per annum and fee rate of 2 percent per annum, for repayment of such 2 bills of exchange. Later on 27 July 2017 the Company repaid bills of exchange in the amount of Baht 20 million and issued bills of exchange in the amount of Baht 180 million, the interest rate of 8 percent per annum and fee rate of 2 percent per annum, due on 25 January 2018 (see Note 34).

The Farmland 2 Co., Ltd. (related company) mortgaged land including existing construction and to be constructed against other short-term loans (see Note 4).

16. LOANS FROM FINANCIAL INSTITUTIONS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loans from financial institutions	106,798,000.00	164,686,000.00	105,048,000.00	159,936,000.00
Less: Current portion of debts	(56,638,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Long-term loans from financial institutions	50,160,000.00	106,798,000.00	50,160,000.00	105,048,000.00

Movements of loans from financial institutions for the years ended 31 December 2017 and 2016 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	164,686,000.00	222,574,000.00	159,936,000.00	214,824,000.00
Decrease	(57,888,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Ending balance	106,798,000.00	164,686,000.00	105,048,000.00	159,936,000.00

The details of the loans were summarized as follows:

		Millions Baht						
Credit line	Lender	Credit line		Principal		Period	Referred Interest Rate	Repayment
		2017	2016	2017	2016			
The Company								
1	Bank	30.00	30.00	11.44	15.28	Feb. 2012 - Feb. 2021	MLR	Monthly principal repayment totaling 108 installments, Baht 0.32 million each
2	Bank	7.00	7.00	2.07	3.08	Jan. 2014 - Jan. 2021	MLR	Monthly principal repayment totaling 84 installments, Baht 0.08 million each
3	Bank	250.00	250.00	91.54	141.58	Oct. 2014 - Oct. 2019	MLR	Monthly principal repayment totaling 60 installments, Baht 4.17 million each
				105.05	159.94			
Subsidiaries								
4	Bank	15.00	15.00	1.75	4.75	Jul. 2013 - Jul. 2018	MLR	Monthly principal repayment totaling 60 installments, Baht 0.25 million each
				1.75	4.75			
				106.80	164.69			

The Group pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against loans from financial institutions. Moreover, the Company had co-guarantee for loan from financial institution of subsidiaries (see Notes 4 and 10).

17. LIABILITIES UNDER FINANCE LEASES

Baht												
2017							2016					
Consolidated financial statements			Separate financial statements				Consolidated financial statements			Separate financial statements		
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
Finance leases												
1	244,861,865.32	30,084,980.47	274,947,845.79	2,089,739.52	57,186.91	2,146,926.43	312,250,315.78	35,197,206.09	347,447,521.87	4,024,565.99	216,002.63	4,240,568.62
2 - 5	546,822,635.19	30,484,171.81	577,306,807.00	422,488.83	11,623.73	434,112.56	628,339,262.04	36,991,547.86	665,330,809.90	2,513,373.31	68,810.64	2,582,183.95
	791,684,500.51	60,569,152.28	852,254,652.79	2,512,228.35	68,810.64	2,581,038.99	940,589,577.82	72,188,753.95	1,012,778,331.77	6,537,939.30	284,813.27	6,822,752.57
Sale and leaseback agreement												
1	10,787,361.78	1,326,793.21	12,114,154.99	1,828,313.94	42,910.31	1,871,224.25	12,302,598.41	1,789,586.71	14,092,185.12	2,966,156.57	241,656.55	3,207,813.12
2 - 5	27,480,629.90	1,582,725.10	29,063,355.00	-	-	-	35,804,450.28	2,389,453.50	38,193,903.78	1,828,313.90	42,910.31	1,871,224.21
	38,267,991.68	2,909,518.31	41,177,509.99	1,828,313.94	42,910.31	1,871,224.25	48,107,048.69	4,179,040.21	52,286,088.90	4,794,470.47	284,566.86	5,079,037.33
Total												
1	255,649,227.10	31,411,773.68	287,061,000.78	3,918,053.46	100,097.22	4,018,150.68	324,552,914.19	36,986,792.80	361,539,706.99	6,990,722.56	457,659.18	7,448,381.74
2 - 5	574,303,265.09	32,066,896.91	606,370,162.00	422,488.83	11,623.73	434,112.56	664,143,712.32	39,381,001.36	703,524,713.68	4,341,687.21	111,720.95	4,453,408.16
	829,952,492.19	63,478,670.59	893,431,162.78	4,340,542.29	111,720.95	4,452,263.24	988,696,626.51	76,367,794.16	1,065,064,420.67	11,332,409.77	569,380.13	11,901,789.90

On 4 April 2017 and 7 April 2017, The Crane Lamechabang Co., Ltd. and The Crane Rayong Co., Ltd. (“Subsidiaries”) entered into debt restructuring agreements under finance leases with certain companies to change the terms of repayment which have outstanding debts at the date of amendment agreements in the amount of Baht 77.50 million and Baht 605.28 million, respectively.

The Group entered into the finance lease agreements for purchase machinery and equipment for rent and vehicles, payable monthly in the amount of Baht 14.38 million. As at 31 December 2017, the current portion of liabilities under the finance leases in the amount of Baht 255.65 million (year 2016: Baht 324.55 million) for the consolidated financial statements and Baht 3.92 million (year 2016: Baht 6.99 million) for the separate financial statements was presented under current portion.

The Company had co-guarantee for partial of liabilities under finance leases of subsidiaries. Moreover related persons had co-guarantee for partial of liabilities under finance leases of the Group (see Note 4).

18. DEFERRED TAX

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets	28,776,078.68	27,471,274.43	5,373,146.32	3,566,679.02
Deferred tax liabilities	(107,132,661.47)	(116,131,443.65)	(40,618,224.54)	(40,135,000.99)
Deferred tax liabilities - net	<u>(78,356,582.79)</u>	<u>(88,660,169.22)</u>	<u>(35,245,078.22)</u>	<u>(36,568,321.97)</u>

Movements in deferred tax assets and deferred tax liabilities during the years were as follows:

	Baht						
	Consolidated financial statements						
	Other comprehensive			Other comprehensive			
	1 January 2016	Profit (loss)	loss	31 December 2016	Profit (loss)	loss	31 December 2017
Deferred tax assets							
Trade and other receivables	8,764,982.10	2,717,326.58	-	11,482,308.68	457,792.18	-	11,940,100.86
Inventories	362,200.00	-	-	362,200.00	1,252,078.33	-	1,614,278.33
Property, plant and equipment	613,873.23	(24,946.86)	-	588,926.37	(24,946.87)	-	563,979.50
Provision	4,085,287.83	182,633.06	(590,384.53)	3,677,536.36	283,138.89	(663,258.28)	3,297,416.97
Tax loss carry forward	22,274,316.18	(10,914,013.16)	-	11,360,303.02	-	-	11,360,303.02
Total	36,100,659.34	(8,039,000.38)	(590,384.53)	27,471,274.43	1,968,062.53	(663,258.28)	28,776,078.68
Deferred tax liabilities							
Property, plant and equipment	(88,839,206.75)	(27,292,236.90)	-	(116,131,443.65)	8,998,782.18	-	(107,132,661.47)

Baht							
Separate financial statements							
	Other comprehensive			Other comprehensive			
	1 January 2016	Profit (loss)	loss	31 December 2016	Profit (loss)	loss	
Deferred tax assets							
Trade and other receivables	829,263.99	263,187.10	-	1,092,451.09	771,290.40	-	1,863,741.49
Inventories	362,200.00	-	-	362,200.00	1,252,078.33	-	1,614,278.33
Property, plant and equipment	293,873.23	(24,946.86)	-	268,926.37	(24,946.87)	-	243,979.50
Provision	1,975,597.37	(1,791.30)	(130,704.51)	1,843,101.56	(47,623.67)	(144,330.89)	1,651,147.00
Tax loss carry forward	6,943,039.16	(6,943,039.16)	-	-	-	-	-
Total	10,403,973.75	(6,706,590.22)	(130,704.51)	3,566,679.02	1,950,798.19	(144,330.89)	5,373,146.32
Deferred tax liabilities							
Property, plant and equipment	(37,609,452.91)	(2,525,548.08)	-	(40,135,000.99)	(483,223.55)	-	(40,618,224.54)

19. EMPLOYEE BENEFITS

Movements of the present value of employee benefit obligations for the years ended 31 December 2017 and 2016 were as follows:

	Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance as at 1 January	18,387,681.81	20,426,439.10	9,215,507.79	9,877,986.84
Included in profit or loss:				
Current service cost	3,859,278.43	1,798,063.06	766,482.72	773,863.20
Interest cost	354,608.88	442,223.71	152,436.50	196,630.45
Included in other comprehensive income (loss):				
Actuarial (gain) loss arising from				
Demographic assumptions changes	564,006.15	-	183,390.89	-
Financial assumptions changes	183,077.08	-	86,790.51	-
Experience adjustments	(4,063,374.59)	(2,951,922.66)	(991,835.83)	(653,522.54)
Benefits paid during the year	(2,798,192.91)	(1,327,121.40)	(1,157,037.55)	(979,450.16)
Ending balance as at 31 December	16,487,084.85	18,387,681.81	8,255,735.03	9,215,507.79

The Group made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

Principal actuarial assumptions (expressed as weighted averages) as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.24% - 3.20%	3.03% - 3.25%	2.24% - 2.51%	3.16%
Salary increase rate	2% - 5%	5%	2% - 3%	5%
Retirement age	60 years	60 years	60 years	60 years
Mortality rate	105% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2008	105% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2008

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

As at 31 December 2017, the Group expected to pay of post-employment benefits during the next year in the consolidated and separate financial statements in the amount of Baht 2.12 million and Baht 1.19 million respectively.

As at 31 December 2017, the weighted average duration of the liabilities for post-employment benefits in the consolidated and separate financial statements is approximately 10.71 years and 9.60 years respectively.

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

	Baht			
	Consolidated financial statements			
	2017		2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,068,868.80)	1,204,863.90	(1,705,871.22)	2,020,275.68
Salary increase rate (1% movement)	1,174,357.43	(1,063,935.60)	1,960,036.47	(1,691,430.05)
Turnover rate (20% movement)	(1,331,715.00)	1,610,317.00	-	-
Mortality rate (20% movement)	(146,597.00)	148,288.00	-	-

	Baht			
	Separate financial statements			
	2017		2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(450,949.00)	504,214.00	(671,674.88)	784,885.91
Salary increase rate (1% movement)	497,318.00	(453,614.00)	760,657.77	(665,318.01)
Turnover rate (20% movement)	(552,401.00)	663,663.00	-	-
Mortality rate (20% movement)	(56,414.00)	56,900.00	-	-

20. SHARE CAPITAL

At the Ordinary General Meeting of Shareholders held on 27 April 2017, resolutions were passed authorizing as follows:

- Issuance of the warrants to purchase ordinary shares of the Company No.1 (“CRANE-W1”) to the existing shareholders’ who subscribe for the capital increase ordinary share proportionately to their shareholding (Right Offering) and their excess right. The total units of warrants are not more than 174,106,171 units with the warrant offering ratio of 1 unit of Warrant allotted to 1 new ordinary share with no offering price. The Warrants shall have a term of 3 years from the issue date and have the exercise price of Baht 3 per ordinary share and the exercise rate of 1 unit of the Warrants right to purchase 1 newly issued share. The Warrant Holders shall exercise the warrant according to the amount allotted by the Company from the issuance date. The exercises are set to be on every 6 months from the first exercise date. In case of the last exercise date, the Warrant Holders may submit their notification of intention to exercise during the period of 15 days before the last exercise date.
- Decrease registered capital of the Company from Baht 696,426,133 to Baht 696,424,685 by eliminating the unissued shares of 1,448 shares at the par value of Baht 1 each.
- Increase registered capital of the Company from Baht 696,424,685 to Baht 1,044,637,027 by issuing new 348,212,342 ordinary shares at the par value of Baht 1 each and allot new ordinary shares as follows:
 1. Allot new ordinary shares not exceeding 174,106,171 shares to be offered to the existing shareholders in proportion to their shareholding (Right Offering) at the ratio of 4 existing shares to 1 new ordinary share. The offering price is Baht 2 per share.
 2. Allot new shares not exceeding 174,106,171 shares for the warrants to purchase ordinary shares of the Company No.1 (CRANE-W1).
- The Company registered the decrease and increase of its registered share capital with the Ministry of Commerce on 23 May 2017 and 24 May 2017, respectively.

During 30 May – 5 June 2017, the Company received the proceeds from new 60,633,189 ordinary shares. The offering price is Baht 2 per share, totaling amount Baht 121.27 million. The Company recorded expenses for selling increase share capital in the amount of Baht 0.71 million deducted from share premium account.

The Company registered the change in its paid-up share capital with the Ministry of Commerce on 13 June 2017.

21. WARRANTS TO PURCHASE ORDINARY SHARES

On 3 July 2017, the Company allocated warrants No.1 (CRANE-W1). The details of the warrants are described belows:

Type of securities	: Warrants to purchase ordinary shares of Chukai Public Company Limited No. 1 (CRANE-W1).
Type of warrants	: Specified warrant's holder and transferable
Term of warrants	: 3 years from the issuance date
Number of warrants	: 60,633,189 units
Offering price	: Baht 0 per unit
Exercise ratio	: 1 warrant will be entitled to purchase 1 ordinary share (subject to change in case of the adjustment to the terms and conditions)
Exercise price	: Baht 3 per share
Exercise period	: Shall be able to exercise at every 6 months from the first exercise date
The first exercise date	: 15 January 2018
The last exercise date	: 2 July 2020
Maturity date	: 2 July 2020

22. SHARE PREMIUM

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

23. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 share capital. The statutory reserve could not be used for dividend payment.

24. DIVIDEND

Subsidiaries

The Board of Directors' Meeting of The Crane Heavy Lift Co., Ltd. held on 22 December 2017, a resolution was passed to approve the payment of an interim dividend at the rate of Baht 5.20 per share, in the total amount of Baht 13 million.

The Board of Directors' Meeting of The Crane Service Co., Ltd. held on 22 December 2017, a resolution was passed to approve the payment of an interim dividend at the rate of Baht 800 per share, in the total amount of Baht 80 million.

25. PROVIDENT FUND

The Group and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Group. The Fund is managed by CIMB-Principal Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2017, Baht 2.24 million (year 2016: Baht 2.22 million) in the consolidated financial statements and Baht 1.10 million (year 2016: Baht 1.19 million) in the separate financial statements have been contributed to the Fund by the Group.

26. EXPENSES BY NATURE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Purchases of goods	315,722,125.55	274,734,263.16	315,722,125.55	274,734,263.16
Supplies used	63,815,738.59	32,668,950.11	38,320,903.48	35,089,374.09
Employee expenses	218,555,792.03	166,743,101.89	74,128,654.19	78,162,061.38
Cost of rental and transportation services	77,144,201.60	45,112,469.04	12,959,798.69	17,501,332.11
Other rental and service expenses	7,723,945.24	10,130,310.89	3,242,516.82	3,142,389.27
Insurance expenses	10,507,897.42	9,338,702.30	896,668.47	1,071,412.45
Maintenance expenses	43,837,686.58	39,104,572.68	5,159,909.76	4,046,288.94
Depreciation	316,078,466.30	288,042,050.94	44,455,073.07	55,890,906.29
Sale promotion expenses	5,456,945.71	8,444,951.56	4,770,270.68	6,868,299.73
Fees	6,195,175.77	6,196,254.73	3,195,469.68	3,276,714.59
Doubtful accounts and bad debts	1,441,657.42	15,123,869.91	22,626,640.17	14,557,050.57
Loss on obsolete stock	4,048,328.58	1,041,230.29	4,048,328.58	1,041,230.29
Loss on impairment of investments				
in subsidiaries	-	-	-	24,999,300.00
Loss on impairment of assets				
and written-off assets	3,905,310.30	241,549.60	-	47,252.61

27. FINANCE COSTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Interest expenses	68,761,234.44	70,549,523.57	26,244,433.34	22,557,349.94
Financial fees	3,589,041.08	-	3,589,041.08	-
Total	72,350,275.52	70,549,523.57	29,833,474.42	22,557,349.94

28. INCOME TAX

Tax income (expense) recognized in profit or loss for the years ended 31 December 2017 and 2016 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax				
Current year	(9,144,947.58)	-	-	-
Deferred tax				
Movement in temporary differences	10,966,844.71	(35,331,237.28)	1,467,574.64	(9,232,138.30)
Tax income (expense)	1,821,897.13	(35,331,237.28)	1,467,574.64	(9,232,138.30)

Income tax recognized in other comprehensive income (loss) for the years ended 31 December 2017 and 2016 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provision	(663,258.28)	(590,384.53)	(144,330.89)	(130,704.51)

Reconciliation of effective tax rate

Consolidated financial statements

	2017		2016	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit (loss) before income tax		28,599,585.88		(244,801,355.14)
Income tax using the corporate tax rate	20	(5,719,917.18)	20	48,960,271.03
Expenses not deductible for tax purposes		(27,943,318.50)		(10,496,679.36)
Revenues granted income tax exemption		19,529,664.54		-
Addition expenses deductible for tax purposes		16,651,425.19		26,258,004.26
Effects of elimination entries on consolidation		(17,768,036.50)		7,355,612.74
Loss carry forward		17,694,853.28		-
Current year loss		(11,589,618.41)		(72,077,208.67)
Current tax	32	(9,144,947.58)	-	-
Movement in temporary differences		10,966,844.71		(35,331,237.28)
Tax expense	6	1,821,897.13	14	(35,331,237.28)

Separate financial statements

	2017		2016	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit (loss) before income tax		25,035,597.62		(129,466,017.96)
Income tax using the corporate tax rate	20	(5,007,119.52)	20	25,893,203.59
Expenses not deductible for tax purposes		(8,618,880.02)		(6,559,845.69)
Revenues granted income tax exemption		18,598,874.80		-
Addition expenses deductible for tax purposes		3,755,132.20		477,312.57
Current year loss		(8,728,007.46)		(19,810,670.47)
Current tax	-	-	-	-
Movement in temporary differences		1,467,574.64		(9,232,138.30)
Tax income (expense)	6	1,467,574.64	7	(9,232,138.30)

29. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner 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 the directors of the Company.

The Group operates the business related to sales, provide maintenance services, rental services for cranes, forklifts, excavator, trailers and trucks and transportation services. Therefore, Management considers that the Group operates in a single line of business and operates in a single geographic area, namely in Thailand.

Revenue from sales and services for the years ended 31 December 2017 and 2016 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenue from sales	269,520,914.28	219,590,004.69	477,412,436.86	352,850,708.94
Revenue from services	887,825,116.20	430,754,720.98	76,110,834.03	77,167,375.32
Total	1,157,346,030.48	650,344,725.67	553,523,270.89	430,018,084.26

Information about major customers

For the year ended 31 December 2017, the Company has revenue from 2 major customers in amount of Baht 385.06 million from services segment.

30. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2017, the Group had commitments and contingent liabilities as follows:

The Company

30.1 Commitments for payment under agreement as follows:

- 30.1.1 The service agreements in the amount of Baht 0.39 million per month.
- 30.1.2 The land and/or building lease agreement with related person and other persons in the amount of Baht 0.40 million and Baht 0.12 million per month respectively.
- 30.1.3 Construction office building, factory and other service in the amount of Baht 3.06 million.
- 30.1.4 The purchase machinery and equipment agreements in the amount of USD 0.59 million and Baht 3.60 million.

30.2 The letter of guarantee issued by the bank in the amount of Baht 0.23 million.

30.3 Contingent liabilities on co-guarantee for liabilities under finance leases of subsidiaries and co-guarantee for bank guarantees, bank overdrafts and loans from financial institutions of subsidiaries (see Note 4).

Subsidiaries

30.4 Commitments for payment under agreement as follows:

30.4.1 The land and/or building lease agreement with related person and other persons in the amount of Baht 0.80 million and Baht 0.11 million per month respectively.

30.4.2 The service agreement in the amount of Baht 0.61 million per month and other service in the amount of Baht 2.20 million.

30.4.3 The rental equipment agreement in the amount of Baht 0.12 million per month.

30.5 The letter of guarantee issued by the bank in the amount of Baht 19.72 million.

30.6 The Crane Heavy Lift Co., Ltd. was informed by the official receiver to pay rent in the amount of Baht 13.60 million (see Note 33).

31. FINANCIAL INSTRUMENTS

The Group has no policy to speculate or trade in any financial instrument derivatives.

Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Financial risk management policies

The Group is exposed to fluctuations in interest rates and foreign exchange rates and the risks from default of the agreements by counterparties. The Group had risk management policies as follows:

Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Group's operations and cash flows. The Group has interest rate risk from cash at banks, short-term loans, bank overdrafts, short-term

borrowings and loans from banks because the interest rate of the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates.

Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at 31 December 2017 and 2016, the Group had liabilities in foreign currencies without hedging as follows:

	Million			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Currencies				
Yen (Japan)	3.40	25.57	3.40	2.97
US Dollars	6.37	3.27	6.37	3.25
EURO	-	0.09	-	0.06
Singapore Dollars	0.02	0.01	-	-
Malaysian Ringgit	-	0.10	-	0.10

Credit risk – trade receivables

The Group has a policy to hedge credit risk from trade receivables by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Group expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

Fair value

Most of the financial assets are cash and cash equivalents, trade and other receivables and short-term loans to related parties which are short-term credit. Most of the financial liabilities are bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related parties, loans from banks and liabilities under finance leases with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

32. FAIR VALUE HIERARCHY

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

Millions Baht				
Consolidated financial statements				
2017				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	69.39	-	69.39
Millions Baht				
Consolidated financial statements				
2016				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	69.39	-	69.39
Millions Baht				
Separate financial statements				
2017				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	65.51	-	65.51
Millions Baht				
Separate financial statements				
2016				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	65.51	-	65.51

During the year, there was no transfer within the fair value hierarchy.

33. LITIGATION

Subsidiaries

In 2005, the Crane Heavy Lift Co., Ltd. (“subsidiary”) was informed by the official receiver to pay rent in the amount of Baht 13.60 million and the cancellation of an agreement. The subsidiary denied the rental agreement with the official receiver because the subsidiary has an agreement with the subsidiary’s related person. In 2012, the subsidiary did not use such land and recorded provision, as at 31 December 2017, in the amount of Baht 11.87 million in the financial statements. However, if the subsidiary loses more than such provision, the subsidiary’s director will be responsible for the total in excess. At present, other than the above letter, the subsidiary has not been contacted by the official receiver.

34. EVENTS AFTER THE REPORTING PERIOD

On 25 January 2018, the Company issued bills of exchange to securities company in the amount of Baht 180 million, which will be matured in 6 months with the interest rate of 7.5 percent per annum and fee rate of 2.5 percent per annum, for repayment other short-term loans (see Note 15).

35. APPROVAL OF THE FINANCIAL STATEMENTS

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



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