



Crown Tech Advance Public Company Limited

Vision and Important Financial Information

Vision

"AJ creates wealth, happiness and economy throughout the country"

Mission

1. We will provide an electrical appliances based on all customers' needs both audio visual and home alliance which are innovative, variety and standardize for the delightful of customer and also create wealth happiness and economy throughout the country.
2. We will be the leader in payment gateway channel which comprehended of security and efficiency by created the convenience for user and also improved the community economy from the innovative products to support various customers' needs.

Important Financial Position

	Unit: million		
	2014	2015	2016
Statement of financial position			
Total assets	2,960.18	2,387.47	3,011.84
Total liabilities	2,277.37	1,164.52	1,145.54
Total equities	682.82	1,222.95	1,866.30
Statement of comprehensive income			
Revenue from sales, service and interest received	1,863.11	1,764.19	2,520.94
Cost of sales and services	1,143.51	1,063.03	1,132.16
Profit before finance costs and income tax expense	175.97	94.42	674.69
Net Profit	122.14	6.37	355.46
Financial Ratios			
Net profit margin (%)	6.53	0.36	13.90
Return on equity (%)	23.45	0.68	25.30
Return on assets (%)	5.83	0.24	13.17
Debt to equity ratio (time)	3.38	0.98	0.61
Net profit per share (Baht)	0.042	0.002	0.090

Investors can find out more information from 56-1 form which publish in www.set.or.th or www.ajthai.com

 Vision and Important Financial Information	
 Message from the Chairman of Board of Directors	2
 Message from Chief Executive Officer	3
 Report of the Audit Committee	4
 The Board of Directors	6
 Nature of Business	11
 Risk Factors	13
 Shareholding Structure	16
 Dividend Payment Policy	16
 Management Structure	17
 Corporate Governance	30
 Corporate Social Responsibility	37
 Internal Control	45
 Related Parties Transactions	47
 Financial Statement and Performance	54
 Management's Discussion and Analysis of Results of Operations and Financial Condition	62
 Independent Auditor's Report and Financial Statements	74

Message from the Chairman of Board of Directors

2016 is the year that Crown Tech Advance Public Company Limited had an outstanding performance from continuing growth of vending machine business. We can make profit of 355.46 million Baht or increase 5,473.27 percent from previous year. The Company continually adapted forward to a sustainability company under the good governance with vision of “AJ creates wealth, happiness and economy throughout the country”



Not only the Company engaged to develop and improve strategy of original business including import and sale of electronic appliances, vending machine business but also try to explore new business, develop expertise of human resources to be ready and support with online and digital society including government scheme of Thailand 4.0.

In term of finance structure of the company, the Company has vending machine business which is conducted as installment payment in 4-5 years' timeframe, which made the Company to utilize financial tool and financing scheme to support growth of this business. In 2016, debt to equity ratio is 0.61 time and interest bearing ratio of 0.43 times.

The Company sincerely thank you all shareholders for continuing support and believe in our operation and business. Also thank you all employees for hard work to achieve our goal. The Company has strong will to run the business to be better and better with good corporate governance aiming for sustainable company and great operating result.

A handwritten signature in blue ink, which appears to read "Khan Prachuabmoh". The signature is fluid and stylized, with a long horizontal line extending from the end.

(Mr. Khan Prachuabmoh)

Chairman of the Board of Directors

Message from Chief Executive Officer



In 2016, the Company can make significantly improve on revenue by increasing 355.46 million Baht or 5,473.27 percent compared to previous year which also considered to be the highest revenue growth incurred since the establishment of the company. This impressive result comes from the investment in new business of “AJ Termsabye” which the Company invested 60% of ‘Vending Corporation Co., Ltd’ since late 2015. From a small business on that day made a huge impact today driven by potential and skillful executives and also financial support from parent company. The beginning of 300 machines can jump to 40,000 machines today with over 400 million Baht top up per month and becoming the 2nd market share in this industry.

We try to work our best to explore new opportunity that rely on digital marketing scheme in order to be the leader to drive the country to digital 4.0 economy. Accepted that old business model would slowly fade away compensate with new digital business model and technology. However, we still keep balance between our core business and new investment in term of sourcing with competitive price and support of cash flow for continuing growth and sustain in the future.

All executives and employees committed to dedicate all of our knowledge and capability for the bright future of the company and create impressive return to shareholders with good corporate governance also to partner, customer, employee and our beloved country



(Mr. Amorn Meemano)

Chief Executive Officer

Report of the Audit Committee

The audit committee members composed Mr. Khan Prachuabmoh, an expert of management, finance and banking Mr. Vacharin Duangdara, an expert in law and business regulations, and Mrs. Chanatip Weerasubpong, an expert in accounting/finance and taxation. All members performed the duties in compliance with regulations of the Stock Exchange of Thailand including other relevant laws. The important issues in the meeting in 2016 were summarized as follows:

1. Reviewed the quarterly and annual financial statements of 2016 by jointly discussing with the auditor and the accounting executives. The Audit Committee questioned on account receivable, inventory, provision, and other judgements by details as it has significant changes which may affect to the future operation, which the auditor can clearly clarify. The audit committee deemed that such financial statements which have been prepared pursuant to generally accepted accounting principles were correct and reliable.
2. Reviewed risk controlling process especially in new business. The review was specified on the project feasibility in details.
3. Reviewed the related transaction or the transaction which might have conflict of interest. The audit committee investigated the appropriateness which will be benefit to the Company in accordance with the rules, regulations and laws on securities and stock exchange and any relevant laws.
4. Reviewed adequacy of the internal control system, which the Company hired professional to do internal audit control and reported on quarterly basis with minor issues after reviewing. The Audit Committee suggested that the company should have its own in-house internal audit department working parallel with external party in order to increase efficiency in operation and evaluate strength, weakness and turn the weakness of the Company to strength in the future.
5. Reviewed and ensure that the Company correctly and appropriately complied with the rules, regulations and laws on securities and stock exchange and any relevant laws. The company adapted the policy as audit committee recommended to comply with regulations.
6. The audit committee agreed and proposed to the executive committee to emphasize on ethical, corporate governance, anti-corruption, and risk control by setting up corporate governance committee, risk control committee and anti-corruption committee.
7. Reviewed and selected KPMG Phoomchai Audit Ltd., the Company's audit for the previous year to be the auditor for another year by proposing to the meeting of the Board of Directors to request for approval from the 2017 Annual General Meeting of Shareholders to appoint Mr. Ekkasit Chuthamsatid, a certified public accountant, registration no. 4195, or Mr. Thanit, Osathalert, a certified public account, registration no. 4628 or Mr. Thanit Osathalert, a certified public accountant, registration no. 5155 or Mr. Sakda Kaothanthong, registration no. 4628 of KPMG Poomchai Auditing Co., Ltd., which are qualified to be the auditor of the listed company pursuant to regulations of the Office of the Securities and Exchange Commission to be the Company's auditor for 2017 and approved remuneration of 4,630,000 Baht.

The Audit Committee has independence to perform duties as per assigned and has consulted with auditor every quarter and also has taken other related information from other sources about company in consideration. Its opinion that the Company financial report are accurate and reliable, and in accordance with the generally accepted accounting principles, with reasonable related parties transaction. The Company also commands adequate risk management practices and suitable effective internal audit, has in place work practices aligning with good governance and complies with law requirements, and obligations related to its businesses.

On behalf of the Audit Committee



(Mr. Khan Prachuabmoh)

Chairman of Audit Committee

The Board of Directors



1

1. Mr. Khan Prachuabmoh

Position	: Chairman of the Board of Directors/ Chairman of the Audit Committee
Education	: M.A. HONOURS, Economics and Political Science, University of Dundee, Scotland, United Kingdom Diploma, National Defense College, The National Defense Course Class 8 Diploma, Senior Executive in Justice, Judicial Training Institute Class 13 Honorary Degree of Doctor of Business Administration (Finance) year 2014, Rajamangala University of Technology Thanyaburi
Training Record	: Director Certification Program Senior Executive in Energy Class 6, Thailand Energy Academy Senior Executive in Metropolitan Development, Class 1, Institute of Metropolitan Development Corporate Governance and Executive Director of State Enterprise and Public Company, Public Director Institute Capital Academy Leadership Program, Class 6
Working Experience :	
2011 - Present	Advisor, Bank of China (Thai)
2002 - 2010	President, Government Housing Bank
1993 - 2000	President and Vice President, DBS Thaitanu Public Company Limited

2. Mr. Amorn Meemano

Position : Director/ Executive Committee/
Chief Executive Officer

Education : Honorary Doctor of Business administration,
Ramkhamhaeng University
Master Degree in Business Administration,
Beijing University
Bachelor Degree in Business Administration,
Assumption University

Training Record : Director Accreditation Program

Working Experience :

2015 - Present	Director, Vending Corporation Co., Ltd.
2009 - Present	Managing Director, Muang Thai Digital Co., Ltd.
2007 - Present	Director, Happy Vision Co., Ltd.
2007 - Present	Managing Director, Muke Inter Co., Ltd.
2006 - Present	Director, Maxon Herb Marketing (Thailand) Co., Ltd.
2005 - Present	Director, Siam Advance Electronic Co., Ltd.
2005 - Present	Managing Director, Cap Advance Co., Ltd.
2002 - Present	Director, T&C Advance Electronic Co., Ltd.
1999 - Present	Director, Petchnumnueng Jewelry Co., Ltd.



2



3

3. Mr. Pipat Patiwetphinyo

Position : Director/ Executive Committee/ Deputy Managing
Director : Operation

Education : Bachelor Degree in Business Administration -
Marketing, Kasetsart University

Training Record : Director Accreditation Program

Working Experience :

2015 - Present	Director, Vending Corporation Co., Ltd.
2007 - Present	Director, Happy Vision Co., Ltd.
2005 - Present	Director, Siam Advance Electronic Co., Ltd.
2002 - Present	Director, T&C Advance Electronic Co., Ltd.
1993 - 2007	Director, JSC Electric Wire and Cable Co., Ltd.



4

4. Mr. Anake Pattanaslid

Position : Director

Education : Bachelor Degree in Business Administration,
Huachiew University

Training Record : Director Accreditation Program

Working Experience :

2007 - Present	Director, Happy Vision Co., Ltd.
2013 - Present	Director, Losanne Khao Yai Co., Ltd.
2010 - Present	Director, T&C Advance Electronic Co., Ltd.
2006 - Present	Director, Maxon Herb Marketing (Thailand) Co., Ltd.
2005 - Present	Director, Siam Advance Electronic Co., Ltd.
1993 - Present	Director, B.V.S. Trading Co., Ltd.
1987 - Present	Director, Flying Fish Service (Thailand) Co., Ltd.
1987 - Present	Director, Super Ten Co., Ltd.



5

5. Mrs. Nasikar Meemanonuns

Position : Director

Education : Bachelor Degree in Business Administration
Marketing, Thammasat University

Training Record : Director Certification Program (DCP)

Working Experience :

2015 - Present	Director, Vending Corporation Co., Ltd.
2015 - Present	Director, Happy Vision Co., Ltd.
1997 - Present	Managing Director, Petchnumnueng Jewelry Co., Ltd.
1993 - 1996	Insurance agent, Assistant Unit Manager AIA Group Limited
1991 - 1993	Marketing Manager, S.O.S. Marketing Co., Ltd.
1989 - 1990	Assistant Marketing Manager, T.N. Incorporated Co., Ltd.
1987 - 1989	Assistant Marketing Manager, I.P. Trading Co., Ltd.
1986 - 1987	Marketing Officer, Saha Pathanapibul Co., Ltd.

6. Mr. Sirichai Tainuthai

Position : Director

Education : Master Degree in Business Administration,
California state university, USA
Bachelor Degree in Economics,
Kasetsart University

Training Record : Director Accreditation Program

Working Experience : Advisor, The Ultrawealth Co., Ltd.
Advisor, The Ultrawealth Group Co., Ltd.
Director, Siam sincere Import Export
Limited Partnership
Deputy Managing Director, Hello Discount
Limited Partnership
Materials and Production Control Manager, Copper
Clad Multilayer Products Inc., California, USA.
Sales staff Louis T. Leonowens (THAILAND) Limited
(A Member of GETZ BROS. & CO. INC., California)



6



7

7. Mr. Vacharin Duangdara

Position : Audit Committee/ Independent Director

Education : Master Degree in Business Administration (MBA),
Kasetsart University
Bachelor Degree in Laws, Thammasat University

Training Record : Director Accreditation Program
Director Certification Program

Working Experience :

2009 - Present	Chairman of Audit Committee/ Independent Director, Chu Kai Plc.
2011 - Present	Independent Director, Permsin Steel Works Plc.
2013 - 2015	SVP - Special Investigation, Siam Commercial Bank Plc.
2011 - 2013	SVP - Law department Krungthai Card
2008 - 2011	SVP - Investigation department, Bank of Ayudhya Plc.
2004 - 2008	Lawyer, Legal Line Co., Ltd.
1999 - 2004	Executive Director, Asia Recovery Management Co., Ltd.
1995 - 1999	Managing Director, M-Thai Asset Management Co., Ltd.
1992 - 1995	VP. Ake Chart Securities Company
1982 - 1992	VP, Thanachart Securities Company



8

8. Mrs. Chantip Weerasubpong

Position	: Audit Committee/ Independent Director
Education	: Master Degree in Accounting, Thammasart University Master Degree in Political Science and Public Administration, Thammasart University Bachelor Degree in Accounting, Thammasart University Bachelor Degree in law, Ramkhamhaeng University
Training Record	: Director Certification Program Audit Committee Program Anti-Corruption for Executive Program Corporate Governance for Capital Market Intermediaries
Working Experience :	
2014 - 2015	Executive Advisor, Tax Policy Development, Revenue Department
2012 - 2014	Deputy Director, Revenue Department
2009 - 2012	Director Bureau of Central Administration, Revenue Department
2004 - 2008	Deputy Director of Had Yai Tax Administration, Revenue Department
2002 - 2005	Secretary of Revenue Department
2001 - 2002	Director Bureau of Law administration, Regional Revenue Office 6, Revenue Department
1997 - 2001	Head of Inspector, Regional Revenue Office 1, Revenue Department



Nature of Business

1. Currently, core business can be separated into 2 groups as follows:

- 1.1 The procurement and selling of electrical appliance majority in audio and home electrical appliances including of Set Top Box in accordance with the transition of television broadcasting system from analog system to digital system. Product characteristics and market competition are as follow:
 - 1.1.1 Product Characteristic: Procurement and selling of electrical applicant under brand “AJ”. The Company procures product with variety, up to date technology with quality and reasonable price. The product could be classified into 2 main categories are 1) Audio and Visual Product - AV i.e. DVD player, audio product & loudspeaker and karaoke player. This product category contributed approximately 65-70% of total revenue. 2) Home electrical appliance i.e. electric hot pot, electric rice cooker, iron, electric magnetic stove, watching machine and movable air conditioner. This product category contributed for approximately 30-35% of total revenue.
 - 1.1.2 Market condition and competition environment: The Company sells its product mainly via modern trade channel which are Tesco Lotus, Big C, and Makro etc. even though this channel is gradually decreasing its role but it is still the main selling channel. The agent channel of distributing the product increased this year as company objective. Despite the high competition in new electrical appliance brand, the Company could maintain the market share as it could be said that brand “AJ” is well known to everyone. The introduction to new products under “AJ” is the Company long term strategy.
- 1.2 Vending Corporation Co., Ltd. the Company invested in 60.08% of Vending Corporation Co., Ltd. on mid October 2015. Even though there are many competitors in vending business, the successful one required an expertized in capital, technology and employee which the Company believed that there are still rooms for market opportunity in this business. The Company characteristic and market competition are as follow:
 - 1.2.1 Market Characteristic: Vending machine business is a top up service provider via vending machine for pre-paid mobile top-up mainly for 1-2-call (AIS), DTAC and Truemove H (TRUE) and other various online payments i.e. electrical and water bill. Revenue comes from shared fee from each transactions customer paid and discount from the mobile operator. The owner of the vending machine would also get revenue sharing from usage amount. All vending machine is connected with the Company server to track transactions and automatically updated. The owner has to buy AIR TIME as a credit usage for the device prior to the service. The amount of AIR TIME will reduce when customers paid service for each transaction. When the AIR TIME is reduced to the low amount, the owner will repurchase AIR TIME to increase the credit money for the service.

1.2.2 Market condition and competition environment: Currently, there are two major competitors which estimated to have 50,000-90,000 machines each and other small brands for another 10,000 machines each. All are a provider for pre-paid service mobile operator for AIS, DTAC and TRUE and other online payment i.e. public utility service or online game payment. The competition in vending business got higher as all suppliers try to set vending machine to a place where customer could reach easier eg. Community or school and the machine also provides more various services. In order to gain market share in this highly competitive market, Vending Corporation Co., Ltd might have to lower service fee which would be the benefit to customer in another way around. However, with strong brand under “AJ” will help customer to recognize our new brand easily and the Company will use this recognition of strong brand to be a strategy to distribute the vending machine.

We foresee big potential in vending machine business which can expand to many other services such as shopping payment, service payment, and money transfer etc. With the latency of being under AJD Company, VDC can benefit from investment opportunity, management, brand, human resources, and procurement of electronic material. This leads to the development and expansion of VDC even in the short period of time. Vending Corporation had revenue over 1,458.40 million Baht with Net Profit of 394.77 million Baht in just a couple of period since the beginning of the company in Q4 in 2015. High potential and opportunity in vending business allows the Company to continuously intensively consider to invest in this business.

2. Investment in other businesses

In 2016, the investment in subsidiary still rely according to strategy as investment expansion in the potential growth of digital economy. In order to achieve such objective, the company invested in “Happy Vision Co., Ltd”, which is the company that produced television series for television broadcasting station, exported Thai series to other countries and imported foreign series into the country. For 2016, total revenue from this business was 0.72 million Baht with Net Profit of 0.29 million Baht. However, the Company sometimes faced with culture obstacles and lower potential future of Thailand TV digital industry, the company was withdraw itself from this business in the beginning of year.

3. Investment in new businesses in 2017

3.1.1 AJ Vending Co., Ltd (AJV)

The committee agreed to construct new company for conduct beverage vending machine business and water vending machine. The company was established in February 2017. The Company is holding 55% together with executive directors and partnership to operate in this business.

3.1.2 AJ Money Co., Ltd (AJM)

The committee agreed to construct AJM Company by VDC holding 51% as of now. This company is still in the process of constructing which will provide a service related to e-money in accordance with the Company objective in digital economy business.

Risk Factors

Risk factors and impacts can be considered by categorized as 2 groups 1) parent company business and 2) subsidiary company business which are as follows:

1. Parent company business risk

- 1.1 Risk from economic slowdown: Due to the economic slowdown from previous 3-5 years, this directly affected to slowdown of sales by lower purchase power from all customer segments. However, the Company has made an effort to stimulate sales by creating various promotion campaigns which partly helps to boost up revenue.
- 1.2 Risk from changes in technology: The Company's main products are electrical appliance which instantly impacted by the changes in technology and lead to an obsoleted product. The Company has to continuously update consumer behavior trend together with products in order to meet with different needs. The Company discovered that customers in urban and rural areas have different needs and behaviors.
- 1.3 Risk from the delay to change into a digital broadcasting system: Digital TV coupon, which the government gives as a discount to purchase SET TOP BOX, and conversion rate of those coupons in Thailand is lower compare to other countries. Many companies which produce solely SET TOP BOX divested from the industry due to the delay of conversion. The Company which was not solely depends on SET TOP BOX expected to receive income from the second round of coupon conversion in early 2017 as a result of lower competitors.
- 1.4 Risk from the delay of coupon reimbursement from TV digital system: Revenue from SET TOP BOX realized when consumer exchanges coupon for SET TOP BOX and the Company will use that coupon to reimburse money from the National Broadcasting and Telecommunications Commission after that. In 2017, the verifying coupon process will be changed to quota examination instead because of strictly rule and investigation caused a delay of money withdrawal and may result in risk of unplanned lower level of working capital.
- 1.5 Risk from exchange rate: The Company, in electronic appliance business, bought the products using US Dollar as the major currency, and in 2016, USD continuously appreciated in 2016 led to higher cost of imported products and materials.
- 1.6 Risk from reliance on management: overseas purchasing and marketing still depends mainly on the executive expertise, most of the products order from China. This required personal expertise and connection which made it difficult to find a representative. However, the Company can recruit the appropriated resources which the executive will consequently transfer the expertise accordingly.

2 Subsidiary company business risk

The policy to invest in new subsidiary should be accounted for at least 50% of shares in order to limit the risk of inexperience knowledge but still able to manage business along together. As each party came from different company with different culture, might cause risk of from different in direction and working method. When there are new major shareholders in the company, the company has to be well- prepared so that potential conflict would be minimized. Furthermore, the Company is a listed company in Stock Exchange of Thailand which has to comply with more strict rules and disclosure requirements than typical private company. Therefore, the subsidiary of the Company has to comply with the requirements. The risks from business operation of subsidiary company are as follow:

2.1 Happy Vision Co., Ltd

- 2.1.1 Risk from the future forecast of the business - After digital TV system launched in 2015, there are many new channels in the market, but somehow there were only some channels that are popular among consumers i.e. Work Point, Grammy, Thairath TV, Now 26, Nation, Mono and Channel 8. Some channels eventually returned the license due to low popularity. This cause a risk to related business not being to deliver up to the target.
- 2.1.2 Risk from differences in direction and working method - TV series for broadcasting production industry has a very unique operation from the company's core business as a procurement and selling of electrical appliance. This might cause a risk to operate and communication between companies.

The risk of cooperation may incur from difference culture and management which somehow create a conflict. The Company made decision to dispose Happy Vision Co., Ltd. in 2016. The Company also invested another 30% in Muangthai Digital Co., Ltd, which operated online game business by having major shareholders from China. This business also has risk on acceptance and popularity among consumer. The Company might have to reconsider investment in this business for the next opportunity.



2.2 Vending Corporation Co., Ltd.

Vending has conducted main business as a service provider vending machine for pre-paid mobile payments and other services under the trademark of “Term Sabuy AJ”

- 2.2.1 Risk from installment sales - In order to increase the distribution of “Term Sabuy AJ” machine to the market, the Company created installment sales plan with reasonable down payment. The company has to closely monitor the collection of money in each period by automatically turning off the machine when unexpected overdue occurred.
- 2.2.2 Risk from limited capital from unexpected overdue installment sale - The Company has to buy vending machine from manufacturer in advance and get paid by installment from distributors afterward. More capital is needed when sales gets higher. The Company should create a funding plan to support this risk.
- 2.2.3 Risk from competition in vending top up machine market - Another two big players in this industry are estimated to have 50,000-90,000 machines each and other small brands for 10,000 machines each. The Company created the competitive advantages by creating management system to offer variety of services including continuously software development to be congruence with the needs of consumers and also penetrating into new customer segments for example government official venue and department stores.
- 2.2.4 Risk from changes in technology - As other online service industry, the Company has to promptly update new technology and innovation to improve the system and serve the customer needs.
- 2.2.5 Risk from changes in consumer behavior Top-up vending machine business originated in Thailand to facilitate customers with limited purchasing power and to provide convenience to them. Many mobile service operators i.e. AIS, DTAC, or TRUE try to penetrate into this business industry itself as they had capital and customer base. The Company created competitive advantages by creating new service products to offer variety to serve changing customer needs for a sustainable growth of the Company.

Shareholding Structure

As of 15 March 2017, the top ten shareholders were summarized as follows:

No.	Name	No. of shares (shares)	(%)
1.	Mr. Amorn Meemano	495,975,881	11.70
2.	Thai NVDR Company Limited	234,083,409	5.52
3.	Mr. Wichai Wachiraphong	215,067,605	5.07
4.	Mrs. Nasikar Meemanonuns	195,720,372	4.62
5.	Mr. Arnonchai Veerapavati	193,000,000	4.55
6.	Mr. Pipat Patiwetphinyo	188,826,313	4.45
7.	Miss Wanida Wasiphanphong	175,342,215	4.14
8.	Mr. Nattachai Rattanathamwong	117,805,700	2.78
9.	Miss Chinda Meemano	103,387,170	2.44
10.	Mr. Chookiat Rujanapornpajee	86,500,000	2.04
	Top ten shareholders	2,005,708,665	47.31
	Other shareholders	2,234,586,079	52.69
	Total	4,240,294,744	100.00

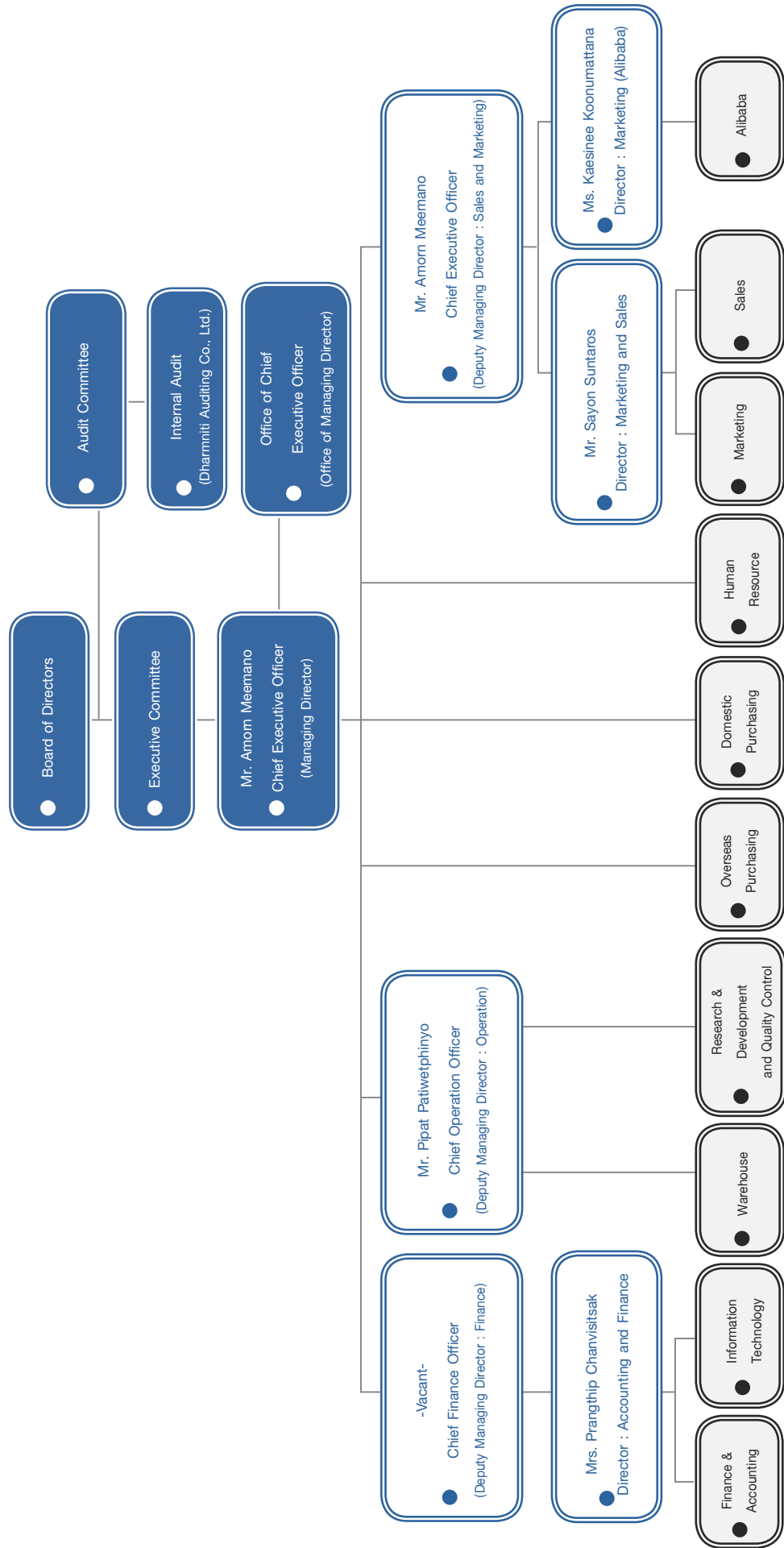
Dividend Payment Policy

The Company has a policy to pay dividend at the minimum 40% of net profit after corporate taxes and all statutory reserves. However, the Company may pay dividend less than the amount specified above or may not pay dividend, if the Company is required capital for business expansion.

In addition, the Board of Directors' resolution on approval of the dividend payment is required to be proposed to the shareholders' meeting for the approval, except in case of interim dividend, where the Board of Directors has power to approve and then report to the shareholders' meeting for acknowledgement in the next meeting in 2017.

Management Structure

Organizational Structure of the Company as of March 1, 2016



Management Structure

The Company's management structure consists of 3 committees: the Board of Directors, the Audit Committee and the Executive Committee. The Company's management pursuant to organization chart is as follows:

The Board of Directors

The Board of Directors as of March 1, 2017 consisted of:

Name	Position
1. Mr. Khan Prachuabmoh	Chairman/ Chairman of the Audit Committee and Independent Director
2. Mr. Vacharin Duangdara	Audit Committee and Independent Director
3. Mrs. Chanatip Weerasubpong	Audit Committee and Independent Director
4. Mr. Amorn Meemano	Chief Executive Officer/ Director
5. Mr. Pipat Patiwetphinyo	Chief Operation Officer/ Director
6. Mr. Anake Pattanaslid	Director
7. Mrs. Nasikar Meemanonuns	Director
8. Mr. Sirichai Tainuthai	Director

Mrs. Prangthip Chanvisitsak is the company secretary.

The Authorized Directors

The authorized directors who may sign to bind the Company: two directors of Mr. Amorn Meemano, Mr. Pipat Patiwetphinyo and Mrs. Nasikar Meemanonuns can jointly sign and affix the Company's seal.

Scope of Duties and Responsibilities of the Board of Directors

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Board of Directors was specified as follows:

1. To perform duties pursuant to laws, objectives and articles of association of the Company as well as resolutions of shareholders' meetings with honesty, integrity and to preserve the best interest of the Company.
2. To specify vision, policy and operating direction of the Company and to supervise performance of the management to ensure compliance with the specified policies and work plans effectively and efficiently in order to increase maximum economic value of the business and the best benefits of the shareholders
3. To monitor operating results to ensure that they are pursuant to policies and business objectives. Clear indicator must be specified to be used as operation guidelines by taking into consideration the possibility and reasonableness. In addition, policies and policy compliance must be reviewed constantly.
4. To carefully consider the conflict of interest and the transaction that might have conflict of interest by specifying clear guidelines that must mainly be for overall benefits of the Company and the shareholders. The person with interest shall not be entitled to make decision. To supervise to ensure compliance with standard regulations concerning operating procedures and disclosure of information of transaction which might have conflict of interest correctly, completely and transparently.

5. To specify approval authority for undertaking any transactions and operations concerning the Company's business to the group of persons or a person appropriately as appropriated and in accordance with the relevant laws. This task can be done by preparing as delegation of authority manual and it must be reviewed at least once a year.
6. To establish the reliable accounting system, processing system, financial reporting and auditing as well as to oversee assessment process on appropriateness of internal control system by assigning an independent person or function to responsible for inspection of such systems and those systems must be constantly reviewed.
7. To specify comprehensive risks management policy throughout the organization where the management shall comply with the policies and report to the Board of Directors on continued basis. To review or assess efficiency of risk management regularly and every time when it is found that risk level has changed as well as place importance on early alarm signal and any abnormal transactions.
8. To appoint the sub-committee or any person to oversee, monitor and control operations of the Company in material matters under supervision of the Board of Directors. To assess performance and fix remuneration of such sub-committee or person or assign authority to such sub-committee or person to be within the period of time as the Board of Directors deemed appropriated. The Board of Director may cancel, revoke, change or revise such authority.

The following operational powers shall be exercised only after they have obtained an approval from the shareholders' meeting first, provided that, any director or person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company or its subsidiary shall not be entitled to vote on it:

- ☞ Any activity that the laws has specified that it must have an approval from the shareholders' meeting first.
- ☞ Any transaction that any director may have some interests and in scope that the laws or regulations of the Stock Exchange of Thailand prescribed that it is required to have an approval from the shareholders' meeting first.
- ☞ In addition, for the following cases, the resolution is required to be passed by the majority vote of not less than three-fourth of total votes of director members presenting at the meeting of the Board of Directors and of the shareholders presenting at the meeting and having the voting right:
 - Sell or transfer in whole or in substantial parts of the business of the Company to other person.
 - Purchase or accept the transfer of business of other public company or private company.
 - Execute, amend or terminate the agreement relating to lease out in whole or in substantial parts of business of the Company, assign the other person to manage the business of the Company or merge business of the Company with business of the other person, which objective is for profit sharing.
 - Issue new shares to pay to the Company's creditor pursuant to debt to equity conversion project.
 - Decrease the Company's registered capital by decreasing number of shares or decreasing share values.
 - Increase, decrease the capital, issue the debenture, amalgamate or dissolve the Company.
 - Any other issues as per specified by laws.

The Audit Committee

As of March 1, 2017, the Audit Committee comprised of

Name	Position
1. Mr. Khan Prachuabmoh	Chairman of the Audit Committee
2. Mr. Vacharin Duangdara	Audit Committee
3. Mrs. Chanatip Weerasubpong	Audit Committee

Miss Chadaporn Monsom is a secretary of the Audit Committee.

Remarks : Mrs. Chanatip Weerasubpong as the Audit Committee has sufficiently skills and experiences to assume duties of auditing the Company's financial statement as she obtained Bachelor and Master Degree in Accounting from Thammasart University

Scope of Duties and Responsibilities of the Audit Committee

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Audit Committee was specified as follows:

1. To audit to ensure that the Company has sufficient, credible and transparent financial reports by coordinating with the external auditor and the Company's executives who are responsible for preparing the quarterly and yearly financial reports.
2. To review the Company's internal control system and internal audit to ensure that they are suitable and effective jointly with the external auditor and internal auditor (if any) and to determine independence of the internal audit function or any other functions in charge of the internal auditing.
3. To review operations of the Company to ensure that they comply with the laws on securities and exchange, regulations of the Stock Exchange of Thailand and the laws related to the Company's businesses.
4. To select and propose the Company's auditor and to fix his or her remuneration by taking into consideration reliability, adequacy of resource, amount of auditing activities and experiences of such auditor as well as to attend the meeting with the auditor without any participation of the executives at least once a year.
5. To consider the connected transactions or transactions which might have conflicts of interest to ensure that they are reasonable, comply with the laws and regulations of the Stock Exchange of Thailand and for maximum benefits of the Company.
6. To review and ensure that the Company has appropriate and efficient risk management system.
7. To prepare the report about the Audit Committee's activities and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and included at least the following recommendations:
 - ☞ Recommendation on accuracy, completeness and creditability of the preparation process and information disclosure in the Company's financial report,
 - ☞ Recommendation on adequacy of the Company's internal control system,
 - ☞ Recommendation on compliance with laws on securities and exchange, the stock exchange's regulations, or other laws related to the Company's business,

- ☞ Recommendation on suitability of the auditor,
 - ☞ Recommendation on transactions that may cause conflicts of interests,
 - ☞ Number of the Audit Committee's meetings and attendance of such meetings by each committee member,
 - ☞ Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter, and
 - ☞ Other reports which should be made available to the shareholders and general investors within scope of duty and responsibility assigned by the Company's Board of Directors
8. To perform any other tasks as assigned by the Board of Directors pursuant to opinions of the Audit Committee, for instance, review of financial management policy & risk management, review on compliance with business ethics of the management, review material reports jointly with the Company's management which must be presented to the general public as per specified by the law, i.e. executive report and analysis and etc.

In order to make the Audit Committee perform the work efficiently, the Audit Committee may seek independent opinion from the consultants of various professions, if it deems necessary at the Company's expense.

Qualifications of the Audit Committee and Independent Director

1. Holding shares not exceeding 1.0 percent of the total number of voting shares of the Company, its parent company, its subsidiary, its associate company or a juristic person who might have conflict of interest, provided that, the shares held by the related person of such Independent Director shall also be counted for this purpose.
2. Not being or having been a director involved in the management, an employee, an officer, a consultant with a monthly wage or a controlling person of the Company, its parent company, its subsidiary, its associate company or a subsidiary with the same level or a juristic person who might have conflict of interest, except he/she has resigned from such position at least 2 years prior to the date submitted a permit to the office.
3. Not being related by blood or legal registration as a father, mother, spouse, sibling and child, including as a spouse of the child of an executive officer, a major shareholder, a controlling person or a person who will be nominated to become an executive officer or a controlling person of the Company or its subsidiary.
4. Not having or had a business relationship with the Company, its parent company, its subsidiary, its associate company or a juristic person who might have conflict of interest in the manner which may interfere the exercise of independent judgment, including not being or having been a major shareholder, a director who is not an independent director or an executive officer of a person having a business relationship with the Company, its parent company, its subsidiary, its associate company or a juristic person who might have a conflict of interest, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.

The term "business relationship" under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar Crown Tech Advance Public Company Limited 27 actions, which result in

the Company or its counterpart being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Board of Directors of the Stock Exchange of Thailand governing disclosure of information and practices of the listed company on connected transactions, *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the same person commences.

5. Not being or having been an auditor of the Company, its parent company, its subsidiary, its associate company, or a juristic person who might have a conflict of interest and not being a major shareholder, a controlling person, a director who is not an independent director, an executive officer or a partner of an audit office for which the auditor of the Company, its parent company, its subsidiary, its associated company or a juristic person who might have a conflict of interest work, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.
6. Receives service fees exceeding 2 million Baht from the Company, its parent company, its subsidiary, its associate company or a juristic person who might have a conflict of interest. In addition, in case the professional service provide is a juristic person, it shall include a major shareholder, a director who is not an independent director, an executive officer or managing partner of such professional service provider, except where such restriction had passed for not less than 2 years prior to the date submitted a permit to the office.
7. Not being a director appointed to represent the Company's Board of Directors, a major shareholder or a shareholder who is related to the Company's major shareholder.
8. Subsidiary or not being a significant partner of a partnership or not being a director who is involved with management tasks, a staff member, an employee, a consultant with a monthly wage or holds shares more than 1.0 percent of total shares with voting rights of another company which is engaged in a business of the same nature as and of significant competition to that of the Company or its subsidiary.
9. Not having any other characteristic which prevents the giving of an independent opinion on operations of the Company.
10. Not being a director appointed from the Company's Board of Directors to make decision for business operations of the Company, its parent company, its associate company, a subsidiary of the same level or a juristic person who might have a conflict of interest and must not being a director of the listed company which is a parent company, a subsidiary, an associate company, a subsidiary in the same level.

After being appointed to be the Independent Director with qualifications pursuant to Item a. to j. above, the Independent Director may be empowered by the Board of Directors to make decision for business operation of the Company, its parent company, its subsidiary, its associate company, a subsidiary in the same level or a juristic person who might have a conflict of interest in the form of collective decision.

Executive Committee

As of March 1, 2017, the Executive Committee consists of:

Name	Position
1. Mr. Amorn Meemano	Chairman of the Executive Committee
2. Mr. Pipat Patiwetphinyo	Executive Committee

Scope of Duties and Responsibilities of the Executive Committee

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Executive Committee was specified as follows:

1. To control management of the Company to ensure that it is in accordance with the policies specified by the Board of Directors and then report operating results to the Board of Directors.
2. To specify strategy and business plan, budget including management structure so that it can achieve policies and objectives of the Board of Directors, then propose to the Board of Directors for consideration
3. To specify approval authority of each person appropriately, by segregating duties which may favor for corruption from each other, and propose to the Board of Directors or the sub-committee assigned by the Board of Directors for approval. To control and ensure on adherence to the approved principles and regulations.
4. To consider organizational structure and to empower to manage salary structure, define scope and duty of work, assignment, appointment; transfer, cut or reduce salary; remove; dismiss or impose disciplinary penalty; give reward and consider praiseworthy of the employee.
5. To consider and approve on financial transactions with the banks or financial institutes to support normal business operations, such as open or close account; take on a loan; grant a loan, provide credit amount, pledge, mortgage, guarantee and others which including purchase and sell and register on ownership of title deed of land for normal business operation pursuant to the authority approved by the Company's Board of Directors.
6. To consider and approve on investment and specify investment budget as per specified in the delegation of authority manual.
7. To consider about fund raising to propose to the Company's Board of Directors.
8. To approve on appointment of consultant in various field necessary for business operations.
9. To approve the operating plan of each department of the Company including to approve a request from various departments which beyond power of such department.

However, for authorization of such duty and responsibility of the Executive Committee, the authorized person shall not be empowered to approve any transaction that such person or a person who might have a conflict of interest (meaning of "person who might have a conflict of interest" is as per defined by the notification of the Securities and Exchange Commission), or may have conflicts in any other manners against the benefits of the Company or its subsidiary. The approval of such foregoing transactions are required to submit to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval pursuant to the Company's articles of association or as per required by relevant laws, except it is an approval of normal business transaction of the Company pursuant to the policy and criteria approved by the Board of Directors.

The Management

As of March 1, 2017, the Company's management consisted of:

Name	Position
1. Mr. Amorn Meemano	Managing Director
2. Mr. Pipat Patiwetphinyo	Managing Director : Operation
3. Mrs. Prangthip Chanvisitsak	Finance and Accounting Director
4. Ms. Kaesinee Koonumwattana	Marketing Director
5. Mr. Sayon Suntaros	Sales and Marketing Director

Scope of Duties and Responsibilities of the Managing Director

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, scope of duties and responsibilities of the Managing Director was specified as follows:

1. To supervise general operations and/or management of the Company;
2. To operate or undertake the work pursuant to the policy, work plan and budget approved by the Company's Board of Directors and/or the Executive Committee.
3. To authorize to approve and delegate authority to approve the disbursement for procurement of assets and service for the Company's benefit, provided that such approval authority must be an approval of normal trading transaction with amount of money not exceeding the amount specified by the Board of Directors.
4. To authorize an issuance of order, rule, announcement, memorandum in order to make operations conform to the policy and for benefits of the Company including to preserve working discipline within the organization.
5. To authorize to act on and represent as the Company's representative to the third party in the relevant business and for benefits of the Company.
6. To approve for an appointment of consultant in various fields necessary for business operation of the Company.
7. To be the authorized person of the Company to manage the Company's businesses to make them achieve the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors and the Executive Committee.

However, the delegation of authority to the Managing Director as well as delegation of authority to other persons that the Managing Director deems appropriated shall not include the authority and/or delegation of authority to approve any transaction that he/she or a person who might have conflict of interest, interests or may have conflict in other manner (pursuant to Company's articles of association or as per specified by the Office of the Securities and Exchange Commission) has with the Company or its subsidiary. The approval of such foregoing transactions are required to submit to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval pursuant to the Company's articles of association or as per required by relevant laws, except it is an approval of normal business transaction of the Company pursuant to the policy and criteria approved by the Board of Directors.

Define of Credit Approval Authority

Pursuant to resolution of the meeting of the Board of Directors No. 7/2013 on June 17, 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on July 11, 2013, the credit approval authority pursuant to the credit approval authority table has been approved which can be summarized as follows:

1. The Executive Committee is authorized to approve the purchase and sales of products, raw materials, services and contract execution which can create commercial obligation and financial obligation not exceeding 100.00 million baht, to approve the contract execution which can have financial obligation not exceeding 50.00 million baht and to approve the purchase, sale and transfer of assets not exceeding 50.00 million baht.
2. The Managing Director is authorized to approve the purchase and sales of products, raw materials, services and contract execution which can create commercial obligation not exceeding 40.00 million baht, to approve the contract execution which can have financial obligation not exceeding 20.00 million baht and to approve the purchase, sale and transfer of assets not exceeding 20.00 million baht.

However, credit approval authority as mentioned above shall not against with the laws on securities and stock exchange and the related regulations, notifications, orders or requirements including the compliance on regulations concerning connected transactions and acquisition or disposal of material assets of the Company or subsidiary.

Nomination of Director

The Board of Directors

As the Company does not have the Nomination Committee, so the selection and appointment of the Board of Directors shall be made by committees and consideration shall be based on knowledge, capability, experience, vision and credibility. In addition, such candidate must be a qualified person and not have prohibited characteristics specified by the laws. The appointment is required to have an approval from the shareholders' meeting. Criteria and method can be summarized as follows:

1. The Company's Board of Directors shall consist of at least 5 directors, who shall possess qualification pursuant to the laws and not less than one half of total directors must reside in the kingdom.
2. The selection of the director by the shareholders' meeting shall elect the directors shall be based on majority votes pursuant to the following criteria and methods:
 - 2.1. A shareholder shall have a number of votes which is equivalent to the number of shares held by him/her.
 - 2.2. The shareholder shall vote for election of a director individually.
 - 2.3. The persons receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time. In the event that a number of persons receive an equal number of votes for the last directorship exceed the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.
3. During every annual general meeting, at least one-third of directors shall retire. If the number of directors is not a multiple of three, then the number of directors closest to one-third shall retire. The directors who shall retire in the first and the second year after the registration of the Company shall be selected by drawing lot, and for subsequently years, the longest serving directors shall be retired. A retired director may be reappointed.

4. The directors shall be entitled to receive the remuneration from the Company as gratuity, meeting allowance, pension, bonus or any benefits pursuant to the regulations or as per approved by the shareholders' meeting. Such remuneration may be as per an exact amount or as per defined criteria and shall be specified occasionally or it shall be in effect until further change. Moreover, they shall also earn the allowances and fringe benefits pursuant to the Company's regulations without having any impact to rights of the officers and employees of the Company who have been elected as the committee with regards to remuneration as the committee and benefits as the Company's officer or employee.
5. Any director who shall resign from directorship position shall submit a resignation letter to the Company and such resignation shall be effective from the date such letter arrives at the Company. The resigned director may inform his or her resignation to the registrar.
6. In case of vacancy of director's position due to reasons other than by retirement in due course, the Board of Directors may appoint a person who is qualified and does not possess any prohibited qualifications specified in the Public Limited Act and laws on securities and exchange to be the director in the next Board of Directors' meeting. Except in a case where the remaining term of a director is less than 2 months, then the term of the newly appointed director shall expire at the same time as the director he/she substitutes. The resolution of the Board of Directors under paragraph one shall consist of votes not less than three fourths of the remaining directors.
7. The shareholders' meeting may have a resolution to remove any director prior to expiration of his or her term with the votes not less than three fourths of votes of shareholders present at the meeting and have the voting right which must have accumulated shares not less than one half of total shares of the shareholders present at the meeting and have the voting right.
8. The committee members shall select one of them is the Chairman, In case they deem reasonable, one or more than one member shall be selected as the Vice Chairman/Chairmen

The Audit Committee/Independent Director

The Board of Directors or the Annual General Meeting of Shareholders is authorized to appoint at least 3 directors to be the Company's Audit Committee by selecting from the members of the Board of Directors. In addition, at least 1 member of the Audit Committee shall have adequate knowledge, understandings and experiences on accounting or finance. Upon the number of the Audit Committee is less than 3, the Board of the Directors or the shareholders' meeting shall appoint other director to replace such vacant position within 3 months from the date the number of Audit Committee is less than 3.

Executive Committee

The Company's Board of Directors is authorized to appoint the Executive Committee which shall not be less than 2 persons, by selecting from the committee members or the employees who possess skill and capability. However, such person must not be the Audit Committee to perform and supervise operations of the Company as per assigned by the Board of Directors on its behalf. The Executive Committee shall directly report to the Board of Directors.

Directors' and Executives' Remuneration

Monetary Remuneration

Directors' Remuneration

The 2016 Annual General Meeting of Shareholders which held on April 29th, 2016 has approved

Position	Monthly Remuneration (Baht)	Meeting Allowance perTime (Baht)
Chairman	30,000	5,000
Director	25,000	5,000

The executive director shall not receive a monthly remuneration for being the director. Monetary allowance of the Board of Directors and the Audit Committee as of December 31, 2016 amounted to 1,890,000 baht, of which 1,115,000 baht was the remuneration of the Audit Committee as per the following detail:



Name	Position	Year 2016 as at December 31, 2016					
		Remuneration			Number of Meeting Attendance		
		Monthly Remuneration (Baht)	Special Remuneration (Baht)	Meeting Allowance (Baht)	The Board of Directors	The Audit Committee	The Executive Committee ^{/2}
1. Mr. Khan Prachaubmoh	Chairman/ Chairman of the Audit Committee ^{/4}	150,000		10,000	1/6	1/4	-
2. Mr. Pisanu Rienmahasarn	Chairman/ Chairman of the Audit Committee ^{/1}	240,000		20,000	3/6	1/4	-
3. Mr. Vacharin Duangdara	Independent Director/ Audit Committee	300,000		50,000	6/6	4/4	-
4. Mr. Kamol Chirapathama	Independent Director/ Audit Committee ^{/2}	100,000		15,000	2/6	1/4	-
5. Mrs. Chanatip Weerasubpong	Independent Director/ Audit Committee ^{/5}	200,000		30,000	3/6	3/4	-
6. Mr. Amorn Meemano	Independent Director/ Audit Committee	-		30,000	6/6	-	8/8
7. Mr. Pipat Patiwetphinyo	Director/ Executive Director	-		30,000	6/6	-	8/8
8. Mr. Anake Pattanasid	Director	300,000	30,000	30,000	6/6	-	-
9. Pol. Lt.Gen.Jitti Rodbangyang	Director ^{/3}	300,000		5,000	1/6	-	-
10. Mrs. Nasikar Meemanonuns	Director	300,000	30,000	30,000	6/6	-	-
Total		1,890,000		250,000			

Ramark : 1. Mr. Pisanu Rienmahasarn has resigned from director on August 9th, 2016

2. Mr. Kamol Chirapathama has resigned from director on March 28th, 2016

3. Pol. Lt. Gen.Jitti Rodbangyang has resigned from director on December 15th, 2016

4. Mr. Khan Prachuabmoh has been appointed to be director August 11th, 2016

5. Mrs. Chantapit Weerasubpong has been appointed to be director April 29th, 2016

Executives' Remuneration

As of the year 2016, the Company has 11 executives, which are 6 executives from subsidiary company, the remuneration paid to the Company's executives as salary, bonus, provident fund and other fringe benefits were as follows:

The Executives' Remuneration	2015		2016	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Salary, commission and bonus	28	20.67	12	18.77
Other remunerations, i.e. provident fund, social security and overtime	19	1.09	6	0.87
total	28	21.76	12	19.64

Remark : Executives have resigned in 2016

Non-monetary Remuneration

- None -



Meeting of the Board of Directors

Normally, the Board of Directors has specified to arrange the meeting throughout the year and every quarter. Special meeting may be arranged as necessary. The meeting agenda must be clearly specified and an invitation to the meeting, meeting agenda including supporting document shall be sent to the directors at least 7 days in advance, so that the directors can have adequate time to study before attending the meeting. During the year of 2016, the Board of Directors has arranged 6 meetings. The Chairman has duty to allocate adequate time for the management to propose document and information to discuss important issues. In addition, the Group also arranges the monthly meeting for the Executive Committee and the Audit Committee shall arrange the meeting every quarter. Most of the directors attended the meeting every time, except in case, they are engaged in emergency and important engagement

Corporate Governance

The Company has a policy to adopt the Code of Best Practices as its operating guidelines and it has been approved by the meeting of the Board of Directors No. 7/2013 held on June 17, 2013. This policy shall be implemented for benefits of and for enhancement of transparency on business operations as well as to increase efficiency of the management, which consequently can strengthen confidence of the shareholders, investors and all relevant parties. The corporate governance covers 5 sections as follows:

1) The Rights of Shareholders

The Company recognizes and emphasizes the importance of fundamental rights of the shareholders and it shall not perform any act which shall violate or deprive their rights. In addition, it shall encourage the shareholders to exercise their fundamental rights, i.e. right to buy, sell, transfer shares in their possession, right to share in profits of the Company, right to have adequate access to the Company's information, right to vote for election or removal of the directors and appointment of an auditor, right to attend and vote in the shareholders' meeting to decide significant matter which has impact to the Company, such as allocation of dividend, determination and amendment of the Company's affidavit, articles of associations, capital increase or decrease and approval of special transactions and etc.

In addition to the abovementioned fundamental rights, the Company also has a policy to undertake measures to support and facilitate the right exercising of the shareholders as follows:

- ☞ To arrange the Annual General Meeting of Shareholders every year, by arranging within 4 months after the ending date of the accounting period in each year. The Company shall send each shareholder an invitation letter to the meeting together with supporting information at least 7 days in advance of the meeting date. Notice of the meeting invitation shall be advertised in the newspaper at least 3 days prior to the meeting date for 3 consecutive days. Comments of the Board of Directors shall be included in each agenda.
- ☞ To disseminate the document supporting the meeting agenda of the shareholders' meeting in advance in the Company's website as well as to clarify about rights of the shareholders on participation in the meeting and voting for resolution.
- ☞ In case shareholders are unable to attend the meeting by themselves, they are authorized to give a proxy to recipient in order to participate and vote in the meeting by using proxy form which the company attached to the meeting invitation letter.
- ☞ The shareholders can submit their opinions, recommendations or inquiries in advance of the meeting date via email address of the Company's Investor Relations or email address of the Company Secretary.
- ☞ On the meeting date, the Company shall provide appropriate time and opportunity for the shareholders to express their views, recommendations and ask questions concerning the agenda openly before any resolutions shall be made. In case the shareholder has any enquiries for any agenda, the Company shall provide the personnel who are knowledgeable and expert in each field to answer any question under responsibility of the Board of Directors.
- ☞ All directors shall attend the meeting to reply any relevant inquiries which might have been asked by the shareholder during the meeting.

2) The Equitable Treatment of Shareholders

The Company has an equitable treatment policy for all shareholders, all groups, including executive shareholders, non-executive shareholders, foreign shareholders and minority shareholders as follows:

- ☞ To equally treat and facilitate all shareholders and it shall not perform any act which shall violate or lessen their rights.
- ☞ To specify that voting right in the meeting shall be pursuant to the number of shares held by the shareholders: one share is eligible for one vote.
- ☞ To specify that the Independent Director shall oversee the minority shareholders. The minority shareholders can express their opinions, comments or complaints to the Independent Director and such matter shall be properly taken care of. For instance if it is a complaint, the Independent Director shall investigate for fact and find the proper remedy method. If it is a recommendation which the Independent Director deems that it is important and shall be directly impact to the overall stakeholders or to the operating performance of the Company, then the Independent Director shall present such matter to the Board of Directors' meeting to further consider and specify as the meeting agenda for shareholders' meeting.
- ☞ The Company's Board of Directors has prescribed measures to prevent abusive insider trading of the relevant persons, which included directors, executives, officers, and employees of the Group who can accessible to such information (including spouses and children under legal age of those persons). The Board also imposed penalty clause on disclosure of the Company's information or exploit the Company's information for personal gain pursuant to the policy on prevention of usage of inside information for personal gain. Furthermore, the Board of Directors provided information to the directors and the executives on their obligations to report their securities holding of the Company to the Office of the Stock and Exchange Commission (SEC) and pursuant to Section 59 of the Securities and Exchange Act B.E. 2535. The Board shall regularly inform any information and regulations of the SEC and the Stock Exchange of Thailand to the Board of Directors and the executives upon it has been notified thereof from such agency.

3) The Roles of Stakeholders

The Company recognizes the rights of all stakeholders, including the internal stakeholders (i.e. shareholders, employees, executives of the Company) and the external stakeholders (i.e. competitors, business partners, customers and etc. The Company realizes that supports and opinions from as well as enhancement of relationship with all stakeholders shall be beneficial to the business operations and for business expansion of the Company in the future. The Company shall ensure that all groups shall have been equally and fairly treated and it shall comply with the laws and the related regulations as follow:

- Shareholder : The Company shall be a good representative of the shareholder by operating business by taking into consideration the long term grown of the Company as well as implementing the control system and internal audit system.
- Employee : The Company realizes that the employee is one of the important resources to develop the growth of the organization. Hence, it supports on potential development of the human resources for maximum benefit of the Company, as well as teamwork collaboration for liquidity of work. It also provides safety working environment to the employees. It also treats all employees equally and fairly as well as provides them the proper fringe benefits.

- Business Partner : The Company shall treat the business partner pursuant to honestly trading framework by strictly adhering to trading terms and commitment agreed with them.
- Competitor : The Company shall ethically treat its competitor pursuant prudent rules on competition by avoiding performing any dishonest competition.
- Customer : The Company determines to manufacture good products and render good services to the customers and shall faithfully and fairly deal business dealing with them.
- Society : The Company shall put emphasis on preservation of the environmental conditions of the communities located surrounding the Company's location.

In addition, the Company has specified clearly prudent operating practices to respond to the needs of each group of stakeholders in "Business Ethics" and it also disseminate and made a campaign to encourage the Board of Directors, the management as well as the operating level employees to abide by work practice and everybody duties.

4) Disclosure and Transparency

The Company realizes the importance on disclosure of the accurate, timely and transparent information of the financial report and general information pursuant to the criteria on disclosure of information and information technology of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other material information which shall impact the prices of the Company's securities, decision-making procedures of the investors and the stakeholders of the Company.

The Company shall disclose its information technology to the shareholders, the investors and the public through the channels and public media of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand including on the Company's website: <http://www.ajthai.com/>.

With regards to the Investor Relations, the Company has not yet established the Investor Relations Unit. However for preliminary stage, the Company Secretary was assigned to contact and communicate with the investors, the shareholders, as well as the analysts and the other related governmental authorities. The contact person is Mrs. Prangthip Chanvisitsak, the Company Secretary at telephone no. 0-2451-6888 Ext. 300 or at email address : prangthip.c@ajthai.com.

5) Responsibilities of the Board of Directors

Board of Directors structure

The Board of Directors consists of the knowledgeable and experienced members in diverse fields useful for Company's business. The Board has important roles in setting up policies and business plans and it also monitored operating results on quarterly basis. It also places importance on internal control system and internal auditing for overall benefits of the Company and the shareholders

As of March 1, 2016 the Board of Directors consists of 8 members, where 6 of them are nonexecutive directors and not less than one thirds of total number of directors are qualified to be Independent Directors to balance power on voting as well as to review performance of the management for the best interest of the Company.

The Board of Directors has appointed the 2 sub-committees, i.e. the Audit Committee and the Executive Committee, to help it to oversee the Company's business. Roles and responsibilities of the Board of Directors, the Audit Committee and the Executive Committee are clearly defined and segregated so they can make decision and present vision independently as per mentioned in details in topic "Management Structure".

☞ The Audit Committee

The Audit Committee consists of 3 members to perform specific matters and propose such matters to the Board of Directors for consideration or for acknowledgement pursuant to scope of duties specified.

☞ The Executive Committee

The Executive Committee consists of 2 members for flexibility on operations pursuant to scope of duties assigned by the Board of Directors.

In addition, the Company has a policy that the Chairman of the Board and the Managing Director must not be the same person to prevent from exercising unlimited power. The Board of Directors shall specify power and duties as well as select persons to hold such positions.

The Company also appointed the Company Secretary who has duties to provide advice on laws and regulations that the Board of Directors must be well aware of and comply, to supervise the Board's activities as well as to coordinate on compliance with the Board's resolutions.

Directors and Executives' Remuneration

The Company has clearly reported about the directors and executive's remuneration pursuant to the announcement of the Office of Securities and Exchange Commission (SEC). The above remuneration must have been approved by the Annual General Meeting of Shareholders (AGM) every year. In case any director is assigned to have additional duties and responsibilities, for instance, he/she is also assigned to perform duties as the Audit Committee, then such director shall have additional remuneration which are suitable with the additional assignment but the performance of the Company must also be jointly considered.

Policy on Corporate Governance

The Company's Board of Directors has specified the written corporate governance policy which has been approved by the Board of Directors' meeting No. 7/2013 on June 17, 2013.

The Company realizes the importance of corporate governance policy because it shall be beneficial to the Company's business operation and it can also enhance its stability and growth on sustainable basis and in the long run. For such operating guidelines, the Company puts emphasis on internal control and internal audit. The Board of Directors shall jointly assess the adequacy of internal control every year since 2013 to ensure that the Company has complied with the good corporate governance principles pursuant to the guidelines specified by the Stock Exchange of Thailand.

The Board of Directors shall review the policy and is compliance regularly. In addition, after the Company's ordinary shares are listed in the Stock Exchange of Thailand, the Company shall comply with the rules and regulations specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Business Ethics (Code of Conduct)

The Company has prescribed the ethical practices of the directors, the executives and the employees, so that the relevant parties shall adhere as guidelines for performing the Company's mission with integrity, honesty and impartially. Such practices also include treatment to all groups of stakeholders. The Company has communicated such practices to all employees and executives in the organization and specified that they must strictly comply with such guidelines.

Conflict of Interests

The Company's policy concerning conflict of interest was specified based on principles that any decision making on business operations shall be for the best interest of the Company only and shall avoid any acts which can cause conflict of interest. The person who are related to or connected to the transaction to be considered must notify the Company about its relationship and connection with such transaction. During any consideration, person who is related to or connected with such transaction shall not participate in consideration process and shall not have power to authorize for such transaction.

The Audit Committee shall propose the connected transactions and the transactions which might have conflict of interest to the Board of Directors and they shall be carefully considered to ensure strictly compliance with the criteria of the Stock Exchange of Thailand where price fixing and conditions they have with the person who might have conflict of interest must be similar to those made or agreed with the third party and they must be disclosed in the annual report (Form 56-2) and annual information disclosure form (Form 56-1).

Report of the Board of Directors

The Board of Directors is responsible for the financial statement of the Company and its subsidiaries including information as presented in the annual report, information disclosure form and the financial statement. The Audit Committee is assigned to audit the quality of financial statement, internal control system and adequate disclosure in the note to financial statement by presenting to the Board of Directors every quarter. The preparation of such financial statement must be audited by the certified public accountant authorized by the Office of the Securities and Exchange Commission and pursuant to the generally accepted accounting standards in Thailand. Disclosure of important information system including the financial and non-financial information shall be based on complete, correct, reasonable and reliable facts and the suitable accounting policy.

The Meeting of the Board of Directors

The Company has arranged for the meeting of the Board of Directors regularly or at least every quarter and an extraordinary meeting may be arranged in case of necessity. For each meeting, the clear agenda must be clearly specified in advance and it must always have agenda on following up of operating operations. The Secretary of the Board of Directors shall prepare the meeting agenda and submit to each director 7 days in advance prior to the meeting so that the director can have time to study information before attending the meeting. Minutes of meeting which have been approved from the Board of Directors' meeting shall be sent to each director as appropriated and shall be systematically kept and made available for inspection by the Board of Directors or the relevant person any time.

The Chairman shall lead the meeting and all other directors are encouraged to express their views independently. Resolution of the Board of Directors' meeting shall be made by a majority of votes where each director shall have one vote. The director who might have any conflict of interest shall not attend the meeting and/or shall not cast the vote. In the event of a tie, the chairman of the meeting shall have an additional casting vote.

Internal Control System and Internal Auditing System

The Company places importance on internal control systems, both at management and operation level. For efficiency on operations, the Company has defined a clearly written duties and operational powers of the operating person and the supervising and assessing person. The Company also designated a responsible person to audit internal control system and internal auditing to ensure appropriateness and efficiency. Financial and operation controls have been efficiently performed pursuant to the guidelines. Compliance with laws and regulations related to the Company has also been inspected and the inspection results shall be directly reported to the Audit Committee and high level executives.



The Supervision on the Use of Inside Information

The Company has established a policy and method on supervision of the directors and the executives on the use of inside information which has not been disclosed to the public for personal gain as well as purchase and sales of securities as follows:

- ☞ The Company provided information to the directors and the executives on their obligations to report their holding including the holding of their spouses and children under legal age of the Company's securities to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand including and penalty clauses pursuant to the Securities and Exchange Act B.E. 2535.
- ☞ The Company has notified its directors about their obligations to report about a change of their securities holding to the Office of the Securities and Exchange Commission under Clause 59 of the Securities and Exchange Act B.E. 2535 and also notified that they must submit this report to the Company on the same date they submitted to the Office of the Securities and Exchange Commission.
- ☞ The Company prescribed that the directors, the executives, the employees who can access to inside information are prohibited to disclose such information to the third party or non-related person. In addition, they shall not purchase or sell the Company's securities within the period of 30 days prior to the disclosure of financial statement or Company's position and they should wait for at least 24 hours after disclosure of such information before purchasing or selling the Company's securities.



The Company establishes the disciplinary penalty against people who exploit usage of or disclose inside information which, if released prematurely, would cause damage to the Company. Various penalties have been imposed, such as verbal warning, written warning, probation and termination of employment, by firing or discharging, as the case may be.



Corporate Social Responsibility

Apart from supply the quality products at the prices that everyone could afford, Crown Tech Advance Public Company Limited, as a part of Thai society, has strong determination to develop and make Thai society to become a decent society that helps each other. Hence, it undertook many social projects to help the society both within and outside the organization as follows:

1. Monthly food offering to monk project : The Company has arranged the food offering to the monk and summon listening project every month since the end of 2012 and it still continues at the present days with objectives to sustainable nurture Buddhism in Thailand and to persuade the Company's personnel to get more closely to the religion. Monks from temple which is located closed to the Company shall be invited to the Company to receive the food and to give summon to the employees in the morning. The Company believes that if the employees' spirit and mind have been disciplined and cultivated to have good morality, their live will be better. Moreover, the Company also takes such opportunity to access to the employees at all levels by arranging informal meeting to communicate the Company's policies and to listen to opinions from the employees.
2. Lunch for employees at all levels project : In order to assist the employees on fundamental livelihood, particularly the low level ones, the Company has arranged lunch project, under the concept of "Same Pot of Rice and Curry for All AJ Employees". The Company shall provide rice and two kinds of food as lunch to all employees. The core mission of this project is that everyone from the highest executives to the janitor shall eat the same food. This project cannot only help the low income employees to have hygienic food which is cooked by the Company's maids, it can also strengthen harmony in the organization as it can make everyone in the organization feel like the same family who have to take care of each other.
3. AEC's neighboring employee project : As the Company is located in Samut Sakhon Province, which has a lot of the Myanmar employees and is lack of Thai employees, thus, some parts of the Company's workforce comprises of Myanmar employees. However, the policy and regulations on employment of foreign employees have been imposed as follows:
 - 3.1 Only legal labor shall be employed. Presently, all foreign labors employed by the Company must have a passport.
 - 3.2 Monthly wage and fringe benefits provided, i.e. labor wage, lunch, accommodation, bonus, social security and others equal to those provided to Thai employees.

The Company strictly perform business under legal framework and pursuant to regulations specified by the related government agencies. In addition, it also needs to be a role model on proper employment of foreign labor for other private companies. The Company believes that by doing the right thing and respecting fundamental human right of all employees without any discrimination on race, language and etc., it shall make everybody, regardless of race and language, Thai or foreigner treasure the Company and be the important force in strengthening growth of the Company.

4. Expansion of AJ service center nationwide project : since the Company's products are home electrical appliances that the consumers use in their daily life and these products may have problem or out of order after they used for some period of time. In order to solve such problem, the Company appointed the repair and maintenance service centers for AJ products in almost every province to facilitate the AJ's customers in all areas. In addition, such services are rendered to both products under guarantee period and after warrantee period. The service center shall repair the product under warrantee period without any charging service fees as they can reimburse spare parts and labor cost from the Company. However, for repair of product after warrantee period, the service center shall charge for spare part cost and service fee from the customer. The Company shall sell spare parts to service centers at the reasonable price but the service center must have pricing standard for spare parts and labor costs, so that the customers shall not be overcharged for repair cost. This project can make the Company's customers feel confidence in the products and it can also support the small, local technicians to have professions so they can have sufficient income and can conduct business in their locality.
5. Project to support retail customers of Vending Corporation Co., Ltd : An objective of Vending Corporation Co., Ltd to approach into retail customers to own a vending machine in their local community and receive as another sources of income from being an ownership and distributed income from transaction fee. The company developed the system and service to increase income for retailers in order to support SME grown economy as the government vision to stimulate big economy as a whole.

Apart from major projects, the Company also continuing support local community and support employee to perform good and willing to help others to develop the community and society.

Corporate Social Responsibility in 2016



Donation of electronic appliance to disability



Scholarship in to be number one campaign



Kathin ceremony at Huaykum temple
at Chaiyaphume province
for Narmpong Hospital in Konkaen province



Kathin in Jumba temple in Bangkok



Donation of electronic appliance to flooding victim



Donation to Camillian house



Scholarship to Jittanuparp foundation



Red cross campaign to support Chulalongkorn Hospital



Building renovation for psychiatric patient
at Galyarajanagarindra Institute



Donation for construct Meditation Hall
at Huay Narm Yen temple, Chiangmai



Donation for charity event at Klongtoey foundationl



Internal Control

The Board of Directors assessed the Company's internal control in according to the Assessment Form of Internal Control of SEC, by asking the management in covering 5 components including:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The Board of Directors concluded that the Company's internal control system was sufficient and appropriate, applied the acceptable accounting standard, SEC and SET rules and regulation in reporting quarterly and yearly financial statements. In addition, the company has a process in generating and the financial statements were disclosed correctly, sufficiently and timely. The company has sufficiently and appropriately internal control system and timely adjusted to the changes situation efficiently, in order to achieve the company's goal and comply with related rules and regulations. There are no significant issues which may cause any damage to the company. The internal control concerning the related transaction with major shareholders, director and their related parties is considered sufficient to protect the company's assets from the use of the company assets with fraud or without authorities. In this regards, the independent directors' and audit committee's opinion are the same as to the directors'.

The Company has a policy to hire outsource internal control by appointing Dharmniti Auditing Co., Ltd. ("Internal Controller") as internal controller since 2011 to review and assess internal control of the company and provide suggestion of the appropriate internal control system comparing with internal control system under the COSO (The Committee of Sponsoring Organizations of the Tread way Commission) comprising of 1) Control Environment 2) Risk Assessment 3) Control Activity 4) Information and Communication 5) Monitoring and Evaluation.

The Audit Committee approved the internal control result for the year 2016 No. 4 of Crown Tech Advance Public Company Limited according to the auditing plan which was considered and approved comprising of 1.) Procurement from international partner per an objective to be efficient and effective control related to 1.1) Find new international partnership 1.2) International Partnership criteria 1.3) International Partnership evaluation, respectively. Internal control procedure is rely on professional rules for example ask from executive and head of international procurement, ask for procedure and examine all documents related. 2.) Follow up on result of internal control to ensure the Company improve on what auditor is suggested. The management is effectively improve on what is suggested according to the report on 1/2016 and 3/2016, respectively.

The audit result has been concluded as follows

Control of international purchasing

Purchasing from international has to be standard quality, standard quantity, right timing, right price, right resource, and right place. Such strategy has 9 regulations for example products should be sufficient with order and not over stocking etc.

International procurement department has responsible to control and demonstrate per the setting strategy for example 1.) Execute job description for international purchasing department 2.) Understand steps of procurement both new product and repeated product according to the permission of executive. Audit result shows that the Company has adequate control such that the Company try to find new international partnership and the director is the one who deal with imported products from China by himself or else cooperate with others executive in the company. Normally, the Company will ask for quotation and then check relationship with related parties, compile all documents and report to director for finalize decision. For evaluation of seller, it has to have evaluation form from head of international purchasing. Moreover, report for the ready-to-sell products in 2016 ended on October 31, 2016 shows that there are all moving stock with average turnover of 4.95 days.

However, there are some point that need an improvement such that 1.) Adjust procedure when the seller increase the price 2.) Insert remark in contract that the seller must check and approve quality before delivery 3.) When the seller authorized in the final contract 4.) Examine the related transactions according to international purchasing strategy etc.

The internal audit assess with related parties and approved that the Company is already adjust according to the suggestion.

Related Parties Transactions

1.) Related Transactions Characteristics

In 2016, there were related transactions according to SET regulations concerning the Disclosure of Information and Other Acts of Listed Companies Concerning the Related Transactions, in which the details of the transaction can be summarized as follows:

As of 31 December 2016, the company

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
1. Vending Co., Ltd.	Subsidiary company	Giving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 6.60%-9.00% (the average cost of the company is around 5.66%) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		*Principal and interest as of 31 December 2016			
		Beginning Balance	-	-	
		- drawdown	-	534.34	
		- repay	-	(65.11)	
		Ending Balance	-	469.23	
		- Interest Revenue	-	13.39	

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
2. Siam Advance Electronic Co., Ltd.	Subsidiary company	Receiving financial assistance *Principal and interest as of 31 December 2016 Beginning Balance - drawdown - repay Ending Balance - Interest Expense	0.82 0.03 - 0.85 0.03	0.85 0.04 - 0.89 0.04	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
3. T&C Advance Electronic Co.,Ltr	Subsidiary company	Receiving financial assistance *Principal and interest as of 31 December 2016 Beginning Balance - drawdown - repay Ending Balance - Interest Expense	2.08 0.08 2.08 2.16 0.08	2.16 0.09 2.16 2.25 0.09	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
4. Happy Vision Co., Ltd.	Subsidiary company	Receiving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		*Principal and interest as of 31 December 2016			
		Beginning Balance	-	12.24	
		- drawdown	12.24	0.56	
		- repay	-	-	
5. Mr. Amorn Meemano	Director of the company Crown Tech Advance Public Co., Ltd.	Receiving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		*Principal and interest as of 31 December 2016			
		Beginning Balance	-	72.69	
		- drawdown	77.69	3.26	
		- repay	(5.00)	(21.69)	
		Ending Balance	72.69	54.26	
		- Interest Expense	2.69	3.26	

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
6. Mr. Pipat Patiwetphinyo	Director of the Company	Receiving financial assistance *Principal and interest as of 31 December 2015 Beginning Balance - drawdown - repay Ending Balance - Interest Expense	52.13 62.46 - 114.59 4.46	114.59 5.16 (14.24) 105.51 5.16	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
7. Ms. Chinda Meemano	Shareholders and sister of 5.)	Receiving financial assistance *Principal and interest as of 31 December 2016 Beginning Balance - drawdown repay Ending Balance - Interest Expense	37.63 40.72 (35.20) 43.15 1.76	43.15 10.84 (53.99) - 0.84	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
8. Mrs. Nasikar Meemanonuns	Shareholder and spouse of 5.)	Receiving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		*Principal and interest as of 31 December 2016			
		Beginning Balance	48.31	86.96	
		- drawdown	38.65	3.87	
		- repay	-	(62.37)	
9. Ms. Jintana Meemano	Shareholders and sister of 5.) and 7.)	Ending Balance	86.96	28.46	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		- Interest Expense	3.49	3.87	
		Receiving financial assistance			
		*Principal and interest as of 31 December 2016			
		Beginning Balance	16.01	18.36	
		- drawdown	19.90	0.28	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
		- repay	(17.55)	(18.64)	
		Ending Balance	18.36	-	
		- Interest Expense	0.75	0.28	

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
10. Mrs. Yoon Panthasen	Shareholder	Receiving financial assistance *Principal and interest as of 31 December 2016 Beginning Balance - drawdown - repay Ending Balance - Interest Expense	49.46 27.10 (40.66) 35.90 1.47	35.90 0.46 (36.36) - 0.46	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.
11. Mr. Pallin Saengpongpitaya	Shareholder and Brother 8.)	Receiving financial assistance *Principal and interest as of 31 December 2016 Beginning Balance - drawdown - repay Ending Balance - Interest Expense	40.03 1.69 (20.85) 20.87 1.69	20.87 0.16 (21.03) - 0.16	The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period) Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution. Audit Committee opines that the transaction is suitable and reasonable.

Parties with potential conflict	Relationship	Type of transaction	Value (million baht)		Reason and necessity of the related transactions
			2015	2016	
12. Ms. Wanida Wasiphanphong	Shareholder and spouse of 6.).	Receiving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period)
		*Principal and interest as of 31 December 2016			
		Beginning Balance	48.06	56.86	
		- drawdown	31.10	16.51	
		- repay	(22.30)	(73.37)	
13. Mrs. Somjai Wasiphanphong	Shareholder and mother to party 12.)	Ending Balance	56.86	-	Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution.
		- Interest Expense	2.31	1.51	
		Receiving financial assistance			The company gives assistance to the subsidiary company to be the working capital with interest rate of 3.75%-4.80% (the lowest rate in which the company pay to the financial institution at that period)
		*Principal and interest as of 31 December 2016			
		Beginning Balance	40.39	-	
		- drawdown	10.31	-	
		- repay	(50.70)	-	Audit Committee have reviewed and considered this item benefit to the company by providing liquidity with the comparable rate to the financial institution.
		Ending Balance	-	-	
		- Interest Expense	0.31	-	
					Audit Committee opines that the transaction is suitable and reasonable.

Financial Statement and Performance

Significant Financial Information

Summary of Auditing Report

Audit Company : KPMG Phoomchai Audit Ltd.

Auditors :

1. Mr. Nirand Lilamethwat, CPA License number 2316 or
2. Ms. Bongkot Amsageam, CPA License number 3684 or
3. Mr. Thanit Osathalert, CPA License number 5515

The auditor has opined that the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, Financial as of 31 December 2016 and their financial performance and cash flows for the year ended in accordance with Thai Financial Reporting Standards.



Summary of Financial Statements

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 December 2014		31 December 2015		31 December 2016	
Assets						
Current assets						
Cash and cash equivalents	47,516	1.61%	163,899	6.86%	121,788	4.04%
Trade accounts receivable	961,206	32.47%	530,810	22.23%	340,025	11.29%
Current portion of installment sales receivables	-	-	22,203	0.93%	233,227	7.74%
Other receivables	733,968	24.79%	453,035	18.98%	244,336	8.11%
Inventories	870,053	29.39%	803,505	33.66%	790,880	26.26%
Other current assets	29,246	0.99%	43,354	1.82%	80,489	2.67%
Total current assets	2,641,989	89.25%	2,016,806	84.48%	1,810,745	60.12%
Non-current assets						
Installment sales receivables	-	-	55,231	2.31%	777,640	25.82%
Investment in associate	860	0.03%	396	0.02%	342	0.01%
Other long-term investments	38,810	1.31%	36,375	1.52%	58,205	1.93%
Property, plant and equipment	256,211	8.66%	259,374	10.87%	311,753	10.35%
Intangible assets	6,187	0.21%	4,127	0.17%	7,836	0.26%
Deferred tax assets	12,543	0.42%	13,402	0.56%	40,710	1.35%
Other non-current assets	3,583	0.12%	1,757	0.07%	4,606	0.15%
Total non-current assets	318,194	10.75%	370,662	15.52%	1,201,092	39.88%
Total assets	2,960,183	100.00%	2,387,468	100.00%	3,011,837	100.00%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	1,236,789	41.78%	241,758	10.13%	533,257	17.71%
Trade accounts payable	296,182	10.01%	169,879	7.12%	74,250	2.47%
Other payables	237,219	8.01%	187,146	7.84%	158,593	5.27%
Short-term loans from related parties	332,032	11.22%	452,367	18.95%	203,239	6.75%
Current portion of long-term loans from financial institutions	25,008	0.84%	25,008	1.05%	24,082	0.80%
Current portion of finance lease liabilities payment due within one year	736	0.02%	654	0.03%	4,462	0.15%

(Unit : Thousand Baht)

Statement of financial position (Cont'd)	Consolidated financial statements					
	31 December 2014		31 December 2015		31 December 2016	
Income tax payable	36,934	1.25%	7,227	0.30%	75,832	2.52%
Other current liabilities	31,324	1.06%	23,151	0.97%	27,332	0.91%
Total current liabilities	2,196,224	74.19%	1,107,190	46.39%	1,101,047	36.58%
Non - Current liabilities						
Long-term loans from financial institutions	77,076	2.60%	52,068	2.18%	27,986	0.93%
Finance lease liabilities	1,039	0.04%	1,687	0.07%	11,563	0.38%
Employee benefit obligations	3,029	0.10%	3,574	0.15%	4,942	0.16%
Total non-current liabilities	81,144	2.74%	57,329	2.40%	44,491	1.48%
Total liabilities	2,277,368	76.93%	1,164,519	48.79%	1,145,538	38.03%
Equity						
Share capital						
Authorised share capital	375,000		550,000		550,000	
Issued and paid-up share capital	300,000	10.13%	387,817	16.24%	421,043	13.98%
Premium on ordinary shares	192,300	6.50%	617,664	25.87%	647,236	21.49%
Retained earnings						
Legal reserve	11,800	0.40%	12,400	0.52%	20,900	0.69%
Unappropriated	141,772	4.79%	147,550	6.18%	500,406	16.61%
Other component of equity	27,321	0.92%	27,321	1.14%	27,321	0.91%
Equity attributable to owners of the Company	673,193	22.74%	1,192,752	49.95%	1,616,906	53.69%
Non-controlling interests	9,622	0.33%	30,197	1.26%	249,393	8.28%
Total equity	682,815	23.07%	1,222,949	51.21%	1,866,299	61.97%
Total liabilities and equity	2,960,183	100.00%	2,387,468	100.00%	3,011,837	100.00%
Book value per share (Baht)	0.228		0.315		0.443	
Issued and paid-up share capital (Par adjust to 0.10 baht for comparison)	3,000,000,000		3,878,167,640		4,210,428,340	

(Unit : Thousand Baht)

Statement of comprehensive income	Consolidated financial statements					
	For the year ended					
	31 December 2014		31 December 2015		31 December 2016	
Revenue from sales of goods	1,863,113	100.00%	1,721,818	97.60%	2,287,590	90.74%
Revenue from rendering of services	-	-	42,365	2.40%	114,648	4.55%
Interest income from installment sales	-	-	-	-	118,695	4.71%
Total revenue	1,863,113	100.00%	1,764,183	100.00%	2,520,933	100.00%
Cost of sales of goods	(1,143,510)	(61.38)%	(1,039,879)	(60.39)%	(58.94)%	(42.35)%
Cost of rendering of services	-	-	(23,154)	(54.65)%	(1.31)%	(2.56)%
Total cost of sales	(1,143,510)	(61.38)%	(1,063,033)	(60.26)%	(1,132,155)	(44.91)%
Gross Profit	719,603	38.62%	701,150	39.74%	1,388,778	55.09%
Other income						
Net foreign exchange gains	-	0.00%	-	0.00%	16,991	0.67%
Other income	6,808	0.37%	4,628	0.26%	20,122	0.80%
Total Other income	6,808	0.37%	4,628	0.26%	37,113	1.47%
Expenses						
Selling expenses	(429,236)	(23.04)%	(444,677)	(25.21)%	(481,674)	(19.11)%
Administrative expenses	(117,394)	(6.30)%	(155,717)	(8.83)%	(269,521)	(10.69)%
Net foreign exchange losses	(3,815)	(0.20)%	(10,968)	(0.62)%	-	0.00%
Total expenses	(550,445)	(29.54)%	(611,362)	(34.66)%	(751,195)	(29.80)%
Profit before finance costs and income tax expense	175,966	9.44%	94,416	5.34%	674,696	26.76%
Finance costs	(23,255)	(1.25)%	(54,004)	(3.06)%	(32,057)	(1.27)%
Share of loss of associate	-	-	(464)	(0.03)%	(55)	0.00%
Profit before income tax expense	152,711	8.20%	39,948	2.25%	642,584	25.49%
Income tax expenses	(30,744)	(1.65)%	(17,564)	(1.00)%	(129,492)	(5.14)%
Profit for the year	121,967	6.55%	22,384	1.25%	513,092	20.35%

(Unit : Thousand Baht)

Statement of comprehensive income (Cont'd)	Consolidated financial statements					
	For the year ended					
	31 December 2014		31 December 2015		31 December 2016	
Other comprehensive income						
Defined benefit plan actuarial gains	-	0.00%	-	0.00%	631	0.03%
Income tax on other comprehensive income	-	0.00%	-	0.00%	(126)	(0.01)%
Other comprehensive income for the year, net of income tax	-	0.00%	-	0.00%	505	0.02%
Total comprehensive income for the year	121,967	6.55%	22,384	1.27%	513,596	20.37%
Profit attributable to:						
Owners of the Company	122,145	6.56%	6,378	0.36%	355,463	14.10%
Non-controlling interests	(178)	(0.01)%	16,006	0.91%	157,629	6.25%
Profit for the year	121,967	6.55%	22,384	1.27%	513,092	20.35%
Total comprehensive income attributable to:						
Owners of the Company	122,145	6.56%	6,378	0.36%	355,967	14.12%
Non-controlling interests	(178)	(0.01)%	16,006	0.91%	157,629	6.25%
Total comprehensive income for the year	121,967	6.55%	22,384	1.27%	513,596	20.37%
Earnings per share (in Baht)	0.042		0.002		0.090	
Issued and paid-up share capital (weighted average)	2,921,918,000		3,878,167,640		3,962,289,202	

(Unit : Thousand Baht)

Statement of cash flows	Consolidated financial statement		
	For the year ended		
	31 December 2014	31 December 2015	31 December 2016
<i>Cash flows from operating activities</i>			
Profit for the year	121,967	22,384	513,092
<i>Adjustments for</i>			
Interest Income	-	(969)	(119,327)
Depreciation	10,437	16,976	21,784
Amortization of intangible assets	8,339	2,548	1,646
Allowance for doubtful accounts doubtful debts expenses (reversal)	(1,443)	26,816	44,326
Allowance for decline in value of inventories	6,764	2,575	12,206
Provision for sales return	11,189	2,352	1,794
Provision for warranties	1,784	201	17,226
Employee benefits	793	882	1,998
Gain on disposals of equipment	(51)	(1)	(368)
Loss from write-off equipment	-	-	-
Unrealised loss on exchange rate	(5,752)	3,024	941
Share of loss of associate	-	464	55
Finance costs	23,255	54,004	32,057
Income tax expense	30,744	17,564	129,492
	208,026	148,820	656,922
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	(393,430)	403,745	198,519
Installment receivables	-	(77,599)	(981,970)
Other receivables	(693,200)	285,488	205,176
Inventories	(507,049)	63,973	418
Other current assets	(23,246)	(14,109)	(37,135)
Other non-current assets	(3,093)	1,826	350
Trade accounts payable	209,121	(127,306)	(96,329)
Other payables	121,615	(51,793)	(39,474)
Cash paid for sales return	-	(13,390)	(3,050)
Cash paid for warranty	-	(925)	(2,663)
Other current liabilities	8,249	3,590	(9,126)

(Unit : Thousand Baht)

Statement of cash flows (Cont'd)	Consolidated financial statement For the year ended		
	31 December 2014	31 December 2015	31 December 2016
Employee benefit obligations paid	-	(336)	-
Cash generated from (used in) operating activities	(1,073,007)	621,984	(108,362)
Income tax paid	(13,680)	(48,131)	(91,519)
Net cash from (used in) operating activities	(1,086,687)	573,853	(199,881)
Cash flows from investing activities			
Interest received	983	119,326	119,326
Purchases of property, plant and equipment	(58,670)	(17,100)	(47,056)
Proceeds from disposals of equipment	383	30	3,026
Purchases of intangible assets	(2,652)	(488)	(4,064)
(Increase) decrease in other long-term investments deposits at financial institutions	(14,610)	2,435	(21,830)
Net cash used investing activities	(75,549)	(14,140)	49,402
Cash flows from financing activities			
Finance costs paid	(23,255)	(54,004)	(32,057)
Dividends paid to owners of the Company	(59,988)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	714,355	(997,052)	291,259
Proceed from short-term loans from related parties	332,032	439,582	55,568
Repayment of short-term loans from related parties	-	(319,247)	(304,696)
Proceeds from long-term loans from financial institutions	21,500	-	-
Repayment of long-term loans from financial institutions	(25,008)	(25,008)	(25,008)
Finance lease payments	(1,507)	(782)	(6,450)
Proceeds from issue of ordinary shares	242,300	513,181	62,797
Proceeds from issue of ordinary shares of subsidiary	-	-	74,850
Acquisition of non-controlling interests	-	-	(7,894)
Net cash from (used in) financing activities	1,200,429	(443,330)	108,369
Net increase (decrease) in cash and cash equivalents	38,193	116,383	(42,111)
Cash and cash equivalents at 1 January	9,323	47,516	163,899
Cash and cash equivalents at 31 December	47,516	163,899	121,788

Financial Ratio	Consolidated financial statement		
	For the year ended		
	31 December 2014	31 December 2015	31 December 2016
LIQUIDITY RATIO			
Current ratio (Time)	1.20	1.82	1.64
Quick ratio (Time)	0.79	1.06	0.85
Cash Flow current ratio (Time)	(0.73)	0.35	(0.18)
Receivable current ratio (Time)	2.43	2.14	1.80
Average debt collection period (Day)	148.15	168.06	200.32
Inventory Turnover period (Time)	1.79	1.24	1.43
Average selling period (Day)	201.01	291.25	251.40
Payable current ratio (Time)	5.96	4.56	9.28
Loan repayment period (Day)	60.41	78.92	38.81
Cash Cycle (Day)	288.75	380.39	412.90
PROFITABILITY RATIO			
Gross profit margin (%)	38.62	39.74	55.09
Operating profit margin (%)	9.44	5.35	26.76
Other profit margin (%)	0.36	0.26	1.45
Cash to profit margin (%)	(617.55)	607.79	(29.63)
Net profit margin (%)	6.53	0.36	13.90
Return on equity (%)	23.45	0.68	25.30
EFFICIENCY RATIO			
Return on assets (%)	5.83	0.24	13.17
Return on fixed assets (%)	57.90	9.06	132.11
Assets turnover (Time)	0.89	0.66	0.95
FINANCIAL POLICY RATIO			
Debt to equity ratio (Time)	3.38	0.98	0.61
Interest coverage ratio (Time)	(46.14)	11.52	(3.38)
Commitment coverage ratio (cash basis) (Time)	(7.35)	1.58	(0.52)
Dividend payout ratio (%)	49.11	-	-

Management's Discussion and Analysis of Results of Operations and Financial Condition

Analysis of Financial Positions and Operating Result

Analysis of Operating Result

Total revenue :

In 2016, the company generated total revenue of 2,520.93 million Baht, increased by 756.75 million Baht or 42.90 percent compared to 2015 sales of 1,764.18 million Baht. This was the result from continuing growth in vending machine business in Q4 of 2015 and full year performance of 2016.

Revenue from Sales and services can be divided as follows:

(Unit : Thousand Baht)

Revenue structure by product	2014		2015		2016	
1. Revenue from sales - AV	1,762,825	83.41%	1,491,995	77.38%	862,680	33.42%
2. Revenue from sales - AP	350,573	16.59%	357,356	18.53%	412,226	15.97%
3. Revenue from sales - vending machine	-	-	78,679	4.09%	1,187,090	46.00%
4. Revenue from interest of installment sales	-	-	-	-	118,695	4.61%
Revenue from sales before trade - discount and provision for sales return	2,113,398	100.00%	1,928,030	100.00%	2,580,691	100.00%
Deduct - Trade discount	(233,139)	(11.03)%	(221,339)	(11.48)%	(178,285)	(6.91)%
Provision from Sales return	(17,146)	(0.81)%	15,127	0.78%	3,879	0.15%
Revenue from sales (Net)	1,863,113	88.16%	1,721,818	97.56%	2,406,285	95.45%
Revenue from service	-	-	42,365	2.44%	114,648	4.55%
Revenue from sales and service	-	-	1,764,183	100.00%	2,520,933	100.00%

Revenue from sales

- Audio and Visual (AV products) are the main products which continuously generated main revenue to the Company. Sales amount during 2014-2016 was 1,762.83 million Baht, 1,492 million Baht and 862.68 million Baht or accounting for 83.40 percent, 77.38 percent and 33.42 percent of total sales of products before reduction of discount and allowance for returned product, respectively. Sales amount of AV product in 2016 decreased by 43.96 percent from the slowdown of economy and postponement of Set top box give out from 2105 to 2016.
- The electrical appliances is Home Appliance (AP) products which supplied to respond to the needs of consumers in Thailand. Sales in 2014-2016 were 350.57million Baht, 357.36 million Baht and 412.23 million Baht respectively or equaled to 16.60 percent, 18.54 percent and 15.97 percent of total sales before reduction of discount and allowance for returned product, respectively. Sales amount of AP increased as a result of growth in mobile air-conditioning product.

- Revenue from vending machine which was the new product of the Company under the name of “Vending Corporation Co., Ltd.”. The Company invested into this business on 4th quarter of 2015 which was a service to provide top-up mobile operators mainly for One to call (AIS), DTAC, True Move (TRUE). Sales in 2016 was 1,187.09 million Baht or equaled to 46.00 percent of total sales before reduction of discount and allowance for returned product.
- Revenue from interest of installment sales which incurred from sales of vending machine under Vending Corporation Co., Ltd. Interest revenue was 118.69 percent or equaled to 4.61% of total sales before reduction of discount and allowance for returned product.
- Discount from sales incurred via modern trade distribution channels and dealers. Such sales contracts or agreements made with each business partner have different terms including discount and rebate conditions. Therefore, it caused the Company to reimburse or reconcile on discount and rebate and returned product at all time. Discount and rebate during 2014-2016 were 233.14 million Baht, 221.34 million Baht and 178.29 million Baht or equaled to 11.03 percent, 11.48 percent and 6.91 percent of total sales before reduction of discount and allowance for returned products respectively.
- Allowance of returned calculated by product returned statistics and compared with sales amount in the past, then adjusted to a new calculation formula and made it up-to-date in every quarter. The allowance of returned product increased by 17.15 million Baht in 2014, decreased by 15.13 million Baht in 2015, and the Company has set up a decrease of the allowance of returned product in the amount of 3.88 million Baht in 2016.

Revenue from service

The Company recognized revenue from investment in new business in 2015-2016 resulted from AIR TIME service by ‘Vending Corporation Co., Ltd. In 2016, revenue from service accounted for 114.65 million Baht or 4.55% of total revenue.

Other revenue

Other revenues of the Company during 2014-2016 were 6.81 million Baht, 4.63 million Baht and 20.12 million Baht or accounted for 0.37 percent, 0.26 percent, and 0.80 percent of total revenue from sales and service, respectively. Main components of other revenues were interest received and profit from recaptured products etc.



Cost of Sales

Major components of the company's cost of sales are:

(Unit : Thousand Baht)

Cost of goods sold	2014		2015		2016	
Purchase (Net)	1,729,182	97.72%	1,222,909	96.34%	1,837,267	97.75%
Import expenses & Related expenses	39,521	2.23%	39,832	3.14%	27,524	1.46%
Allowance for sales return (reversal)	(5,957)	(0.34)%	4,089	0.32%	2,622	0.14%
Allowance for decline in value on inventories	6,764	0.38%	2,575	0.20%	12,207	0.65%
Total	1,769,510	100.00%	1,269,405	100.00%	1,879,620	100.00%
Change in inventories (In period)	(626,000)	(35.38)%	(229,526)	(18.08)%	(811,963)	(43.20)%
Cost of goods sold (Net)	1,143,510	64.62%	1,039,879	81.92%	1,067,657	56.80%
Percentage of Revenue from Sales	61.38%		60.39%		44.37%	

Cost of goods sold of the Company in 2014-2016 were 1,143.51 million Baht, 1,039.88 million Baht, and 1,067.66 million Baht or accounting for 61.38 percent, 60.39 percent and 44.37 percent of total cost of goods sold, respectively. In 2016, cost of sales is decreased as a result from sales of vending machine has lower cost to revenue than other electronic appliances.

Cost of service

In 2016, the Company incurred total cost of service equal to 64.50 million Baht or accounting for 56.26 percent of revenue from service. Major component of the company's cost of service was cost of internet and share from top up and payment transaction.

Sales and Administrative Expenses

Sales and Adminis. expenses	2014		2015		2016	
Selling expenses	429,236	23.04%	444,677	25.21%	481,674	19.11%
Administrative expenses	117,394	6.30%	155,717	8.83%	269,521	10.69%
Total	546,630	29.34%	600,394	34.03%	751,195	29.80%
Revenue from sales and service	1,863,113	100.00%	1,764,183	100.00%	2,520,933	100.00%

Selling Expenses

The selling expenses in 2014-2016 were 429.24 million Baht, 444.68 million Baht, and 481.67 million Baht or 23.04 percent, 25.21 percent and 19.11 percent of revenue from sales and service of each period, respectively. In 2016, expenses from sales increased 37 million Baht compared to last year or accounting for 8.32 percent increase in the ratio of expenses to revenue from sales and service from the expansion of Vending corporation business and a reason that increases in sales leads to increases in expenses. Moreover the ratio of expense to revenue is decreased as a result of the cost control strategy to support higher sales.

General and administrative expenses

General and administrative expenses in 2014-2016 were 117.39 million Baht, 155.72 million Baht, and 269.52 million Baht or 6.30 percent, 8.83 percent and 10.69 percent of revenue from sales and service of each period, respectively. In 2016, General and administrative expenses increased 113.80 million Baht compared to last year or accounting for 73.08 percent increase due to the expansion of Vending Corporation Co., Ltd.

Profit (loss) on exchange rate

(Unit : Thousand Baht)

Profit (loss) on exchange rate	2014		2015		2016	
Profit (loss) on exchange rate	3,815	0.20%	10,968	0.62%	-	-
Revenue from sales of goods and service	1,863,113	100.00%	1,764,183	100.00%	2,520,933	100.00%

Profit (loss) on exchange rate in 2014-2015 were 3.82 million Baht and 10.97 million Baht, or 0.20 percent, and 0.62 percent of revenue from sales and service of each period, respectively. In 2016, the Company reported profit on exchange rate as 16.99 million Baht.

Cost of financing

(Unit : Thousand Baht)

Cost of financing	2014		2015		2016	
Cost of financing	23,255	1.25%	54,004	3.06%	32,057	1.27%
Revenue from sales and service	1,863,113	100.00%	1,764,183	100.00%	2,520,933	100.00%

Cost of financing in 2014-2016 were 23.26 million Baht, 54.00 million Baht, and 32.06 million Baht or 1.25 percent, 3.06 percent and 1.27 percent of revenue from sales and service of each period, respectively. In 2016, cost in financing decreased 21.95 million Baht compared to last year or 40.64 percent decrease resulted from the payment of short term loans to related parties as 304.70 million Baht.

Profitability

(Unit : Thousand Baht)

Profitability	2014		2015		2016	
Gross profits	719,603	38.62%	701,150	39.74%	1,388,778	55.09%
Profits from operations (before financial costs and tax)	175,966	9.44%	94,416	5.34%	674,695	26.76%
Profit attributable to:						
Owners of the Company	122,145	6.56%	6,378	0.36%	355,463	14.10%
Non-controlling interests	(178)	(0.01)%	16,006	0.91%	157,629	6.25%
Net profits	121,967	6.55%	22,384	1.27%	513,092	20.35%
Revenue from sales	1,863,113	10.000%	1,764,183	100.00%	2,520,933	100.00%

Net profit in 2014-2016 were 122.15 million Baht, 6.38 million Baht, and 355.46 million Baht or 6.56 percent, 0.36 percent and 14.10 percent of revenue from sales and service of each period, respectively. In 2015, net profit increased 349.08 million Baht or 5,473.27 percent compared to last year.



Analysis of Financial Positions

Total asset

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
Assets						
Current assets						
Cash and cash equivalents	47,516	1.61%	163,899	6.86%	121,788	4.04%
Trade accounts receivable	961,206	32.47%	530,810	22.23%	340,025	11.29%
Account receivable due within one year	-	-	22,203	0.93%	233,227	7.74%
Other receivables	733,968	24.79%	453,035	18.98%	244,336	8.11%
Inventories	870,053	29.39%	803,505	33.66%	790,880	26.26%
Others current assets	29,246	0.99%	43,354	1.82%	80,489	2.67%
Total current assets	2,641,989	89.25%	2,016,806	84.48%	1,810,745	60.12%
Non-current assets						
Installment sales receivable	-	-	55,231	2.31%	777,640	25.82%
Investments in associate	860	0.03%	396	0.02%	342	0.01%
Other long-term investments	38,810	1.31%	36,375	1.52%	58,205	1.93%
Property, plant and equipment	256,211	8.66%	259,374	10.87%	311,753	10.35%
Intangible assets	6,187	0.21%	4,127	0.17%	7,836	0.26%
Deferred tax assets	12,543	0.42%	13,402	0.56%	40,710	1.35%
Other non-current assets	3,583	0.12%	1,757	0.07%	4,606	0.15%
Total non-current assets	318,194	10.75%	370,662	15.52%	1,201,092	39.88%
Total assets	2,960,183	100.00%	2,387,468	100.00%	3,011,837	100.00%

Total asset at the end of period in 2014-2016 were 2,960.18 million Baht, 2,387.47 million Baht, and 3,011.84 million Baht, respectively. Total asset in 2016 increased by 26.15 percent compared to last year by having current asset of 1,810.74 decreased by 206.06 million Baht or accounting for 10.22 percent compared to last year.

Major components of the Company's total asset were account receivable accounted for 11.29 percent of total asset, other receivable accounted for 25.82 percent, and inventories accounted for 26.26 percent of total asset.

The decrease in total asset in 2016 compared to last year was as follows

- Trade account receivable decreased by 190.79 million Baht or 35.94 percent compared to last year from decreased in sales volume of electrical appliances.
- Other receivable decreased 208.70 million Baht or 46.07 percent compared to last year from decrease in deposit amount and decrease in SET TOP BOX receivable.

In 2016, the Company incurred installment sales receivable of 933.43 million Baht from Vending Corporation Co., Ltd installment sales plan for customer of vending machine.

Total Liabilities

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans	1,236,789	41.78%	241,758	10.13%	533,257	17.71%
Trade accounts payable	296,182	10.01%	169,879	7.12%	74,250	2.47%
Other payables	237,219	8.01%	187,146	7.84%	158,593	5.27%
Short-term loans and accrued interest from related parties	332,032	11.22%	452,367	18.95%	203,239	6.75%
Current portion of long-term loans from financial institutions	25,008	0.84%	25,008	1.05%	24,082	0.80%
Current portion of finance lease liabilities payment due within one year	736	0.02%	654	0.03%	4,462	0.15%
Income tax payable	36,934	1.25%	7,227	0.30%	75,832	2.52%
Other current liabilities	31,324	1.06%	23,151	0.97%	27,332	0.91%
Total current liabilities	2,196,224	74.19%	1,107,190	46.38%	1,101,047	36.56%
Non-current liabilities						
Long-term loans from financial institutions	77,076	2.60%	52,068	2.18%	27,986	0.93%
Finance lease liabilities	1,039	0.04%	1,687	0.07%	11,563	0.38%
Employee benefit obligations	3,029	0.10%	3,574	0.15%	4,942	0.16%
Total non-current liabilities	81,144	2.74%	57,329	2.40%	44,491	1.48%
Total liabilities	2,277,368	76.93%	1,164,519	48.79%	1,145,538	38.03%

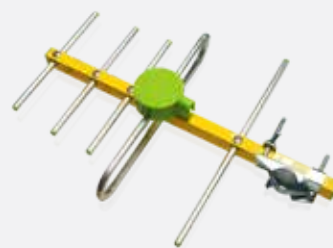
Total liabilities at the end of period in 2014-2016 were 2,277.37 million Baht, 1,164.52 million Baht, and 1,145.54 million Baht, which accounted for 76.93 percent, 48. 79 percent, and 38.03 percent of total liabilities and shareholders' equity, respectively. Total liabilities in 2016 decreased by 18.98 million Baht or 1.63 percent.

Major component of total liabilities were Bank overdrafts and short-term loans accounted for 17.71 percent of total liabilities and shareholders' equity, Short-term loans and accrued interest from related parties accounted 6.75 percent of total liabilities and shareholders' equity, and other payable accounted for 5.27%.

The decrease in total liabilities in 2016 are as follows

- Trade accounts payable decreased by 95.63 million Baht or 56.29 percent compared to last year.
- Other payables decreased by 28.55 million Baht or 15.26 percent compared to last year.
- Short-term loans and accrued interest from related parties decreased by 249.13 million Baht or 55.07 percent compared to last year.
- Current portion of long-term loans from financial institutions decreased by 25.01 million Baht or 32.45 percent compared to last year.

In 2016, the Company incurred higher liabilities from Bank overdrafts and short-term loans accounted for 291.50 million Baht or 120.57 percent since the Company can find other source of capital from outside.



Shareholders' Equity

(Unit : Thousand Baht)

Statement of financial position	Consolidated financial statements					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
Equity						
Share capital						
Authorised share capital	375,000		550,000		550,000	
Issued and paid-up share capital	300,000	10.13%	387,817	16.24%	421,043	13.98%
Premium on ordinary shares	192,300	6.50%	617,664	25.87%	647,236	21.49%
Retained earnings (Deficit)						
Legal reserve	11,800	0.40%	12,400	0.52%	20,900	0.69%
Unappropriated	141,772	4.79%	147,550	6.18%	500,406	16.61%
Other component of equity	27,321	0.92%	27,321	1.14%	27,321	0.91%
Equity attributable to owners of the Company	673,193	22.74%	1,192,752	49.95%	1,616,906	53.69%
Non-controlling interests	9,622	0.33%	30,197	1.26%	249,393	8.28%
Total equity	682,815	23.07%	1,222,949	51.21%	1,866,299	61.97%
Total liabilities and equity	2,960,183	100.00%	2,387,468	100.00%	3,011,837	100.00%

Total shareholders' equity at the end of period in 2014-2016 were 673.19 million Baht, 1,192.75 million Baht, and 1,616.91 million Baht, respectively.

In 2016, Total shareholders' equity increased 424.15 million Baht or 35.56 percent compared to last year. Major component were retained earnings increased by 352.86 million Baht or 239.14 percent compared to last year, paid up capital increased 33.23 percent or 8.57 percent and premium on ordinary shares increased by 29.57 million Baht, or 4.79 percent compared to last year

Liquidity

Statement of cash flow of the Company during 2014-2016 can be summarized as follows:

(Unit : Thousand Baht)

	2014	2015	2016
Cash flows from operating activities before changes in operating assets and liabilities	208,026	148,820	656,922
Net cash flows (Used in) operating activities	(1,086,687)	573,853	(199,881)
Net cash used in investing activities	(75,549)	(14,140)	49,402
Net cash flows (Used in) financing activities	1,200,429	(443,330)	108,369
Net increase (decrease) in cash & cash equivalents	38,193	116,383	(42,111)
Cash & cash equivalents at 31 December	47,516	163,899	121,788

Most of cash flow sources of the Company came from operating activities. During 2014-2016, cash from operating activating before changes of assets and operating liabilities were 208.03 million Baht, 148.82 million Baht and 656.92 million Baht respectively.

In 2016, net cash from operating activities was (199.88) million Baht. The main reason for increase of cash flow were account receivables amounted 198.52 million Baht, other receivables amounted 205.18 million Baht. The decrease of cash flow in were mainly from installment receivable 981.97 million Baht, trade account receivable of 96.33 million Baht, and other receivable of 39.47 million Baht.

During 2014-2016, liquidity ratio of the Company was as follows:

(Unit : Thousand Baht)

	2014	2015	2016
Current ratio (time)	1.20	1.82	1.64
Quick ratio (time)	0.79	1.06	0.85
Cash flow current ratio (time)	(0.73)	0.35	(0.18)
Average debt collection period (day)	148.15	168.06	200.32
Average selling period (day)	201.01	291.25	251.40
Average A/P repayment period (day)	60.41	78.92	38.81
Cash Cycle (day)	288.75	380.39	412.90

In 2014-2015, Liquidity ratio of the Company were between 1.20 - 1.82 times. In 2016, quick ratio was 0.85 which was slightly less than last year as a result of decreasing in other receivable of deposit and receivable coupon from Set top box. However, cash cycle was still high between 289 - 413 days (Days inventory outstanding + Days sales outstanding - Days payable outstanding) which considered to be continuously increasing. Since the subsidiary sells product by installment plan in 4-5 years' time frame, the company is in the process to adjust receivable quality and lower stock inventory, to have more efficient receivable collection, and to find more available sources of funding for operating liquidity.

Investment expenses

In 2016, the Company's major investments were 1.) Plant, property and equipment for 47.06 million Baht from investment in vending machine of subsidiary company and 2.) Increase of long term investment for 21.83 million Baht which was the deposit from the bank as a collateral, this resulted as increased in total cash flow for operating activities for 49.40 million Baht. Moreover, the Company incurred interest income of 119.33 million Baht from interest of vending machine selling.

Source of fund

In 2016, the Company's total cash flow from financing was 108.37 million Baht. Major transactions were repayment of short-term loans and accrued interest from related parties for 304.70 million Baht, finance cost paid for 32.06 million Baht, Repayment of long-term loans from financial institutions for 25.01 million Baht. The company also incurred Increase in bank overdrafts and short-term loans from financial institution for 291.26 million baht, cash from issue of ordinary shares for 62.80 million baht, Proceeds from issue of ordinary shares of subsidiary for 74.85 million Baht and increase in short-term loans and accrued interest from related parties for 55.57 million Baht.



Auditor's Remuneration

In 2016, the Company and its subsidiaries paid annual remuneration to the auditor of 3.48 million Baht, divided into auditing fee for annual financial statement of 2016 at 1.75 million Baht, auditing fee for quarter financial statement of 0.78 million Baht and auditing fee for financial statements of the subsidiaries of 0.95 million Baht.

Factors affected to financial result and operating result in the future

In 2016, new investment of vending machine business “AJ Termsabuy” which is invested 60.08% of registered capital is growing tremendously from the result of operation. Financial statement as of December 31st, 2016 showed that apart from higher net income, current assets and non-current assets are also increase compared to last year, This was a result of installment sale receivable for 1,010.87 million Baht because nature of vending business is selling machine as installment sale, so that it required high investment amount in the first hand. Hence, finding financial capital is crucial to support the business, and if not able to get it, it will affect to the financial result of the whole company.

Moreover, inventory is another account which has high ratio to total assets. The number may decrease compared to last year but as majority of inventory is an electrical appliances and Set top box which affected directly to the changes in technology. If there was product deterioration or any other factors which may affect to the sales, it will directly affect business operation.

However, the company realized all abovementioned problems and effects, we are in a process to prepare funding strategy by proposing for long term loans from financial institution and issuing of short term bond and long term debentures in order to support the business operation. We will make sure this funding will be rely on the same way as company's cash flow and limited inventory stock in appropriated level.



Independent Auditor's Report

To the Shareholders of Crown Tech Advance Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Crown Tech Advance Public Company Limited and its subsidiaries (the “Group”), and of Crown Tech Advance Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of inventory	
Refer to Note 3, 10	
The key audit matter	How the matter was addressed in the audit
<p>The Group's inventories are material to the financial statements where are measured at the lower of cost and net realizable value. There was a rapid and continuing change of technological and electrical appliances business accompanying with volatile from changing in consumer demand. Therefore, there is a risk that inventories may be presented at cost higher than net realizable value including the occurrence of the inventory obsolescence.</p> <p>The Group considers the allowance for decline in value and obsolescence by the management estimates and judgment. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures were designed to assess the appropriateness of the allowance for decline in value of inventories and obsolescence included:</p> <ul style="list-style-type: none"> - understanding the policies and procedures that the Group's management applied for setting up in allowance for decline in value of inventories. - testing on a sample basis items in the stock aging report and considering on whether these items were classified in the appropriate aging bracket. - performing test on a sample basis of net realisable value of inventories by investigating with the sales documents after period end whether there were any sales at price lower than cost to assess management's estimates and decision whether the allowance for decline in value of inventories was appropriate and adequate. - considering the historical accuracy of the allowance for decline in value of inventories for evaluating the appropriateness of the assumptions made in the current year and assessing the reasonableness of assumptions made by management on the extent of long-outstanding inventories, sales at price lower than cost and future operating plan to consider the appropriateness of the decline in value. - considering of the adequacy of the group's disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of account receivables	
Refer to Note 3, 7 and 8	
The key audit matter	How the matter was addressed in the audit
<p>The Group's trade account receivables and Installation sales receivables ("account receivables") are material to the financial statements where are stated at their invoice value less allowance for doubtful accounts and are stated at net of unearned interest income and allowance for doubtful accounts, respectively. Due to the Group has overdue account receivables from business, The Group has involved with uncertainty of valuation of receivables, which might be arisen from default customers.</p> <p>The Group considers the allowance for doubtful accounts by the management estimates and judgment. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures were designed to assess the appropriateness of the allowance for doubtful account included:</p> <ul style="list-style-type: none"> - understanding the policies and procedures that the Group's management applied for setting up in allowance for doubtful account. - testing on a sampling basis of items in the account aging report and considering on whether these items were classified in the appropriate aging bracket. - considering the historical accuracy of the allowance for doubtful accounts with the subsequent receipt and write-off after period end whether it was adequately set up, to assess management's estimates and decision whether the allowance for doubtful accounts was appropriate and adequate. - considering of the adequacy of the group's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the 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 TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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's and the 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 the 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.



(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2017

Statement of financial position

Crown Tech Advance Public Company Limited and its subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Current assets					
Cash and cash equivalents	6	121,788,024	163,898,526	53,622,667	154,745,135
Trade accounts receivable	5, 7	340,024,661	530,810,033	535,393,253	622,272,716
Current portion of installment sales receivables	8	233,226,831	22,203,281	-	-
Other receivables	5, 9	244,336,216	453,035,115	193,408,514	442,964,637
Inventories	10	790,879,898	803,505,120	654,092,501	749,009,123
Short-term loans to related party	5	-	-	469,227,545	-
Other current assets		80,488,828	43,354,207	42,885,239	36,613,961
Total current assets		1,810,744,458	2,016,806,282	1,948,629,719	2,005,605,572
Non-current assets					
Installment sales receivables	8	777,640,111	55,230,904	-	-
Investment in associate	11	341,907	396,420	341,907	860,714
Investments in subsidiaries	12	-	-	148,059,900	27,570,000
Other long-term investments	14	58,205,200	36,375,000	58,205,200	36,375,000
Property, plant and equipment	15	311,753,348	259,374,427	255,520,281	259,888,709
Intangible assets	16	7,836,264	4,126,573	2,530,019	3,939,279
Deferred tax assets	17	40,709,570	13,401,824	14,048,624	13,195,836
Other non-current assets		4,605,720	1,756,869	1,939,246	602,735
Total non-current assets		1,201,092,120	370,662,017	480,645,177	342,432,273
Total assets		3,011,836,578	2,387,468,299	2,429,274,896	2,348,037,845

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

Statement of financial position

Crown Tech Advance Public Company Limited and its subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	533,257,209	241,758,314	533,257,209	241,758,314
Trade accounts payable	5, 19	74,250,258	169,878,473	121,225,178	217,035,930
Other payables	5, 20	158,592,683	187,146,095	105,683,645	175,768,332
Short-term loans from related parties	5, 18	203,238,691	452,366,748	204,185,857	464,618,043
Current portion of long-term loans					
from financial institutions	18	24,082,000	25,008,000	24,082,000	25,008,000
Current portion of					
finance lease liabilities	18	4,461,935	654,030	1,190,463	654,030
Income tax payable		75,831,500	7,226,733	13,249,270	378,777
Other current liabilities	21	27,332,375	23,151,264	9,857,755	14,571,424
Total current liabilities		1,101,046,651	1,107,189,657	1,012,731,377	1,139,792,850
Non-current liabilities					
Long-term loans from					
financial institutions	18	27,986,000	52,068,000	27,986,000	52,068,000
Finance lease liabilities	18	11,563,492	1,686,758	2,356,520	1,686,758
Employee benefit obligations	22	4,941,759	3,574,309	3,825,437	3,574,309
Total non-current liabilities		44,491,251	57,329,067	34,167,957	57,329,067
Total liabilities		1,145,537,902	1,164,518,724	1,046,899,334	1,197,121,917

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

Statement of financial position

Crown Tech Advance Public Company Limited and its subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Equity					
Share capital	23				
Authorised share capital		550,000,000	550,000,000	550,000,000	550,000,000
Issued and paid-up share capital		421,042,834	387,816,764	421,042,834	387,816,764
Premium on ordinary shares	23	647,235,634	617,664,432	647,235,634	617,664,432
Retained earnings					
Appropriated					
Legal reserve	24	20,900,000	12,400,000	20,900,000	12,400,000
Unappropriated		500,406,016	147,550,044	293,197,094	133,034,732
Other component of equity	24	27,321,019	27,321,019	-	-
Equity attributable to owners of					
the Company		1,616,905,503	1,192,752,259	1,382,375,562	1,150,915,928
Non-controlling interests	13	249,393,173	30,197,316	-	-
Total equity		1,866,298,676	1,222,949,575	1,382,375,562	1,150,915,928
Total liabilities and equity		3,011,836,578	2,387,468,299	2,429,274,896	2,348,037,845

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

Statement of comprehensive income

Crown Tech Advance Public Company Limited and its subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Income	5				
Revenue from sales of goods		2,287,589,877	1,721,817,171	1,781,678,654	1,738,251,621
Revenue from rendering of services		114,648,293	42,365,358	1,273,202	-
Interest income from installment sales		118,694,752	-	-	-
Net foreign exchange gains		16,990,967	-	16,990,967	-
Other income		20,121,601	4,628,081	25,165,096	6,641,650
Total income		2,558,045,490	1,768,810,610	1,825,107,919	1,744,893,271
Expenses	5				
Cost of sales of goods	29	1,067,657,461	1,039,878,923	1,184,736,409	1,077,699,785
Cost of rendering of services		64,497,730	23,153,814	-	-
Selling expenses	26, 29	481,673,757	444,677,240	276,986,684	434,037,004
Administrative expenses	27, 29	269,521,358	155,716,681	121,022,346	149,638,260
Net foreign exchange losses		-	10,967,579	-	10,941,670
Finance costs	5, 30	32,057,044	54,004,072	32,243,574	54,312,685
Total expenses		1,915,407,350	1,728,398,309	1,614,989,013	1,726,629,404
Share of loss of associate	11	(54,513)	(463,994)	-	-
Profit before income tax expense		642,583,627	39,948,307	210,118,906	18,263,867
Income tax expense	31	(129,491,875)	(17,564,355)	(41,961,058)	(8,216,432)
Profit for the year		513,091,752	22,383,952	168,157,848	10,047,435
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains		630,642	-	630,642	-
Income tax on other comprehensive income		(126,128)	-	(126,128)	-
Other comprehensive income for the year, net of income tax		504,514	-	504,514	-
Total comprehensive income for the year		513,596,266	22,383,952	168,662,362	10,047,435

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

Statement of comprehensive income

Crown Tech Advance Public Company Limited and its subsidiaries

		Consolidated financial		Separate financial	
		statements		statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the Company		355,462,778	6,377,993	168,157,848	10,047,435
Non-controlling interests	13	<u>157,628,974</u>	<u>16,005,959</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>513,091,752</u>	<u>22,383,952</u>	<u>168,157,848</u>	<u>10,047,435</u>
Total comprehensive income					
attributable to:					
Owners of the Company		355,967,292	6,377,993	168,662,362	10,047,435
Non-controlling interests	13	<u>157,628,974</u>	<u>16,005,959</u>	<u>-</u>	<u>-</u>
Total comprehensive income					
for the year		<u>513,596,266</u>	<u>22,383,952</u>	<u>168,662,362</u>	<u>10,047,435</u>
Earnings per share (in Baht)	32				
Basic earnings per share		<u>0.090</u>	<u>0.002</u>	<u>0.042</u>	<u>0.003</u>
Diluted earning per share		<u>0.084</u>	<u>0.001</u>	<u>0.040</u>	<u>0.002</u>

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

Statement of change in equity

Crown Tech Advance Public Company Limited and its subsidiaries

	Note	Consolidated financial statements						
		Retained earnings		Other component of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus from business combination under common control (in Baht)		
Year ended 31 December 2015		300,000,000	192,300,000	11,800,000	141,772,051	27,321,019	673,193,070	682,815,299
Balance at 1 January 2015								
Transaction with owners, recorded directly in equity								
<i>Contribution by owners of the Company</i>								
Issue of ordinary shares	23	87,816,764	425,364,432	-	-	-	513,181,196	513,181,196
Total contributions by owners of the Company		87,816,764	425,364,432	-	-	-	513,181,196	513,181,196
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests with a change in control	4	-	-	-	-	-	4,569,128	4,569,128
Total changes in ownership interests in subsidiaries		-	-	-	-	-	4,569,128	4,569,128
Total transaction with owners, recorded directly in equity		87,816,764	425,364,432	-	-	-	513,181,196	517,750,324
Comprehensive income for the year								
Profit		-	-	-	6,377,993	-	6,377,993	22,383,952
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	6,377,993	-	6,377,993	22,383,952
Transfer to legal reserve	24	-	-	600,000	(600,000)	-	-	-
Balance at 31 December 2015		387,816,764	617,664,432	12,400,000	147,550,044	27,321,019	1,192,752,259	1,222,949,575

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

Statement of change in equity

Crown Tech Advance Public Company Limited and its subsidiaries

		Consolidated financial statements					
Note	Issued and paid-up share capital	Retained earnings		Other component of equity		Non-controlling interests	Total equity
		Share premium	Legal reserve	Unappropriated	Surplus from business combination under common control (in Baht)		
Year ended 31 December 2016	387,816,764	617,664,432	12,400,000	147,550,044	27,321,019	30,197,316	1,222,949,575
Balance at 1 January 2016							
Transaction with owners, recorded directly in equity							
<i>Contribution by owners of the Company</i>							
23 Issue of ordinary shares	33,226,070	29,571,202	-	-	-	-	62,797,272
33 Investment in subsidiaries	-	-	-	-	-	74,850,000	74,850,000
Total contributions by owners of the Company	33,226,070	29,571,202	-	-	-	74,850,000	137,647,272
Changes in ownership interests in subsidiaries							
<i>Acquisition of non-controlling interests</i>							
4 without change in control	-	-	-	5,388,680	-	(13,283,117)	(7,894,437)
Total changes in ownership interests in subsidiaries	-	-	-	5,388,680	-	(13,283,117)	(7,894,437)
Total transaction with owners, recorded directly in equity	33,226,070	29,571,202	-	5,388,680	-	61,566,883	129,752,835
Comprehensive income for the year							
Profit	-	-	-	355,462,778	-	157,628,974	513,091,752
Other comprehensive income	-	-	-	504,514	-	-	504,514
Total comprehensive income for the year	-	-	-	355,967,292	-	157,628,974	513,596,266
24 Transfer to legal reserve	-	-	8,500,000	(8,500,000)	-	-	-
Balance at 31 December 2016	421,042,834	647,235,634	20,900,000	500,406,016	27,321,019	249,393,173	1,866,298,676

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

Statement of change in equity

Crown Tech Advance Public Company Limited and its subsidiaries

	Note	Separate financial statements				
		Issued and paid-up share capital	Share premium	Legal reserve (in Baht)	Unappropriated Retained earnings	Total equity
Year ended 31 December 2015						
Balance at 1 January 2015		300,000,000	192,300,000	11,800,000	123,587,297	627,687,297
Transactions with owners, recorded directly in equity						
<i>Contributions by owners of the Company</i>						
Issue of ordinary shares	23	87,816,764	425,364,432	-	-	513,181,196
<i>Total contributions by owner of the Company</i>		87,816,764	425,364,432	-	-	513,181,196
Total transactions with owners, recorded directly in equity		87,816,764	425,364,432	-	-	513,181,196
Comprehensive income for the year						
Profit		-	-	-	10,047,435	10,047,435
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	10,047,435	10,047,435
Transfer to legal reserve	24	-	-	600,000	(600,000)	-
Balance at 31 December 2015		387,816,764	617,664,432	12,400,000	133,034,732	1,150,915,928

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

Statement of change in equity

Crown Tech Advance Public Company Limited and its subsidiaries

Separate financial statements						
Retained earnings						
		Issued and paid-up share capital	Share premium	Legal reserve (in Baht)	Unappropriated	Total equity
Note						
	Year ended 31 December 2016					
	Balance at 1 January 2016	387,816,764	617,664,432	12,400,000	133,034,732	1,150,915,928
	Transactions with owners, recorded directly in equity					
	Contributions by owners of the Company					
	Issue of ordinary shares	23	33,226,070	29,571,202	-	62,797,272
	Total contributions by owner of the Company		33,226,070	29,571,202	-	62,797,272
	Total transactions with owners, recorded directly in equity		33,226,070	29,571,202	-	62,797,272
	Comprehensive income for the year					
	Profit		-	-	168,157,848	168,157,848
	Other comprehensive income		-	-	504,514	504,514
	Total comprehensive income for the year		-	-	168,662,362	168,662,362
	Transfer to legal reserve	24	-	-	(8,500,000)	-
	Balance at 31 December 2016		421,042,834	647,235,634	20,900,000	1,382,375,562

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

Statement of cash flows

Crown Tech Advance Public Company Limited and its subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	513,091,752	22,383,952	168,157,848	10,047,435
<i>Adjustments for</i>				
Interest income	(119,326,564)	(969,149)	(13,970,260)	(1,222,848)
Depreciation	21,783,797	16,975,864	18,322,539	17,337,967
Amortisation of intangible assets	1,645,611	2,547,695	1,439,260	2,547,490
Allowance for doubtful accounts				
doubtful debts expenses (reversal)	44,326,525	26,815,784	(5,738,685)	25,739,449
Allowance for decline in value of inventories	12,206,583	2,575,224	12,206,583	2,575,224
Allowance for impairment losses on investment in associate	-	-	518,807	-
Provision for sales return	1,793,803	2,352,253	1,793,803	2,352,253
Provision for warranties	17,226,133	200,889	674,577	200,889
Employee benefits	1,998,092	881,720	881,770	881,720
Gain on disposals of equipment	(367,855)	(529)	(367,855)	(529)
Unrealised loss on exchange rate	940,610	3,023,861	940,610	3,023,861
Finance costs	32,057,044	54,004,072	32,243,574	54,312,685
Share of loss of associate	54,513	463,994	-	-
Income tax expense	129,491,875	17,564,355	41,961,058	8,216,432
	656,921,919	148,819,985	259,063,629	126,012,028
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	198,519,659	403,744,764	96,141,406	313,071,757
Installment sales receivables	(981,970,310)	(77,598,914)	-	-
Other receivables	205,175,641	285,488,235	246,032,865	274,331,213
Inventories	418,639	63,972,928	82,710,039	104,489,925
Other current assets	(37,134,623)	(14,108,530)	(6,271,278)	(773,538)
Other non-current assets	349,644	1,826,029	325,774	2,980,163
Trade accounts payable	(96,329,249)	(127,306,296)	(96,511,787)	(130,837,763)
Other payables	(39,474,352)	(51,792,818)	(72,062,216)	(54,131,162)
Cash paid for sales return	(3,050,386)	(13,389,899)	(3,050,386)	(13,389,899)
Cash paid for warranty	(2,662,889)	(925,381)	(1,652,434)	(925,381)
Other current liabilities	(9,125,550)	3,589,731	(2,479,229)	(4,807,624)
Employee benefit obligations paid	-	(336,000)	-	(336,000)
Cash generated from (used in) operating activities	(108,361,857)	621,983,834	502,246,383	615,683,719
Income tax paid	(91,519,477)	(48,130,928)	(31,731,765)	(52,443,952)
Net cash from (used in) operating activities	(199,881,334)	573,852,906	470,514,618	563,239,767

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

Statement of cash flows

Crown Tech Advance Public Company Limited and its subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2016	2015	2016	2015
	(in Baht)			
Cash flows from investing activities				
Interest received	119,326,564	983,204	13,970,260	1,236,903
Net cash flows on acquisition of subsidiary	-	-	(120,489,900)	(7,510,000)
Purchases of property, plant and equipment	(47,056,004)	(17,101,134)	(11,775,082)	(16,287,008)
Proceeds from disposals of equipment	3,026,168	30,061	3,026,168	30,061
Purchases of intangible assets	(4,064,260)	(487,500)	(30,000)	(487,500)
Short term loans to related party	-	-	(534,344,970)	(18,662,748)
Cash received from short term loans to related party	-	-	65,117,425	21,893,822
(Increase) decrease in other long-term investments				
deposits at financial institutions	(21,830,200)	2,435,000	(21,830,200)	2,435,000
Net cash from (used in) investing activities	49,402,268	(14,140,369)	(606,356,299)	(17,351,470)
Cash flows from financing activities				
Finance costs paid	(32,057,044)	(54,004,072)	(32,243,574)	(54,312,685)
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	291,259,320	-997,051,563	291,259,320	(997,051,563)
Proceed from short-term loans from related parties	55,567,559	439,581,600	41,253,403	447,508,693
Repayment of short-term loans from related parties	(304,695,616)	(319,246,730)	(301,685,589)	(317,815,250)
Repayment of long-term loans from financial				
institutions	(25,008,000)	(25,008,000)	(25,008,000)	(25,008,000)
Finance lease payments	(6,450,490)	(782,323)	(1,653,619)	(782,323)
Proceeds from issue of ordinary shares	62,797,272	513,181,196	62,797,272	513,181,196
Proceeds from issue of ordinary shares of subsidiary	74,850,000	-	-	-
Acquisition of non-controlling interests	(7,894,437)	-	-	-
Net cash from (used in) financing activities	108,368,564	-443,329,892	34,719,213	-434,279,932
Net increase (decrease) in cash and cash equivalents	(42,110,502)	116,382,645	(101,122,468)	111,608,365
Cash and cash equivalents at 1 January	163,898,526	47,515,881	154,745,135	43,136,770
Cash and cash equivalents at 31 December	121,788,024	163,898,526	53,622,667	154,745,135

Non-cash transactions

During the year 2016, the Group acquired property, plant and equipment at total cost of Baht 76.8 million (2015: Baht 20.2 million) of which Baht 47.1 million was made by cash payment (2015: Baht 17.1 million), Baht 6.5 million (2015: Baht 1.3 million) was acquired by means of financial lease, and Baht 25.0 million was outstanding as payable for purchases of property, plant and equipment as at 31 December 2016 (2015: Baht 1.8 million).

During the year 2016, the Company acquired property, plant and equipment at total cost of Baht 16.6 million (2015: Baht 19.4 million) of which Baht 11.8 million was made by cash payment (2015: Baht 16.3 million), Baht 1.7 million (2015: Baht 1.3 million) was acquired by means of financial lease, and Baht 4.9 million was outstanding as payable for purchases of property, plant and equipment as at 31 December 2016 (2015: Baht 1.8 million).

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

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisitions of subsidiaries and non-controlling interests
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivable
8	Installment sales receivables
9	Other receivables
10	Inventories
11	Investments in associate
12	Investments in subsidiaries
13	Non-controlling interests
14	Other long-term investments
15	Property, plant and equipment
16	Intangible assets
17	Deferred tax
18	Interest-bearing liabilities
19	Trade accounts payable
20	Other payables
21	Other current liabilities
22	Employee benefit obligations
23	Share capital
24	Reserves
25	Segment information
26	Selling expenses
27	Administrative expenses
28	Employee benefit expenses
29	Expenses by nature
30	Finance costs
31	Income tax expense
32	Earnings per share
33	Financial instruments
34	Commitments with non – related parties
35	Contingent liabilities
36	Events after the reporting period
37	Thai Financial Reporting Standards (TFRS) not yet adopted

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of directors on 27 February 2017.

1 General information

Crown Tech Advance Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 427/2 Rama 2 Road, Kwaeng Samaedum, Khet Bangkuntien, Bangkok.

The Company was listed on the Stock Exchange of Thailand in January 2014.

The Company’s major shareholders during the financial year were Meemano and Pativetpinyo family who held 31.64% shareholding.

The principal activities of the Company and its subsidiaries are wholesaling and retailing of electric appliances including parts, retailing top-up machine, top-up service for prepaid phone and receipt online services including business of TV drama programs and other entertainment media. Details of the Company’s associate and subsidiaries as at 31 December 2016 and 2015 are given in notes 11 and 12.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items

Defined benefit liability

Measurement bases

Present value of the defined benefit obligation as explained in Note 3 (o)

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3 (t)	Recognition of deferred tax assets : availability of future taxable profit against which tax losses carried forward can be used;
Note 22	Measurement of defined benefit obligations : key actuarial assumptions

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 33 Financial Instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Subsidiaries

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

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign are translated to the functional currency at the exchange rates at the report date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Foreign currency differences are generally recognized in profit or loss.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Forward exchange contracts are treated as off-statements of financial position items.

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Restricted deposits at financial institutions are separately presented as “Restricted deposits at financial institutions” under “Other non-current assets” in the statement of financial position.

(e) *Trade and other accounts receivable*

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Installment sales receivables*

Installment sales receivables are stated at net of unearned interest income and allowance for doubtful accounts.

The Group provides allowance for doubtful accounts by primarily assessment on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

The allowance for doubtful accounts has been estimated from outstanding receivables (net of unearned interest income).

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(h) Investments

Investments in associates and subsidiaries

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 years
Buildings and improvement	5 and 20 years
Office equipment	5 years
Tools	5 years
Vehicles	5 years
Top-up machine	5 years

No depreciation is provided on freehold land or assets under construction.

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

(j) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows: □

Computer software	5 years
Music license	2- 5 years

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

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(k) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in non-current assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(l) Impairment

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

An impairment loss is recognised if the carrying amount of an assets or its cash generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. 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

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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 recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for sales return

A provision for sales return is recognised when the underlying products are sold. The provision is based on weighting of all possible outcomes against their associated sales return.

Provision for warranties

A provision for warranties of product quality is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated loss.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised 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. Service income is recognised as services are provided.

Revenue from installment sales comprises revenue from the cash selling price and interest. Revenue from the sale of products is recognised when a memorandum is signed and the first payment is received. Interest is recorded as unearned interest income and is recognised in income using the effective rate method.

Investments

Revenue from investments comprises rental income and interest income from investments and bank deposits.

Interest income

Interest income is recognised in profit or loss as it accrues.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(r) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised 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 not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 reporting 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 its 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 liabilities and assets, 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 realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

4 Acquisition of subsidiary and non-controlling interests

(a) Acquisition of non-controlling interests

On 3 February 2016 the Company purchased the increased share capital in Happy Vision Co., Ltd., a subsidiary for 783,990 shares amounting to Baht 7.8 million. This resulted in the increase of the Company's ownership interest from 51% to 90% without a change in control over the subsidiary. The carrying amount of net assets of such subsidiary in the Group's financial statements on the acquisition date was Baht 33.9 million. The Group recognised the decrease in non-controlling interests of Baht 13.3 million and the increase in retained earnings of Baht 5.4 million.

The following summarises the effect of the change in the Group's ownership interest in Happy Vision Co., Ltd.:

	2016 (in thousand Baht)
Group's ownership interest at 1 January	17,290
Increase in share capital	13,282
Effect of decrease in Group's ownership interest	251
Group's ownership interest at 31 December	30,823

(b) Acquisition of subsidiary

On 16 October 2015, the Group obtained a controlling interest in Vending Corporation Co., Ltd. ("Vending"), which is engaged in the business of top-up service for prepaid phones, receipt of other online services, by acquiring additional ordinary shares in the proportion of 59.88%, for Baht 7.5 million, resulting in the Group's total shareholding of 60.08% of the total issued and fully paid up shares in Vending. The Group determined the fair value of the previously-held equity interest in Vending prior to the change of status from general investment to subsidiary as follows:

	(in thousand Baht)
Fair value of previously-held equity interest	
prior to the change of status to subsidiary	23
Less carrying amount of investment at equity method	(10)
Gain on previously-held equity interest prior to business combination	13

For the period from 16 October 2015 to 31 December 2015, Vending contributed total revenue of Baht 81 million and net profit of Baht 23 million to the Group's results. If the acquisition had occurred on 1 January 2015, management estimated that Vending's revenue would have been Baht 93 million and net profit of Baht 22 million for the year ended 31 December 2015. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	Fair value (in thousand Baht)
Consideration transferred for the acquisition of ordinary shares of Vending	7,500
Cash and cash equivalents received from business combination	(4,960)
Net	2,540
Fair value of previously-held equity interest	
prior to the change of status to subsidiary	23
Total	2,563

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Identifiable assets acquired, liabilities assumed and goodwill

	Carrying amounts	Fair value adjustments (in thousand Baht)	Recognised values
Cash and cash equivalents	8,255	-	8,255
Trade and other receivables	8,375	-	8,375
Inventories	841	-	841
Equipment	243	-	243
Other assets	243	-	243
Trade and other payables	(5,405)	-	(5,405)
Other liabilities	(1,107)	-	(1,107)
Total identifiable net assets	11,445	-	11,445

	Carrying amounts	Fair value adjustments (in thousand Baht)	Recognised values
Total identifiable net assets			11,445
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree			(4,569)
Goodwill arising from acquisition			647
Purchase consideration transferred			7,523
Net cash acquired with the subsidiary			4,960
Cash paid			(7,500)
Net cash outflows			(2,540)

The goodwill is attributable mainly to the technical talent of Vending's work force, and the synergies expected to be achieved from integrating Vending into the Group's business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above determined fair values, or any additional assets or liabilities that existed at the acquisition date. Management finalised their review of the fair value and there was no revision required.

Acquisition-related costs

The Group incurred acquisition-related costs which related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associate are described in notes 11 and 12. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Cap Advance Co., Ltd.	Thai	Common shareholder and directors

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales/purchases of goods	Cost plus margin
Management service income	Agreed prices
Office rental income	Agreed prices
Interest income	Agreed rate
Interest expense	Agreed rate
Commission expense	Agreed rate
Key management personnel compensation	As defined by the nomination and remuneration committee
Right of using the advertisement presenter	Agreed prices

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	708,681	97,681
Management service income	-	-	1,800	1,783
Office rental income	-	-	1,657	81
Interest income	-	-	13,390	263
Other income	-	-	998	-
Interest expense	-	-	695	359
Commission expense	-	-	20	-
Key management personnel				
Interest expense	12,307	10,402	12,297	10,400

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Key management personnel compensation				
Short-term employee benefit	28,858	24,008	16,802	22,646
Post-employment benefits	360	333	360	333
Total key management personnel compensation	29,218	24,341	17,162	22,979
Other related parties				
Shareholders				
Interest expense	3,261	9,468	3,261	9,468
Other related party				
Right of using the advertisement presenter	-	4,378	-	4,378
Balances as at 31 December with related parties were as follows:				
<i>Trade accounts receivable - related party</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Vending Corporation Co., Ltd.	-	-	233,054	105,470
<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Happy Vision Co., Ltd.	-	-	-	1,410
Vending Corporation Co., Ltd.	-	-	2,304	686
Total	-	-	2,304	2,096
<i>Short term loan to related party</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Vending Corporation Co., Ltd.	-	-	469,228	-
Total	-	-	469,228	-

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Movements during the years ended 31 December of short-term loans to related parties was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Subsidiary				
At 1 January	-	-	-	3,231
Increase	-	-	534,345	18,663
Decrease	-	-	(65,117)	(21,894)
At 31 December	-	-	469,228	-

As at 31 December 2016, the short-term loan to the Company's subsidiary amounting to Baht 469.2 million (2015: nil) was at call with interest rates ranging from 6.60% to 9.00% per annum (2015: 3.80% to 3.96% per annum).

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Trade accounts payable - related parties				
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	10	11
T&C Advance Electronic Co., Ltd.	-	-	50,678	50,678
Vending Corporation Co., Ltd.	-	-	-	173
Total	-	-	50,688	50,862

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Other payables - related parties				
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	2,676	2,676
T&C Advance Electronic Co., Ltd.	-	-	150	150
Happy Vision Co., Ltd.	-	-	1	1
Vending Corporation Co., Ltd.	-	-	1,138	-
Total	-	-	3,965	2,827

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Short-term loans - related parties				
Subsidiaries				
Siam Advance Electronic Co., Ltd.	-	-	886	850
T&C Advance Electronic Co., Ltd.	-	-	2,258	2,164
Happy Vision Co., Ltd.	-	-	12,803	12,238
Key management personnel	203,239	277,236	188,239	274,235
Other related parties	-	175,131	-	175,131
Total	203,239	452,367	204,186	464,618

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Movements during the years ended 31 December of short-term loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Subsidiaries				
At 1 January	-	-	15,252	2,893
Increase	-	-	695	12,359
Decrease	-	-	-	-
At 31 December	-	-	15,947	15,252
Key management personnel				
At 1 January	277,236	89,759	274,235	89,759
Increase	27,307	235,557	12,297	231,125
Decrease	(101,304)	(48,080)	(98,293)	(46,649)
At 31 December	203,239	277,236	188,239	274,235
Other related parties				
At 1 January	175,131	242,273	175,131	242,273
Increase	28,261	204,024	28,261	204,024
Decrease	(203,392)	(271,166)	(203,392)	(271,166)
At 31 December	-	175,131	-	175,131
Total short-term loans from related parties				
At 1 January	452,367	332,032	464,618	334,925
Increase	55,568	439,581	41,253	447,508
Decrease	(304,696)	(319,246)	(301,685)	(317,815)
At 31 December	203,239	452,367	204,186	464,618

As at 31 December 2016, the Group's short-term loans from related parties amounting to Baht 203.2 million (2015: Baht 452.4 million) were at call, bearing interest rates ranging from 3.75% to 4.80% per annum (2015: 2.75% to 4.80% per annum).

As at 31 December 2016, the Company's short-term loans from related parties amounting to Baht 204.2 million (2015: Baht 464.6 million) were at call, bearing interest rates ranging from 3.75% to 4.80% per annum (2015: 2.65% to 4.80% per annum).

Significant agreements with related parties

Agreement for transferring rights for using an advertisement presenter

In April 2014, the Company entered into an agreement for transferring rights of using an advertisement presenter from Cap Advance Co., Ltd. The Company has paid compensation amounting to Baht 13.3 million. The Company has the right to use the advertisement presenter for a period of 1 year from completion of advertisement production.

Guarantee obligations

The Company and its subsidiaries had outstanding guarantee obligations with related parties as described in Note 35.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	4,073	263	110	154
Cash at banks - current accounts	44,175	10,830	1,690	7,524
Cash at banks - savings accounts	72,504	152,073	50,787	146,334
Highly liquid short-term investments	1,036	733	1,036	733
Total	121,788	163,899	53,623	154,745

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

7 Trade accounts receivables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	5	-	-	233,054	105,470
Other parties		361,195	559,714	320,023	543,749
Total		361,195	559,714	553,077	649,219
Less allowance for doubtful accounts		(21,170)	(28,904)	(17,684)	(26,946)
Net		340,025	530,810	535,393	622,273
Bad and doubtful debts expense for the year (reversal)		(7,734)	26,651	(9,262)	25,740

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Related parties				
Within credit terms	-	-	108,377	96,191
Overdue:				
Less than 3 months	-	-	124,677	9,279
	<u>-</u>	<u>-</u>	<u>233,054</u>	<u>105,470</u>
Other parties				
Within credit terms	236,402	364,469	202,117	362,263
Overdue:				
Less than 3 months	73,782	172,777	73,592	162,620
3 - 6 months	18,841	13,815	17,147	12,499
6 - 12 months	19,464	6,318	16,410	5,240
Over 12 months	12,706	2,335	10,757	1,127
	<u>361,195</u>	<u>559,714</u>	<u>320,023</u>	<u>543,749</u>
Less allowance for doubtful accounts	<u>(21,170)</u>	<u>(28,904)</u>	<u>(17,684)</u>	<u>(26,946)</u>
	<u>340,025</u>	<u>530,810</u>	<u>302,339</u>	<u>516,803</u>
Net	<u>340,025</u>	<u>530,810</u>	<u>535,393</u>	<u>622,273</u>

The normal credit terms granted by the Group ranges from 30 days to 120 days.

Trade accounts receivable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

8 Installment sales receivables

	Portion due within one year		Consolidated financial statements Portion due after one year		Total	
	2016	2015	2016	2015	2016	2015
	(in thousand Baht)					
Installment sales receivables	462,530	42,408	1,298,171	81,549	1,760,701	123,957
Less unearned interest income	<u>(212,250)</u>	<u>(20,040)</u>	<u>(488,882)</u>	<u>(26,318)</u>	<u>(701,132)</u>	<u>(46,358)</u>
	<u>250,280</u>	<u>22,368</u>	<u>809,289</u>	<u>55,231</u>	<u>1,059,569</u>	<u>77,599</u>
Less allowance for doubtful accounts	<u>(17,053)</u>	<u>(165)</u>	<u>(31,649)</u>	<u>-</u>	<u>(48,702)</u>	<u>(165)</u>
Net	<u>233,227</u>	<u>22,203</u>	<u>777,640</u>	<u>55,231</u>	<u>1,010,867</u>	<u>77,434</u>
Bad and doubtful debts expense for the year					<u>48,537</u>	<u>165</u>

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Aging analyses for installment sales receivables were as follows:

	Consolidated financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Installment sales receivables		
Within credit terms	1,336,617	70,444
Overdue:		
Less than 3 months	325,953	52,864
3-6 months	52,780	638
6-12 months	33,391	11
Over 12 months	11,960	-
	1,760,701	123,957
Less unearned interest income	(701,132)	(46,358)
	1,059,569	77,599
Less allowance for doubtful accounts	(48,702)	(165)
Net	1,010,867	77,434

Installment sales receivables of the group as at 31 December 2016 and 2015 were dominated entirely in Thai Baht.

9 Other receivables

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties	5	-	2,304	2,096
Other parties				
Deposit for purchase of goods	156,462	299,856	156,462	299,856
Rebate receivable	1,791	7,019	1,791	7,019
Coupon receivable	2,276	125,329	2,276	125,329
Advance payment	1,584	918	610	610
Prepaid expenses	59,663	9,329	8,121	5,625
Others	26,083	10,584	25,368	2,430
Total	247,859	453,035	196,932	442,965
Less allowance for doubtful accounts	(3,523)	-	(3,523)	-
Net	244,336	453,035	193,409	442,965
Bad and doubtful debts expense for the year	3,523	-	3,523	-

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
United States Dollars (USD)	154,674	261,621	154,674	261,621
Thai Baht (THB)	89,662	191,414	38,735	181,344
Total	244,336	453,035	193,409	442,965

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Merchandised goods	736,292	752,397	621,205	697,901
Spare parts	55,848	36,676	34,147	36,676
Goods in transit	35,489	38,974	35,490	38,974
	<u>827,629</u>	<u>828,047</u>	<u>690,842</u>	<u>773,551</u>
Less allowance for decline in value	<u>(36,749)</u>	<u>(24,542)</u>	<u>(36,749)</u>	<u>(24,542)</u>
Net	<u>790,880</u>	<u>803,505</u>	<u>654,093</u>	<u>749,009</u>
Inventories recognized as an expense in				
‘cost of sales of goods’:				
- Cost	1,055,450	1,037,304	1,172,529	1,075,125
- Write-down to net realizable value	<u>12,207</u>	<u>2,575</u>	<u>12,207</u>	<u>2,575</u>
Net total	<u>1,067,657</u>	<u>1,039,879</u>	<u>1,184,736</u>	<u>1,077,700</u>

11 Investments in associate

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	396	860	861	861
Share of net of loss of associate	(54)	(464)	-	-
Allowance for impairment	-	-	(519)	-
At 31 December	<u>342</u>	<u>396</u>	<u>342</u>	<u>861</u>

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Investments in associate as at 31 December 2016 and 2015 were as follows:

	Consolidated financial statements					Separate financial statements				
	Ownership interest 2016	2015 (%)	Paid-up capital 2016	2015	Cost 2016 (in thousand Baht)	Ownership interest 2016	2015 (%)	Paid-up capital 2016	2015	Cost 2016 (in thousand Baht)
Associate										
Muangthai Digital Co., Ltd.	30	30	3,000	3,000	861	30	30	3,000	3,000	861
					861					861
					342					(519)
					396				-	-
									342	861
Associate										
Muangthai Digital Co., Ltd.	30	30	3,000	3,000	861	30	30	3,000	3,000	861
					861					861
					342					(519)
					396				-	-
									342	861

None of the Group's equity-accounted investees are publicly listed and consequently do not have published price quotations.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

12 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	27,570	20,060
Acquisitions	120,490	7,510
At 31 December	148,060	27,570

Purchase of investments

For the year ended 31 December 2016

Vending Corporation Co., Ltd.

On 22 January 2016, at the extraordinary meeting of the shareholders of Vending Corporation Co., Ltd., a subsidiary, the shareholders approved the increase in the registered share capital of such subsidiary from Baht 12.5 million (125,000 ordinary shares with par value of Baht 100 per share) to Baht 22.5 million (225,000 ordinary shares with par value of Baht 100 per share). The Company purchased the increased share capital in such subsidiary for 60,080 shares amounting to Baht 6.0 million. Such increase in the share capital resulted in the ownership interest at 60% without a change in control over the subsidiary.

Subsequently, on 7 April 2016, at the extraordinary meeting of the shareholders of Vending Corporation Co., Ltd., a subsidiary, the shareholders approved the increase in the registered share capital of such subsidiary from Baht 22.5 million (225,000 ordinary shares with par value of Baht 100 per share) to Baht 50 million (500,000 ordinary shares with par value of Baht 100 per share). The Company purchased the increased share capital in such subsidiary for 165,220 shares amounting to Baht 16.5 million. Such increase in the share capital resulted in the ownership interest at 60% without a change in control over the subsidiary.

Subsequently, on 3 August 2016, at the extraordinary meeting of the shareholders of Vending Corporation Co., Ltd., a subsidiary, the shareholders approved the increase in the registered share capital of such subsidiary from Baht 50 million (500,000 ordinary shares with par value of Baht 100 per share) to Baht 200 million (2,000,000 ordinary shares with par value of Baht 100 per share). The Company purchased the increased share capital in such subsidiary for 901,200 shares amounting to Baht 90.1 million. Such increase in the share capital resulted in the ownership interest at 60% without a change in control over the subsidiary.

Happy Vision Co., Ltd.

On 3 February 2016 the Company purchased the increased share capital in Happy Vision Co., Ltd., a subsidiary for 783,990 shares amounting to Baht 7.8 million. This resulted in the increase of the Company's ownership interest in subsidiary from 51% to 90% without a change in control over the subsidiary. Details of the acquisition are given in note 4.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

For the year ended 31 December 2015

Vending Corporation Co., Ltd

On 20 August 2015, the Company acquired 100 ordinary shares of Vending Corporation Co., Ltd., (“Vending”) equivalent to 0.02% of registered share capital of Vending for Baht 10,000.

On 16 October 2015, the Group obtained a controlling interest in Vending Corporation Co., Ltd. (“Vending”), which is engaged in the business of top-up service for prepaid phones, receipt of other online services, by acquiring additional ordinary shares at the proportion of 59.98%, for Baht 7.5 million, resulting in the Group’s total shareholding in Vending of 60.08% of the total issued and fully paid up shares of Vending. Vending become subsidiary of the Company as it has been controlled by the Company.

Happy Vision Co., Ltd.

On 21 January 2015, the Company received the issued and paid up capital of Happy Vision Co., Ltd., transferred from the Company’s management for 4,000 shares with par value of Baht 10 per share. Such transfer in share capital resulted in the increasing of the Company’s ownership interest in Happy Vision Co., Ltd. to 51%.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Investments in subsidiaries as at 31 December 2016 and 2015 were as follows:

Separate financial statements						
Type of business	Ownership interest		Paid-up capital		At cost	
	2016	2015	2016	2015	2016	2015
	(%)		(in thousand Baht)			
Siam Advance Electronic Co., Ltd.	100	100	5,000	5,000	4,950	4,950
T&C Advance Electronic Co., Ltd.	100	100	5,000	5,000	4,950	4,950
Happy Import Export Co., Ltd.	90	51	20,000	20,000	18,000	10,160
Vending Corporation Co., Ltd.	60.08	60.08	200,000	12,500	120,160	7,510
Total					148,060	27,570

- (1) Subsidiaries operate the businesses in Thailand of retailing and wholesaling of electric appliance, including parts.
- (2) Subsidiary operates the business in Thailand of TV's drama programs, and other entertainment media.
- (3) Subsidiary operates the business in Thailand of retailing top-up machine, top-up service for prepaid phone and receipt online services.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

13 Non-controlling interests

The following table summaries the information relating each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016			
	Vending Corporation Co., Ltd.	Happy Vision Co., Ltd.	Intra-group eliminations (in thousand Baht)	Total
Non-controlling interest percentage	39.92	10		
Current assets	636,422	34,402		
Non-current assets	847,808	1,240		
Current liabilities	(859,710)	(1,454)		
Non-current liabilities	(10,323)	-		
Net assets	614,197	34,188		
Carrying amount of non-controlling interest	245,187	4,206	-	249,393
Revenue	1,458,401	721		
Profit	394,772	287		
Profit allocated to non-controlling interest	157,593	36	-	157,629
Cash flows from operating activities	(544,434)	(1,875)		
Cash flows from investing activities	(68,382)	(1,285)		
Cash flows from financing activities (dividends to non-controlling interest: nil)	667,311	7,800		
Net increase in cash and cash equivalents	54,495	4,640		
	31 December 2015			
	Vending Corporation Co., Ltd.	Happy Vision Co., Ltd.	Intra-group eliminations (in thousand Baht)	Total
Non-controlling interest percentage	39.92	49		
Current assets	215,886	38,190		
Non-current assets	1,780	-		
Current liabilities	(183,634)	(4,289)		
Net assets	34,032	33,901		
Carrying amount of non-controlling interest	13,586	16,611	-	30,197
Revenue	80,560	43,298		
Profit	22,587	14,264		
Profit allocated to non-controlling interest	9,016	6,990	-	16,006
Cash flows from operating activities	(2,248)	8,018		
Cash flows from investing activities	219	(5,879)		
Cash flows from financing activities (dividends to non-controlling interest: nil)	779	(1,713)		
Net increase (decrease) in cash and cash equivalents	(1,250)	426		

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

14 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Restricted investments</i>				
Deposits at financial institutions	58,205	36,375	58,205	36,375
Total	58,205	36,375	58,205	36,375

Deposits at financial institutions

As at 31 December 2016, the Group and the Company had restricted fixed deposits at financial institutions of Baht 58.2 million which were used as collateral for electricity usage, guarantees for receivable to financial institutions and other guarantees (2015: Baht 36.4 million).

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

15 Property, plant and equipment

Consolidated financial statements								
	Land and improvement	Buildings and improvement	Office equipment	(in thousand Baht)			Assets under construction and installation	Total
				Tools	Vehicles	Top-up machine		
<i>Cost</i>								
At 1 January 2015	159,944	88,212	12,426	18,947	17,172	-	7,449	304,150
Additions	-	238	2,463	2,910	1,214	-	13,343	20,168
Transfers	16,872	3,920	-	-	-	-	(20,792)	-
Disposals	-	(22)	(9)	-	-	-	-	(31)
At 31 December 2015 and 1 January 2016	176,816	92,348	14,880	21,857	18,386	-	-	324,287
Additions	259	1,154	10,573	2,456	16,811	36,899	8,669	76,821
Transfers	-	2,691	-	-	-	-	(2,691)	-
Disposals	-	-	-	-	(6,680)	-	-	(6,680)
At 31 December 2016	177,075	96,193	25,453	24,313	28,517	36,899	5,978	394,428
<i>Accumulated Depreciation</i>								
At 1 January 2015	-	23,147	7,827	6,231	10,734	-	-	47,939
Depreciation charge for the year	2,526	6,431	1,919	4,059	2,041	-	-	16,976
Disposals	-	(1)	(1)	-	-	-	-	(2)
At 31 December 2015 and 1 January 2016	2,526	29,577	9,745	10,290	12,775	-	-	64,913
Depreciation charge for the year	3,418	6,665	2,617	4,503	3,314	1,267	-	21,784
Disposals	-	-	-	-	(4,022)	-	-	(4,022)
At 31 December 2016	5,944	36,242	12,362	14,793	12,067	1,267	-	82,675

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Consolidated financial statements							Assets under construction and installation	Total
Land and improvement	Buildings and improvement	Office equipment	Tools <i>(in thousand Baht)</i>	Vehicles	Top-up machine			
<i>Net book value</i>								
At 1 January 2015								
Owned assets	159,944	65,065	4,599	12,716	3,994	-	7,449	253,767
Assets under finance leases	-	-	-	-	2,444	-	-	2,444
	159,944	65,065	4,599	12,716	6,438	-	7,449	256,211
At 31 December 2015 and 1 January 2016								
Owned assets	174,290	62,771	5,135	11,567	2,531	-	-	256,294
Assets under finance leases	-	-	-	-	3,080	-	-	3,080
	174,290	62,771	5,135	11,567	5,611	-	-	259,374
At 31 December 2016								
Owned assets	171,131	59,951	13,091	9,520	1,853	35,632	5,978	297,156
Assets under finance leases	-	-	-	-	14,597	-	-	14,597
	171,131	59,951	13,091	9,520	16,450	35,632	5,978	311,753

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Separate financial statements							
	Land and improvement	Buildings and improvement	Office equipment	Tools (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2015	159,944	88,142	11,079	18,779	15,867	7,449	301,260
Additions	-	186	1,784	2,827	1,214	13,343	19,354
Transfers	16,872	3,920	-	-	-	(20,792)	-
Disposals	-	(22)	(9)	-	-	-	(31)
At 31 December 2015 and 1 January 2016	176,816	92,226	12,854	21,606	17,081	-	320,583
Additions	259	453	3,229	1,570	2,971	8,130	16,612
Transfers	-	2,691	-	-	-	(2,691)	-
Disposals	-	-	-	-	(6,680)	-	(6,680)
At 31 December 2016	177,075	95,370	16,083	23,176	13,372	5,439	330,515
Accumulated Depreciation							
At 1 January 2015	-	23,077	6,480	6,063	7,738	-	43,358
Depreciation charge for the year	2,526	6,421	1,892	4,059	2,440	-	17,338
Disposals	-	(1)	(1)	-	-	-	(2)
At 31 December 2015 and 1 January 2016	2,526	29,497	8,371	10,122	10,178	-	60,694
Depreciation charge for the year	3,418	6,643	1,834	4,396	2,032	-	18,323
Disposals	-	-	-	-	(4,022)	-	(4,022)
At 31 December 2016	5,944	36,140	10,025	14,518	8,188	-	74,995

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Net book value						
At 1 January 2015						
Owned assets	159,944	65,065	4,599	12,716	5,684	255,457
Assets under finance leases	-	-	-	-	2,445	2,445
	159,944	65,065	4,599	12,716	8,129	257,902
At 31 December 2015 and 1 January 2016						
Owned assets	174,290	62,729	4,483	11,484	3,823	256,809
Assets under finance leases	-	-	-	-	3,080	3,080
	174,290	62,729	4,483	11,484	6,903	259,889
At 31 December 2016						
Owned assets	171,131	59,230	5,878	8,658	2,860	253,196
Assets under finance leases	-	-	-	-	2,324	2,324
	171,131	59,230	5,878	8,658	5,184	255,520

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

The gross amount of the Group's and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 20.0 million (2015: Baht 15.4 million).

Guarantee

As at 31 December 2016, the Group's and the Company's asset book value amounted to Baht 235.4 million (2015: Baht 237.0 million) were used as collateral for credit facilities from financial institutions (see note 18).

16 Intangible assets

	Consolidated financial statements		
	Computer software and music licenses	Computer software under installation (in thousand Baht)	Total
Cost			
At 1 January 2015	22,582	173	22,755
Additions	487	-	487
Transfers	173	(173)	-
At 31 December 2015 and 1 January 2016	23,242	-	23,242
Additions	2,555	2,800	5,355
Transfers	(14,972)	-	(14,972)
At 31 December 2016	10,825	2,800	13,625
Accumulated Amortisation			
At 1 January 2015	16,568	-	16,568
Amortisation for the year	2,548	-	2,548
At 31 December 2015 and 1 January 2016	19,116	-	19,116
Amortisation for the year	1,645	-	1,645
Disposals	(14,972)	-	(14,972)
At 31 December 2016	5,789	-	5,789
Net book value			
At 1 January 2015	6,014	173	6,187
At 31 December 2015 and 1 January 2016	4,126	-	4,126
At 31 December 2016	5,036	2,800	7,836

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	Separate financial statements		
	Computer software and music licenses	Computer software under installation (in thousand Baht)	Total
Cost			
At 1 January 2015	22,092	173	22,265
Additions	300	-	300
Transfers	173	(173)	-
At 31 December 2015 and 1 January 2016	22,565	-	22,565
Additions	30	-	30
Disposals	(14,972)	-	(14,972)
At 31 December 2016	7,623	-	7,623
Accumulated Amortisation			
At 1 January 2015	16,078	-	16,078
Amortisation for the year	2,548	-	2,548
At 31 December 2015 and 1 January 2016	18,626	-	18,626
Amortisation for the year	1,439	-	1,439
Disposals	(14,972)	-	(14,972)
At 31 December 2016	5,093	-	5,093
Net book value			
At 1 January 2015	6,014	173	6,187
At 31 December 2015 and 1 January 2016	3,939	-	3,939
At 31 December 2016	2,530	-	2,530

17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	40,710	13,402	-	-
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	40,710	13,402	-	-

	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	14,049	13,196	-	-
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	14,049	13,196	-	-

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Movements in total deferred tax assets and liabilities during the year ended 31 December 2016 and 2015 were as follows:

	At 1 January 2016	Consolidated financial statements (Charged) / Credited to		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable (allowance for doubtful accounts)	5,595	8,850	-	14,445
Inventories (allowance for decline in value)	4,908	2,442	-	7,350
Intangible assets (amortisation gap)	321	(140)	-	181
Other current liabilities (provisions)	1,664	2,661	-	4,325
Employee benefit obligation	715	399	(126)	988
Difference from recognition revenue and cost of sales	199	76	-	275
Unrealised intercompany profit on inventory	-	13,146	-	13,146
Total	13,402	27,434	(126)	40,710

	At 1 January 2015	Consolidated financial statements (Charged) / Credited to		At 31 December 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable (allowance for doubtful accounts)	451	5,144	-	5,595
Inventories (allowance for decline in value)	4,393	515	-	4,908
Intangible assets (amortisation gap)	630	(309)	-	321
Other current liabilities (provisions)	4,016	(2,352)	-	1,664
Employee benefit obligation	606	109	-	715
Difference from recognition revenue and cost of sales	2,447	(2,248)	-	199
Total	12,543	859	-	13,402

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	At 1 January 2016	Separate financial statements (Charged) / Credited to		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable (<i>allowance for doubtful accounts</i>)	5,389	(1,148)	-	4,241
Inventories (<i>allowance for decline in value</i>)	4,908	2,442	-	7,350
Intangible assets (<i>amortisation gap</i>)	321	(120)	-	201
Other current liabilities (<i>provisions</i>)	1,664	(447)	-	1,217
Employee benefit obligation	715	176	(126)	765
Difference from recognition revenue and cost of sales	199	76	-	275
Total	13,196	979	(126)	14,049

	At 1 January 2015	Separate financial statements (Charged) / Credited to		At 31 December 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable (<i>allowance for doubtful accounts</i>)	241	5,148	-	5,389
Inventories (<i>allowance for decline in value</i>)	4,393	515	-	4,908
Intangible assets (<i>amortisation gap</i>)	630	(309)	-	321
Other current liabilities (<i>provisions</i>)	4,016	(2,352)	-	1,664
Employee benefit obligation	606	109	-	715
Difference from recognition revenue and cost of sales	2,447	(2,248)	-	199
Total	12,333	863	-	13,196

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

18 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts					
Secured		16,382	-	16,382	-
Short-term loans from financial institutions					
Secured		336,993	130,090	336,993	130,090
Trust receipts					
Secured		179,882	111,668	179,882	111,668
Total Bank overdrafts and short-term loans from financial institutions		533,257	241,758	533,257	241,758
Short-term loans from related parties					
Unsecured	5	203,239	452,367	204,186	464,618
Current portion of long-term loans from financial institutions					
Secured		24,082	25,008	24,082	25,008
Current portion of finance lease liabilities		4,462	654	1,190	654
Total current interest-bearing liabilities		765,040	719,787	762,715	732,038
Non-current					
Long-term loans from financial institutions					
Secured		27,986	52,068	27,986	52,068
Finance lease liabilities		11,563	1,687	2,357	1,687
Total non-current interest-bearing liabilities		39,549	53,755	30,343	53,755
Total		804,589	773,542	793,058	785,793

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	760,578	719,133	761,525	731,384
After one year but within five years	27,986	52,068	27,986	52,068
Total	788,564	771,201	789,511	783,452

Short-term loans

As of 31 December 2016, the Group and the Company had bank overdrafts and short-term loans from financial institutions which bear interest at rates ranging from 2.58 % to 7.25% per annum (2015: 2.31% to 4.48% per annum).

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Long – term loan

Details of long-term loans from financial institutions as at 31 December 2016 and 2015 are as follows:

No.	Long-term loan agreement date	Loan facility (in million Baht)	Long-term loan amount		Loan period	Interest rate (per annum)	Repayment Monthly principal (in thousand Baht)
			2016	2015			
			(in thousand Baht)				
1.	22 July 2010	25	2,650	6,226	7 years	MLR - 1%	298
2.	14 November 2012	150	49,418	70,850	8 years	Year 1 st - 4 th , MLR - 2.5% Year 5 th - 8 th , MLR - 1.75%	1,786
			52,068	77,076			
			(24,082)	(25,008)			
	Less current portion		27,986	52,068			
	Net						

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

The Company has to comply with certain terms and conditions as prescribed in the agreement, e.g. maintaining collateral as mortgaged land including existing buildings and future buildings to be constructed on such land, etc.

In addition, The Company is committed to comply with conditions and covenants stipulated in the loan agreements such as maintaining the debt service coverage ratio and the debt to equity.

As of 31 December 2016 and 2015, secured interest-bearing liabilities and credit facilities with financial institutions were collateralised by fixed deposits at financial institutions, land and buildings of the Company, directors and related parties of which the details of collateralized assets were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Fixed deposits at financial institutions	14	58,205	36,375	58,205	36,375
Land and buildings	15	235,402	237,035	235,402	237,035
Total		293,607	273,410	293,607	273,410

As at 31 December 2016, the Group and the Company had unutilised credit facilities totaling Baht 3,233.4 million (2015: Baht 3,027.2 million).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements						
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	5,439	977	4,462	709	55	654
After one year but within five years	12,686	1,123	11,563	1,740	53	1,687
Total	18,125	2,100	16,025	2,449	108	2,341

Separate financial statements						
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,302	112	1,190	709	55	654
After one year but within five years	2,461	104	2,357	1,740	53	1,687
Total	3,763	216	3,547	2,449	108	2,341

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

As at 31 December 2016, the Group entered into finance lease agreements with a local company for vehicles acquired for business operations. The agreements will expire in January 2021 bearing interest rates ranging from 1.47% to 5.25% per annum in 2016 (2015 : ranging from 1.47% to 4.87% per annum).

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Thai Baht (THB)	758,380	661,874	746,849	674,125
United States Dollars (USD)	46,209	111,668	46,209	111,668
Total	804,589	773,542	793,058	785,793

19 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Related parties	5	-	-	50,688	50,862
Other parties		74,250	169,878	70,537	166,174
Total		74,250	169,878	121,225	217,036

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Thai Baht (THB)	39,143	71,905	86,118	119,063
United States Dollars (USD)	35,107	97,973	35,107	97,973
Total	74,250	169,878	121,225	217,036

20 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Related parties	5	-	-	3,965	2,827
Others					
Accrued operating expenses		87,699	98,431	61,787	88,919
Other payables		63,570	80,111	33,529	78,582
Others		7,324	8,604	6,403	5,440
Total		158,593	187,146	105,684	175,768

Other payables of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Provision for sales returns	5,110	6,366	5,110	6,366
Provision for warranties	16,516	1,953	975	1,953
Guarantee deposits	1,435	4,894	1,435	4,894
Others	4,271	9,938	2,338	1,358
Total	27,332	23,151	9,858	14,571

	Consolidated financial statements			Separate financial statements		
	Provision for sales returns	Provision for warranties	Total	Provision for sales returns	Provision for warranties	Total
	<i>(in thousand Baht)</i>					
At 1 January 2015	17,404	2,677	20,081	17,404	2,677	20,081
Provisions made	2,352	201	2,553	2,352	201	2,553
Provisions used	(13,390)	(925)	(14,315)	(13,390)	(925)	(14,315)
At 31 December 2015 and 1 January 2016	6,366	1,953	8,319	6,366	1,953	8,319
Provisions made	1,794	17,226	19,020	1,794	674	2,468
Provisions used	(3,050)	(2,663)	(5,713)	(3,050)	(1,652)	(4,702)
At 31 December 2016	5,110	16,516	21,626	5,110	975	6,085

At 31 December 2015 and 1 January 2016						
Current	6,366	1,953	8,319	6,366	1,953	8,319
Non-current	-	-	-	-	-	-
Total	6,366	1,953	8,319	6,366	1,953	8,319

At 31 December 2016						
Current	5,110	16,516	21,626	5,110	975	6,085
Non-current	-	-	-	-	-	-
Total	5,110	16,516	21,626	5,110	975	6,085

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Statement of financial position				
obligations for:				
Post-employment benefits	<u>4,942</u>	<u>3,574</u>	<u>3,825</u>	<u>3,574</u>
Year ended 31 December				
	2016	2015	2016	2015
	(in Baht)			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>1,999</u>	<u>881</u>	<u>882</u>	<u>881</u>
Recognised in other				
comprehensive income:				
Actuarial losses recognised				
in the year	<u>(631)</u>	<u>-</u>	<u>(631)</u>	<u>-</u>

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Defined benefit obligations at 1 January	3,574	3,029	3,574	3,029
Include in profit or loss:				
Current service costs	1,844	749	733	749
Interest on obligation	<u>155</u>	<u>132</u>	<u>149</u>	<u>132</u>
	<u>1,999</u>	<u>881</u>	<u>882</u>	<u>881</u>
Include in other comprehensive income:				
Actuarial gain	(631)	-	(631)	-
Other				
Benefit paid	<u>-</u>	<u>(336)</u>	<u>-</u>	<u>(336)</u>
Defined benefit obligations at 31 December	<u>4,942</u>	<u>3,574</u>	<u>3,825</u>	<u>3,574</u>

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Principal actuarial assumptions

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
				(%)
Discount rate	3.3	4.4	3.3	4.4
Future salary increases	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0
Turnover rate	7 - 30	10 - 30	10 - 30	10 - 30

Assumptions regarding future mortality are based on published statistics and mortality tables 2008.

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(565)	666	(435)	511
Future salary increases (1% movement)	641	(557)	492	(428)
Turnover rate (1% movement)	(744)	986	(604)	811
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(382)	451	(382)	451
Future salary increases (1% movement)	513	(437)	513	(437)
Turnover rate (1% movement)	(980)	676	(980)	676

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

23 Share capital

	Par value per share (in Baht)	2016		2015	
		Number	Baht	Number	Baht
<i>(thousand shares / thousand Baht)</i>					
<i>Authorised</i>					
At 1 January					
- ordinary shares	0.10	5,500,000	550,000	3,750,000	375,000
Increase of registered share capital	0.10	-	-	1,750,000	175,000
At 31 December					
- ordinary shares	0.10	5,500,000	550,000	5,500,000	550,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.10	3,878,168	387,817	3,000,000	300,000
Issue of new shares	0.10	332,261	33,226	878,168	87,817
		4,210,429	421,043	3,878,168	387,817
At 31 December					
- ordinary shares	0.10	4,210,429	421,043	3,878,168	387,817

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

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

For the year ended 31 December

	2016	2015
	(in Thousand Baht)	
At 1 January	617,664	192,300
Increase	29,572	425,364
At 31 December	647,236	617,664

Warrants

1. Warrants AJD-W1

On 26 December 2014, the first series of the Company's warrants (AJD-W1) to purchase the Company's ordinary share as approved in the extraordinary meeting of the shareholder no.1/2014 to allot to existing shareholders in the total of 749,999,976 units was listed and begun trading in The Stock Exchange of Thailand. The aforesaid warrants which are specified warrant holders and transferable are for a period of 5 years from the issued date (20 November 2014).

On 19 October 2015, the extraordinary shareholders' meeting approved the amendment of the terms and conditions governing rights and obligations of the warrant issuer and holders of the first series of warrants (AJD-W1) by adding alternative periods to exercise the first series of warrants (AJD-W1) from 2 times a year to 4 times a year. The warrant holders can exercise the right of warrants on every last business day of March, June, September and December each year.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

In addition, during 2015 the Company notified to The Stock Exchange of Thailand for the adjustment of exercise price and exercise ratio of the first series of warrants (AJD-W1) several times of which the latest was Baht 1.527 per share at a ratio of 1 warrant to 1.30972 new ordinary share.

Exercise of warrants AJD-W1

For the year ended 31 December

	2016	2015
	Number (unit)	
Warrants issued at 1 January	749,963,976	749,999,976
Less: Exercised during the period	-	(36,000)
Warrants issued at 31 December	749,963,976	749,963,976

In September 2015, the Company received proceeds from the increasing in share capital from the exercise of warrants AJD-W1 36,000 number of warrants as 44,514 of Baht 1.6174 per share, totaling Baht 71,997. The Company registered the increase in share capital from the exercise of the warrants with the Ministry of Commerce on 7 October 2015.

On 19 October 2015, the extraordinary shareholders' meeting approved the following resolutions;

Approval of allotment of the increased share capital of 800 million shares with par value of Baht 0.10 each as follows;

1. 164,674,389 shares to be allotted to existing shareholders of the Company in proportion to their shareholding at the ratio of 1 new ordinary shares to 20 existing shares (fractions will be disregarded) at offering price of Baht 0.80 per share. On 5 November 2015, the Company received total proceeds from increasing in share capital. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 8 December 2015.
2. 300,000,000 shares to reserve for the issuance and offering of increased share capital to specific investors through private placement at the offering price of Baht 1 per share. On 26 October 2015, the Company received total proceeds from increasing in share capital. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 29 October 2015.

2. Warrants AJD-W2

On 10 February 2015, the second series of the Company's warrants (AJD-W2) to purchase the Company's ordinary shares as approved in the extraordinary meeting of the shareholder no.1/2015 to allot to existing shareholders in the total of 749,999,968 units was listed and begun trading in The Stock Exchange of Thailand. The aforesaid warrants which are specified warrant holders and transferable are for a period of 2 years from the issued date (20 January 2015).

In addition, during 2015 the Company notified to The Stock Exchange of Thailand for the adjustment of exercise price and exercise ratio of the first series of warrants (AJD-W2) several times of which the latest was Baht 0.189 per share at a ratio of 1 warrant to 1.05921 new ordinary share.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Exercise of warrants AJD-W2

For the year ended 31 December

	2016	2015
	Number (unit)	
Warrants issued at 1 January	343,259,547	749,999,968
Less: Exercised during the period	(313,687,293)	(406,740,421)
Warrants issued at 31 December	29,572,254	343,259,547

In 2016 and 2015, the Company received proceeds from the increasing in share capital from the exercise of warrants AJD-W2 as follows;

	2016			2015		
	Shares (million shares)	Per Share (Baht)	Total (million Baht)	Shares (million shares)	Per Share (Baht)	Total (million Baht)
March	88.89	0.189	16.80	92.55	0.200	18.51
June	26.93	0.189	5.09	117.49	0.200	23.50
September	1.71	0.189	0.32	83.40	0.200	16.68
December	214.73	0.189	40.59	120.01	0.189	22.68
Total	332.26		62.80	413.45		81.37

During 2016, the Company received proceeds from the increasing in share capital from the exercise of warrant AJD-W2 for 332.26 million shares of Baht 0.189 each, totaling of Baht 62.8 million (Baht 33.3 million paid in capital and Baht 29.5 million share premium).

During 2015, the Company received proceeds from the increasing in share capital from the exercise of warrant AJD-W2 for 413.45 million shares of Baht 0.189 each, totaling of Baht 81.4 million (Baht 41.4 million paid in capital and Baht 40.0 million share premium).

The Company already registered the increase in share capital from the exercise of the warrants with the Ministry of Commerce during 2016 and 2015, respectively.

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other Component of equity

Surplus from business combination under common control

Surplus from business combination under common control represents the excess of the book value of businesses under common control over cost as of the acquisition date and have been recorded as a surplus. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

25 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Retailing and wholesaling of electric appliance, including parts
- Segment 2 Business of TV's drama programs, and other entertainment media
- Segment 3 Retailing top-up machine, top-up service for prepaid phone and receipt online services

None of other segments meets the quantitative thresholds for determining reportable segments in 2016 or 2015.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Consolidated financial statements

	Retailing and wholesaling of electric appliance, including parts.		Business of TV's drama programs, and other entertainment media		Retailing top-up machine, top-up service for prepaid phone and receipt online services		Eliminating entries		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	1,099,508	1,645,191	156	43,060	1,458,381	80,560	-	-	2,558,045	1,768,811
Inter-segment revenues	17,051	99,928	565	238	708,701	-	(726,317)	(100,166)	-	-
Total revenues	1,116,559	1,745,119	721	43,298	2,167,082	80,560	(726,317)	(100,166)	2,558,045	1,768,811
Segment operating profit	393,001	664,985	670	20,454	1,110,976	44,526	(78,756)	(24,188)	1,425,891	705,777
Selling expenses									(481,674)	(444,677)
Administrative expenses									(269,521)	(155,717)
Net foreign exchange losses									-	(10,967)
Finance costs									(32,057)	(54,004)
Share of loss of associate									(55)	(464)
Income tax expense									(129,492)	(17,564)
Profit for the year									513,092	22,384

(in thousand Baht)

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Financial information by business segment for the consolidated statements of financial position as at 31 December 2016 and 2015 are as follows:

	Retailing and wholesaling of electric appliance, including parts.		Business of TV's drama programs, and other entertainment media		Retailing top-up machine, top-up service for prepaid phone and receipt online services				Eliminating entries		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>											
Total assets for reportable segments	2,513,728	2,432,483	35,642	38,190	1,484,230	171,309	(1,021,763)	(254,514)	3,011,837	2,387,468		
Total liabilities for reportable segments	1,073,410	1,223,632	1,454	4,289	870,033	137,276	(799,359)	(200,678)	1,145,538	1,164,519		

Transfer prices between business segments are as set out in Note 5 to the financial statements.

Geographical segments

The Group is managed and operates principally in Thailand. There are no revenues derived from, and assets located in, foreign countries.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Commission expenses	178,560	148,554	72,302	138,724
Sales promotion expenses	162,645	150,981	72,795	150,616
Employee benefit expenses	94,604	98,006	87,072	97,607
Freight charges	44,030	45,648	43,160	45,604
Amortization of licenses	961	976	961	976
Others	874	512	697	510
Total	481,674	444,677	276,987	434,037

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expenses	141,429	72,011	74,236	70,015
Doubtful debts expense (reversal)	44,327	26,816	(5,739)	25,740
Depreciation of plant and equipment	19,508	16,959	18,323	17,338
Professional fees	12,764	6,824	7,396	5,564
Travelling expenses	5,189	1,838	2,773	1,803
Utilities expenses	4,667	3,663	3,886	3,529
Amortization of licenses	1,595	1,422	1,439	1,422
Others	40,042	26,183	18,708	24,227
Total	269,521	155,716	121,022	149,638

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Wages and salaries	356,781	288,630	205,787	277,165
Post-employment benefits	1,999	882	882	882
Others	55,812	30,080	26,942	29,169
Total	414,592	319,592	233,611	307,216

Defined contribution plan

The defined contribution plan comprises provident funds established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate 2% of their basic salaries and by the Group at rate 2% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

29 Expenses by nature

The statement of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Changes in inventories of merchandised goods		(16,105)	(143,577)	76,696	(127,444)
Purchases of merchandised goods and consumables used		1,071,504	1,164,206	1,095,834	1,164,298
Employee benefit expenses	28	414,592	319,592	233,611	307,216
Sales promotional expenses	26	162,645	150,981	72,795	150,616
Cost of service - Top-up machine		63,230	-	-	-
Bad debts expenses (reversal)		44,327	26,816	(5,739)	25,739
Delivery expenses	26	44,030	45,648	43,160	45,604
Depreciation and amortization	26,27	22,421	19,524	19,762	19,885
Others		76,706	80,237	46,626	75,461
Total cost of sales of goods, cost of rendering of services and selling and administrative expenses		1,883,350	1,663,427	1,582,745	1,661,375

30 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Interest expense					
Bank loans and overdrafts		16,489	34,134	15,991	34,086
Related parties	5	15,568	19,870	16,253	20,227
Total		32,057	54,004	32,244	54,313

31 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Current tax expense					
Current year		156,926	18,423	42,940	9,079
Deferred tax expense					
Movements in temporary differences	17	(27,434)	(859)	(979)	(863)
Total		129,492	17,564	41,961	8,216

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Income tax recognised in other comprehensive income

Consolidated financial statements						
	Before tax	2016 Tax (expense) benefit	Net of tax <i>(in million Baht)</i>	Before tax	2015 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains	631	(126)	505	-	-	-
Total	630	(126)	505	-	-	-

Separate financial statements						
	Before tax	2016 Tax (expense) benefit	Net of tax <i>(in million Baht)</i>	Before tax	2015 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains	631	(126)	505	-	-	-
Total	631	(126)	505	-	-	-

Reconciliation of effective tax rate

Consolidated financial statements				
	2016 Rate (%)	(in thousand Baht)	2015 Rate (%)	(in thousand Baht)
Profit before income tax expense		642,584		39,948
Income tax using the Thai corporation tax rate	20	128,517	20	7,990
Income not subject to tax		(2,124)		(1,178)
Additional deductible expenses for tax purposes		(1,167)		(92)
Expenses not deductible for tax purposes		4,266		10,844
Total	20	129,492	44	17,564

Separate financial statements				
	2016 Rate (%)	(in thousand Baht)	2015 Rate (%)	(in thousand Baht)
Profit before income tax expense		210,119		18,264
Income tax using the Thai corporation tax rate	20	42,024	20	3,653
Income not subject to tax		(342)		(1,178)
Additional deductible expenses for tax purposes		(374)		(92)
Expenses not deductible for tax purposes		653		5,833
Total	20	41,961	45	8,216

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

32 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(thousand Baht/ thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	355,463	6,378	168,158	10,047
Number of ordinary shares outstanding at 1 January	3,878,168	3,000,000	3,878,168	3,000,000
Effect of shares issued during the year	84,121	232,273	84,121	232,273
Weighted average number of ordinary shares outstanding (basic)	3,962,289	3,232,273	3,962,289	3,232,273
Earnings per share (basic) (in Baht)	0.090	0.002	0.042	0.003

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(thousand Baht/ thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	355,463	6,378	168,158	10,047
Profit attributable to ordinary shareholders of the Company (diluted)	355,463	6,378	168,158	10,047
Weighted average number of ordinary shares outstanding (basic)	3,962,289	3,232,273	3,962,289	3,232,273
Effect of exercise of share options	260,041	1,597,816	260,041	1,597,816
Weighted average number of ordinary shares outstanding (diluted)	4,222,330	4,830,089	4,222,330	4,830,089
Earnings per share (diluted) (in Baht)	0.084	0.001	0.040	0.002

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

33 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because financial assets and liabilities interest rates are mainly adjusted in accordance to market rate or are fixed which is close to current market rate.

The effective interest rates of financial assets as at 31 December and the periods in which those assets mature were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2016					
Current					
Cash and cash equivalents	0.1-1.5	73,540	-	-	73,540
Installment sales receivables due within one year	Rates derived from contracts	233,227	-	-	233,227
Non-Current					
Installment sales receivables	Rates derived from contracts	-	777,640	-	777,640
Other long-term investments	0.34-1.5	-	58,205	-	58,205
Total		306,767	835,845	-	1,142,612

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

		Consolidated financial statements			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Current					
Cash and cash equivalents	0.1-1.35	152,806	-	-	152,806
Installment sales receivables due within one year	Rates derived from contracts	22,203	-	-	22,203
Non-Current					
Installment sales receivables	Rates derived from contracts	-	55,231	-	55,231
Other long-term investments	0.75-1.5	-	36,375	-	36,375
Total		175,009	91,606	-	266,615

		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2016					
Current					
Cash and cash equivalents	0.1-1.5	51,823	-	-	51,823
Short-term loans to related party	6.6-9.0	469,228	-	-	469,228
Non-Current					
Other long-term investments	0.34-1.5	-	58,205	-	58,205
Total		521,051	58,205	-	579,256

2015					
Current					
Cash and cash equivalents	0.1-1.35	147,067	-	-	147,067
Non-Current					
Other long-term investments	0.75-1.5	-	36,375	-	36,375
Total		147,067	36,375	-	183,442

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2016					
Bank overdrafts and short-term loans from financial institutions	2.58-7.25	533,257	-	-	533,257
Short-term loans from related parties	3.75-4.80	203,239	-	-	203,239
Finance lease liabilities	1.47-5.25	4,462	11,563	-	16,025
Long-term loans from financial institutions	4.863-5.419	24,082	27,986	-	52,068
Total		765,040	39,549	-	804,589
2015					
Bank overdrafts and short-term loans from financial institutions	2.31-4.48	241,758	-	-	241,758
Short-term loans from related parties	2.75-4.80	452,367	-	-	452,367
Finance lease liabilities	1.47-2.45	654	1,687	-	2,341
Long-term loans from financial institutions	4.316-5.661	25,008	52,068	-	77,076
Total		719,787	53,755	-	773,542
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2016					
Bank overdrafts and short-term loans from financial institutions	2.58-7.25	533,257	-	-	533,257
Short-term loans from related parties	3.75-4.80	204,186	-	-	204,186
Finance lease liabilities	1.47-5.25	1,190	2,357	-	3,547
Long-term loans from financial institutions	4.863-5.661	24,082	27,986	-	52,068
Total		762,715	30,343	-	793,058

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	Effective interest rate	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years	After 5 years	
2015					
Bank overdrafts and short-term loans from financial institutions	2.31-4.48	241,758	-	-	241,758
Short-term loans from related parties	2.65-4.80	464,618	-	-	464,618
Finance lease liabilities	1.47-2.45	654	1,687	-	2,341
Long-term loans from financial institutions	4.316-5.661	25,008	52,068	-	77,076
Total		732,038	53,755	-	785,793

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
United States Dollars					
Other receivable	9	155	262	155	262
Interest-bearing liabilities	18	(46)	(112)	(46)	(112)
Trade accounts payable	19	(35)	(98)	(35)	(98)
Gross statement of financial position exposure		74	52	74	52
Forward exchange contracts	34	(14)	-	(14)	-
Net exposure		60	52	60	52

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when the fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Fair values of financial assets and liabilities

Fair values of short-term loans to related party and short term loans approximate to the carrying values due to interest rates approximate to market interest rates and these financial instruments have short-term maturity.

Fair values of installment sales receivables and finance lease liabilities approximate to the carrying values due to interest rates approximate to market rates.

Fair values of long-term loans approximate to the carrying values due to interest rates referencing to market interest rates.

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Commitments				
Purchase orders for goods	25,101	805,783	25,101	805,783
Total	25,101	805,783	25,101	805,783

Sale and purchase agreements

The Group entered into sale and purchase agreements with modern trade for distribution of products under brand “AJ”. The Company is committed to pay sales promotion and other sales related expenses at amounts specified in the agreements. The agreements are for the periods within one year, which are automatically renewable unless either party notifies for termination.

Service agreements

The Group entered into several service agreements with other parties covering services of warehouse rental, security, sales promotional advertising and other services. The Company is committed to pay service charges at amounts specified in the agreements. The agreements are for the periods of 6 to 12 months.

Agent agreement

The Company has entered into agent agreement with a company. Under the agreement, the Company will act as agent to get and provide service to members relating to the access of website of such Company for purchase and sales of goods. The Company will get revenue sharing from such members fees as specified in the agreement. The agent agreement is for the period of 12 months.

Collaboration agreement

The Company has entered into the Collaboration Agreement with a financial institution and a company that the Company entered into an agent agreement to get members relating to the access of website. The financial institution will provide marketing activities and financial service for transactions through the website for purchase and sale of goods. The Company is committed to pay fee as specified in the agreement. The Collaboration agreement is for a period of 12 months.

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Agent appointment agreement

The Company has entered into agent appointment agreement with a company. Under the agreement, the agent company will act as agent to get and provide service to members relating to the access of website for purchase and sales of goods that Company entered into the agreement acting as an agent to get and provide service to members. The Company is committed to pay commission fees as specified in the agreement. The agent appointment agreement is for the period of 12 months.

Forward exchange contract

The Company's outstanding forward exchange contracts are following:

Currency	Consolidated financial statements / Separate financial statements		
	Amount (in thousand)	Exchange rate (Baht/ Foreign currency)	Maturity date
31 December 2016			
United States Dollars	400	35.98 – 35.99	From 6 February 2017 to 5 July 2017

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

35 Contingent liabilities

Guarantees

As at 31 December 2016 and 2015, the Company and its subsidiaries had contingent liabilities in respect of guarantees of loans and other credit facilities as follows:

Guarantee companies	Guarantor					
	Crown Tech Advance Public Company Limited	Siam Advance Electronic Co., Ltd.	T&C Advance Electronic Co., Ltd.	Happy Vision Co., Ltd.		
	2016	2015	2016	2015	2016	2015
Crown Tech Advance Public Company Limited	-	-	137,620	262,851	111,669	11,911
- Baht	-	-	137,620	262,851	-	11,911
Total						

(in thousand Baht)

Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

36 Events after the reporting period

- a) On January 20, 2017, the Company received proceeds from the increasing in share capital from the exercise of warrant AJD-W2 for 29.87 million shares of Baht 0.189 each, totaling of Baht 5.64 million (Baht 2.99 million paid in capital and Baht 2.65 million share premium). The Company registered the increased in share capital from the exercise of the warrants with the Ministry of Commerce on 2 February 2017.
- b) On January 23, 2017, the Board of Directors of the Company No. 1/2017, the directors approved to establish a new subsidiary, AJ Vending Co., Ltd to engage in water vending machine business, with an initial registered share capital of Baht 50 million (5,000,000 ordinary shares with par value of Baht 10 each), as the Company to hold 55% interest. Such subsidiary was registered on February 2, 2017.
- c) On February 27, 2017, the Board of Directors of the Company No. 2/2017, the directors approved as follows:
 - 1) To propose at the annual general meeting of shareholders for 2017 for approval the change of the Company's name to "AJ Advance Technology Public Company Limited".
 - 2) To propose at the annual general meeting of shareholders for 2017 for approval the issuance and offering of bond with credit line not more than Baht 1,000 million, to increase liquidity and support for the expansion of investment.
 - 3) To establish a new subsidiary, AJ Money Co., Ltd to engage in electronic money business, with an initial registered share capital of Baht 20 million (2,000,000 ordinary shares with par value of Baht 10 each), as the Vending Corporation Co., Ltd., a subsidiary company to hold 51% interest. Currently, it is in process of company registering.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016 in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements

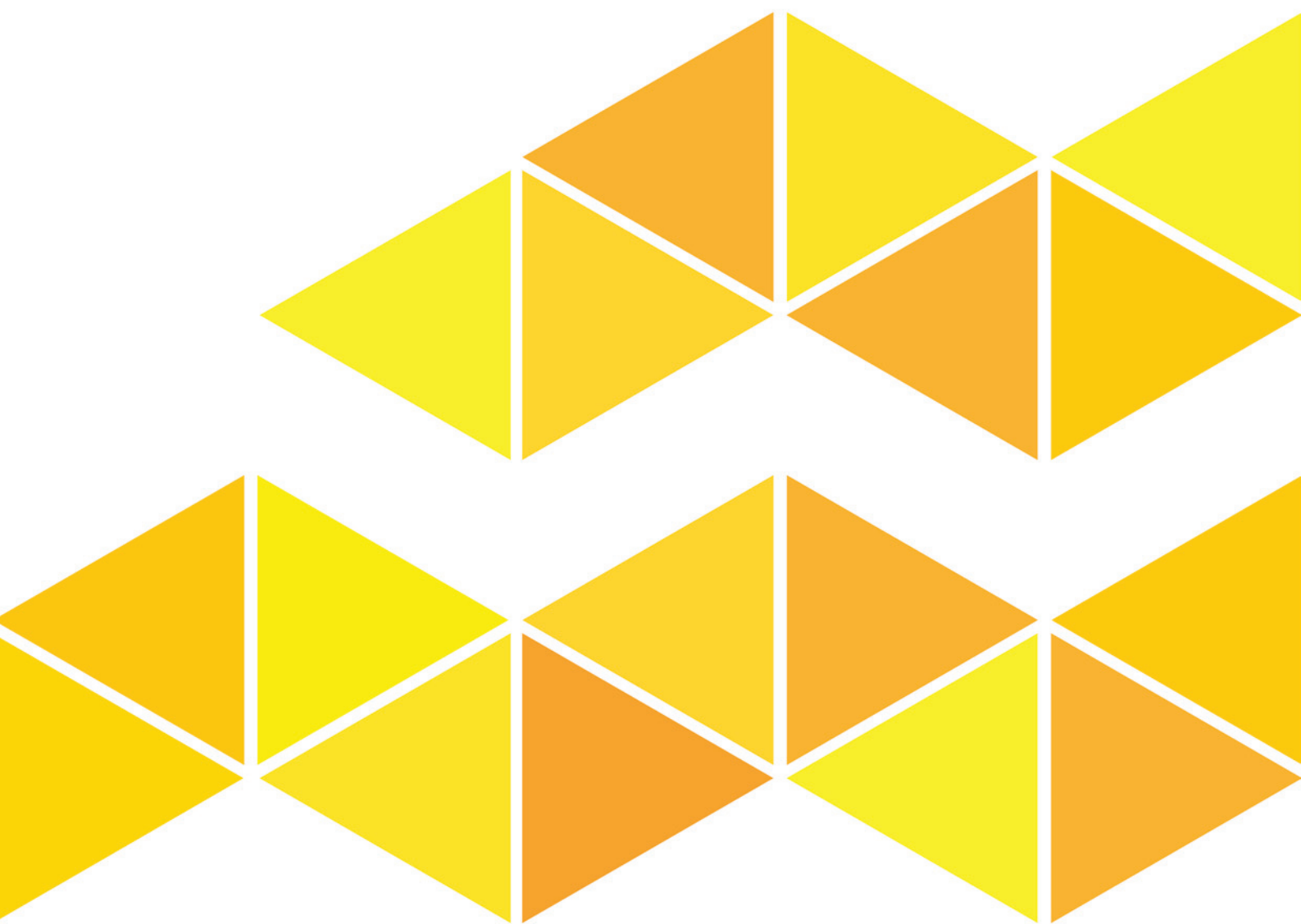
Notes to the interim financial statements

Crown Tech Advance Public Company Limited and its subsidiaries

For the year ended 31 December 2016

TFRS	Topic
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment

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



Crown Tech Advance Public Company Limited

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