



บริษัท ออลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED

Annual Report ALLA 2019

Public Company Limited

VISION | วิสัยทัศน์

ผู้นำในธุรกิจ
ระบบขนถ่ายวัสดุ
ที่มีมาตรฐานสากล
แบบครบวงจร
Business leader
of integrated
material-handling
system with
international
standards



MISSION | พันธกิจ

พัฒนาผลิตภัณฑ์
และการบริการ
อย่างต่อเนื่อง ให้เติบโต
มีชื่อเสียง และเพิ่มคุณค่า
อย่างยั่งยืน
Continuous product
and service
development for
growth, reputation
and sustaining
value creation



Goal and Objective

ALLA Group has concentrated on being the “Business leader of integrated material-handling system with international standards”. The Company also focuses on sustainable growth with integrity, good governance, also social and environment awareness, and taking into account the stakeholders. The Company sets its goals and objectives as follow.

1. Business expansion by developing sustainable products and services for one-stop service provision in terms of integrated material-handling systems and upstream-downstream processes with consideration given to international standards and the ability to provide products and services in line with policy for quality and coverage of customer needs in every industrial group.
2. Continuous growth by earning higher income every year, while managing costs in order to increase competitive capacity.
3. Build credibility and reputation for the group by making products under our own brand name and generating income from large-scale projects or doing business with well-known customers on a continual basis every year.
4. Continually add value to the organization by creating systematic works, developing personnel into professionals, build knowledge management for the organization with consideration given to all stakeholders.

Company Culture

ALLA Culture “ACTIONS”



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Message

from the Chairman

In 2019, Thailand has initiated the development for infrastructure. The government has planned the development in terms of logistics and transportation such as railway system, port and airport improvement. Many of the projects are either government funded projects or co-founded projects between the government and private parties. The investment has resulted in continuously increasing demand for material handling equipment. This is a crucial factor influencing brilliant profitability and satisfying growth rate of our group, even economics of Thailand and worldwide are in declining state.

The company emphasizes on deliver of products and services as per the quality policy, which focuses on product quality, speed and readiness of after sales service, and safety as a main concern for every step. The group continues to face a challenge in price competition. The group's business strategy is effective cost management as well as offering wide ranges of product to fulfill customers' need in every segment. In 2019, the company launched hoist products under the brand "AL" which is its own developed brand. There is also new revenue stream from the group's new business unit, which is warehouse management system. Another revenue source is from the brand "YALE", of which the company has been appointed as an authorized distributor since 2018. Furthermore, the group always seek new business opportunities which could enhance economic value for the group.

Apart from the focus in business strategy, the group also emphasize on general management in order to promote business ethics and good governance, which could be the foundation of sustainable growth for the group. The committee also adhere to transparent operation by circumspectly creating internal control mechanism and appropriate risk management process. In 2019, the Company achieved "very good" results in the surveillance project evaluation, which is conducted by Thai Institute of Directors (IOD). This clearly express the commitment to transparent business process, concern for all stakeholders, and conform to good governance.

On behalf of the board, I would like to thank the stakeholders, communities in all area that our group operate the business in, trade partners, and all customers for all the support and cooperation as always. I also would like to thank the management team and all employees for your determination and commitment which significantly drive the company toward where it is at the moment and ready to move forward as per our mission and business plan of the group. The group will be fully committed to thrive constantly and sustainably as well as create the value and profit to all stakeholders.



(Mr. Weerachai Ngamdeevilaisak)

Chairman of the Board of Directors



Message

from the Chief Executive Officer



Alla Company Limited has been in the business for more than 27 years with strong passion to be the business leader of integrated material-handling system with international standards. The products offered are crane and electric hoist, loading equipment, warehouse management system, and after sales service. The mentioned warehouse management system business offers warehouse and logistics solution, which is extended from the company's loading equipment business in order to completely serve the customers.

At the present, the group has been appointed as the sole distributor of STAHL and ABUS (Germany) products in Thailand. These are leading product in the industry and are widely accepted internationally for their standard. It has been a pleasure that in 2018 the company has been appointed as an authorized distributor for YALE product from Germany. The company launched the opening ceremony for YALE products on 24 September 2019. The Company has also started distribution of hoist product under the brand "AL", which is its in house brand. These have contributed to the Company's readiness to reach the leading position by distributing hoists that fulfill all market segments. Overall business results have shown significant growth, which is reflected by total revenue of Baht 856 million and net profit of Baht 104 million.

The Company emphasizes on good governance and social responsibility. We encourage employee participation, especially continuous improvement and welfare for employees by utilizing health and environment practice to enhance quality of life for our employees.

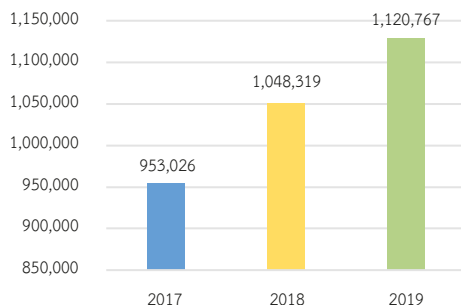
On behalf of the Chief Executive Officer, I would like to thank all shareholders, directors, investors, financial institutes, media, trade partners, customers in every segments, my fellow employees, and all concerned for your faith and support as always. These are the crucial parts that contribute to continuous and sustainable growth of Alla.

(Mr. Ong-ard Puntuyakorn)

Chief Executive Officer

Key Financial Information

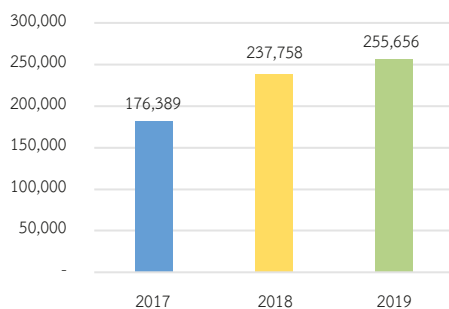
(Thousand Baht)



Total Assets

Total assets as at 31 December 2019 was Baht 1,121 million increased of Baht 72 million or 7%, compared to 31 December 2018. Cash and cash equivalent increased as from the Group's operations. Trade accounts receivable increased in line with the increase of revenue. Inventories also increased due to work in process in preparation for delivery of work, including the increase of raw materials to support orders from customers.

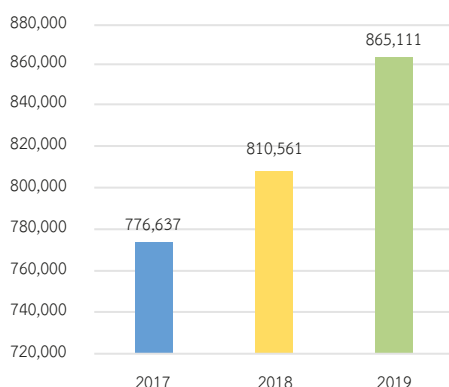
(Thousand Baht)



Total Liabilities

Total liabilities as at 31 December 2019 was Baht 256 million increased of Baht 18 million or 8%, compared to 31 December 2018 mainly due to income tax payable and accrued expenses for employee bonus, in accordance with the improved operating results of the Group, including provision for long-term employee benefits. This was a result of the effect from Labor Protection Act. However, deposit received in advance decreased because the projects had been delivered during the year.

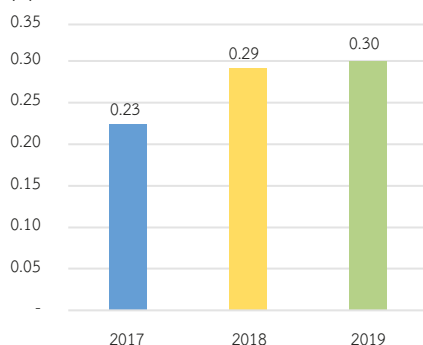
(Thousand Baht)



Total Shareholders' Equity

Total shareholders' equity as at 31 December 2019 was Baht 865 million increased of Baht 55 million or 7%, compared to 31 December 2018, which increased from total comprehensive income of Baht 103 million and decreased from dividend payment of Baht 48 million.

(X)

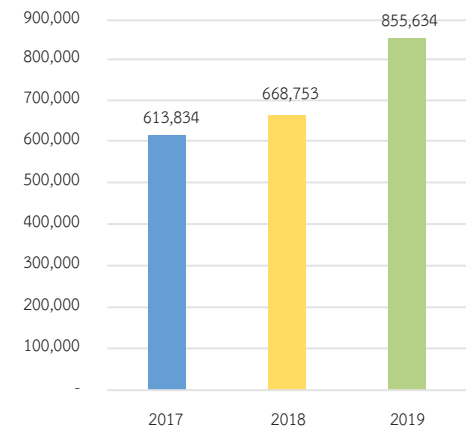


Total Liabilities to Equity

Total liabilities to equity as at 31 December 2019 was 0.30x increased by 0.01x, compared to 31 December 2018 which had no significant changed.

Key Financial Information

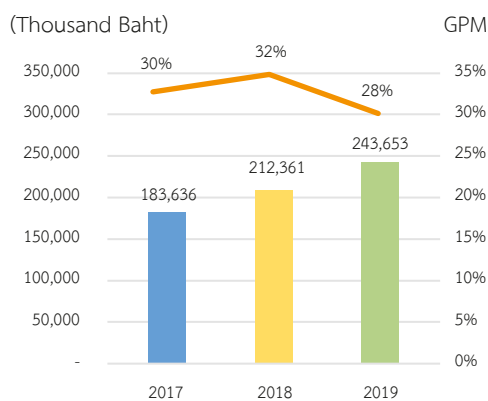
(Thousand Baht)



Total Revenue from contracts with customers

Total revenue from contracts with customers for the year of 2019 was Baht 856 million increased from prior year of Baht 188 million or 28%. Revenue from sale of crane and hoist increased by 39% as from the revenue recognition of major projects during the year 2019. The group also had revenue from sales of warehouse management system and equipment, which is the new segment of the group, by Baht 43 million. Revenue from sale of loading dock and equipment decreased by 11%. However, Revenue from services were continuing to increase in all segments. The total increase was approximately 13%.

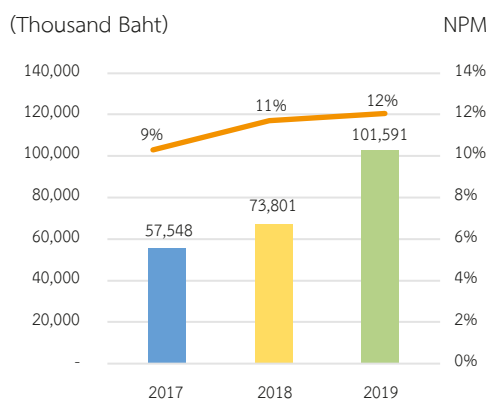
(Thousand Baht)



Total Gross Profit and Gross Profit Margin

Gross profit for the year of 2019 was Baht 244 million increased from prior year of Baht 31 million or 15% which increased in line with the revenue from contract with customers. However, gross profit margin for the year 2019 was 28% decreased from prior year by 4% due to the increase of price competition and the impact of long-term employee benefit expenses under the Labor Protection Act.

(Thousand Baht)



Total Net Profit

Total net profit for the year of 2019 was Baht 102 million increased from prior year of Baht 28 million or 38% and net profit margin for the year 2019 was 12% which increased from prior year by 1% in line with the increase of gross profit. In addition with the decrease of administrative expenses due to continuously costing management in all aspects for maximum efficiency.

The Board of Directors



1



2



3



4

1. Mr. Weerachai Ngamdeevilaisak

- Chairman of the Board of Directors
- Chairman of the Audit Committee
- Independent Director

3. Mr. Ong-ard Puntuyakorn

- Director
- Member of the Nomination and Remuneration Committee
- Chairman of the Executive Committee
- Chairman of the Risk Management Committee
- Chief Executive Officer
- Acting Chief Financial Officer

2. Prof. Dr. Sahaton Rattanapijit

- Vice Chairman of the Board of Directors
- Member of the Audit Committee
- Member of Nomination and Remuneration Committee
- Independent Director

4. Mrs. Vallaya Puntuyakorn

- Director
- Executive Director
- Chief Administrative Officer

The Board of Directors



5. Mr. Chirawat Srisawadi

- Director
- Member of the Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Independent Director

7. Mr. Chumphol Chanchareon

- Director
- Executive Director
- Vice Chairman of the Risk Management Committee
- Chief Operating Officer

6. Mr. Patai Bunmark

- Director
- Member of the Audit Committee
- Independent Director

8. Miss Rachaya Rattanasrithong

- Director

The Board of Directors Profile

Mr. Weerachai Ngamdeevilaisak

Chairman of the Board of Directors,
Chairman of the Audit Committee
and Independent Director
Age 57 years



Education

- Bachelor of Accountancy, Thammasat University
- Certificate Mini MBA, Thammasat University
- Advance Certificate in Public Administration and Law for Executives Class 11, King Prajadhipok's Institute

Training

- Director Certification Program (DCP) Class 0/2000
- Finance for Non-Finance Director (FNA) Class 1/2003
- Role of the Compensation Committee Class 3/2007
- Successful Formulation & Execution Strategy Class 4/2009
- Defining Boardroom Culture- An Imperative of High-Performing Leadership Class 2019

Share Holding (%): None

Family relationship between directors and executives: None

Experience

2014 – Present Chairman of the Board of Directors,
Chairman of the Audit Committee
and Independent Director
Alla Public Company Limited

Other Position (s) – Listed Companies

2018 – Present Chairman of the Audit Committee
and Independent Director
Autocorp Holding Public Company
Limited

2016 – Present Chairman of the Audit Committee
and Independent Director
Syn Mun Kong Insurance Public
Company Limited

2016 – Present Audit Committee, Independent
Director, Chairman Organizational

Risk Management Committee, and
Chairman of Nomination and
Remuneration Committee
Pruksa Holding Public Company
Limited

2013 – Present Audit Committee and Independent
Director
Srisawad Corporation Public
Company Limited

Other Position (s) – Other Companies

2005 – 2018 Audit Committee and Independent
Director
Pruksa Real Estate Public Company
Limited

2005 – Present Director
F&A Solution Co., Ltd.

2007 – Present Director
Audit One Co., Ltd.

2016 – Present Director
Smile P Co., Ltd.

2017 – Present Director
W&M Associate Co., Ltd.

2018 – Present Director
Mongkolpathawee Co., Ltd.

Past Experience

2009 – 2015 Director
Accountancy and Business
Advisory Co., Ltd.

2003 – 2015 Director
Professional Outsourcing Solution
Co., Ltd.



Prof. Dr. Sahaton Rattanapijit

Vice Chairman of the Board of Directors,
Member of the Audit Committee,
Member of Nomination and Remuneration Committee,
and Independent Director
Age 61 Years

Education

- Doctor of Law, Thammasat University
- Master of Law in Commercial Law, Bristol University
- Master of Law, Thammasat University
- Bachelor of Law, Thammasat University
- Thai Barrister – At Law

Training

- Director Accreditation Program (DAP) Class 131/2016

Share Holding (%): None

Family relationship between directors and executives: None

Experience

2014 - Present Vice Chairman of the Board of Directors,
Member of the Audit Committee,
Member of the Nomination and Remuneration Committee,
and Independent Director
Alla Public Company Limited

Other Position (s) – Other Institutions

1999 - Present Member of the Information Disclosure Tribunal for National Economy and Finance
The Office of the Prime Minister
2015 - Present Professor of the Faculty of Law
Thammasat University

Past Experience

2001 - 2015 Associate Professor of the Faculty of Law
Thammasat University



Mr. Ong-ard Puntuyakorn

Director, Member of the Nomination and Remuneration Committee, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Chief Executive Officer and Acting Chief Financial Officer
Age 59 years



Mrs. Vallaya Puntuyakorn

Director, Executive Director and Chief Administrative Officer
Age 58 years

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang

Traning

- Director Accreditation Program (DAP) Class 110/2014

Share Holding (%): 33.87

Family relationship between directors and executives:

Spouse of Mrs. Vallaya Puntuyakorn and father of Miss Chalumporn Puntuyakorn

Experience

1992 – Present Director, Member of the Nomination and Remuneration Committee, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Chief Executive Officer and Acting Chief Financial Officer
Alla Public Company Limited

Other Position (s) – Other Companies

1990 – Present Director, Chairman of Executive Committee, and Chief Executive Officer
Onvalla Co., Ltd.

Education

- YWCA Secretarial School Diploma

Traning

- Director Accreditation Program (DAP) Class 110/2014

Share Holding (%): 22.5

Family relationship between directors and executives:

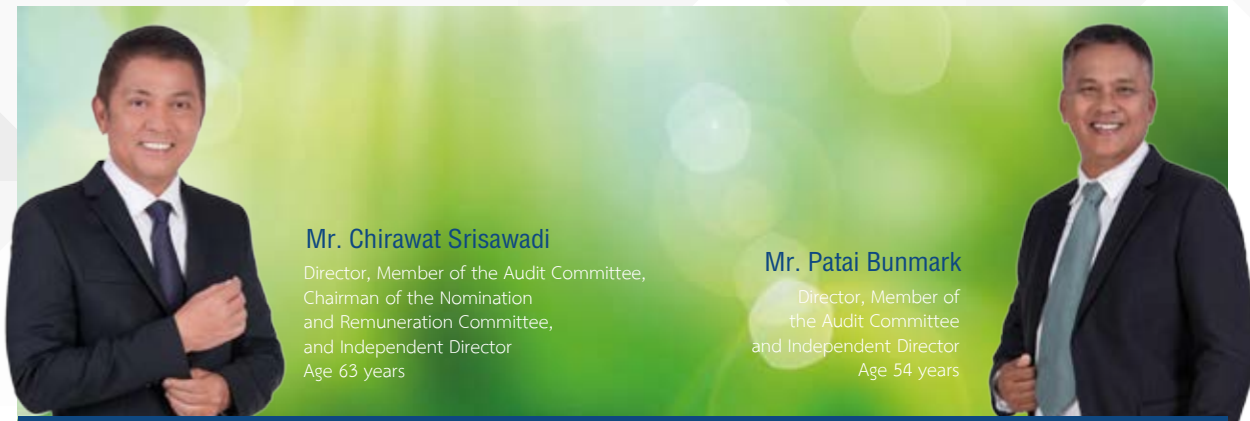
Spouse of Mr. Ong-ard Puntuyakorn and mother of Miss Chalumporn Puntuyakorn

Experience

1992 – Present Director, Executive Director and Chief Administrative Officer
Alla Public Company Limited

Other Position (s) – Other Companies

1990 – Present Director and Executive Director
Onvalla Co., Ltd.



Mr. Chirawat Srisawadi

Director, Member of the Audit Committee,
Chairman of the Nomination
and Remuneration Committee,
and Independent Director
Age 63 years

Mr. Patai Bunmark

Director, Member of
the Audit Committee
and Independent Director
Age 54 years

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration in Accounting, Ramkhamhaeng University

Traning

- Director Accreditation Program (DAP) Class 114/2015
- Director Certification Program (DCP) Class 2016

Share Holding (%): None

Family relationship between directors and executives: None

Experience

2014 - Present Director, Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Independent Director
Alla Public Company Limited

Other Position (s) – Other Companies

2005 - Present Executive Director
AmplusChem Co., Ltd.
2007 - Present Executive Director
Siam Chemicals Solutions Co., Ltd

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering in Electrical, King Mongkut's University of Technology Thonburi

Traning

- Director Certification Program (DCP) Class 196/2014

Share Holding (%): None

Family relationship between directors and executives: None

Experience

2014 - Present Director, Member of the Audit Committee and Independent Director
Alla Public Company Limited

Other Position (s) – Other Companies

2006 - Present Managing Director
Raiwin Maintenance and Services Co., Ltd.



Mr. Chumphol Chanchareon

Director, Executive Director,
Vice Chairman of the
Risk Management Committee,
and Chief Operating Officer
Age 52 years



Miss Rachaya Rattanasrithong

Director
Age 31 years

Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Engineering in Mechanical, Kasetsart University

Training

- Director Accreditation Program (DAP) Class 160/2019

Share Holding (%): None

family relationship between directors and executives: None

Experience

2019 - Present Director, Executive Director,
Vice Chairman of the Risk
Management Committee,
and Chief Operating Officer
Alla Public Company Limited

1997 - Present Executive Director, Member of
the Risk Management Committee,
and General Manager
Alla Public Company Limited

Education

- Master of International Business, University of Newcastle, Australia
- Bachelor of Commerce and Accountancy, Thammasat University

Training

- Director Accreditation Program (DAP) Class 144/2018

Share Holding (%): 1.67

family relationship between directors and executives: None

Experience

2017 - Present Director
Alla Public Company Limited

2014 - Present Financial Manager
Alla Public Company Limited

Past Experience

2013 - 2014 International Sales Representative
Thai Flavor and Fragrance Company
Limited

Miss Prapaporn Saelim

Education

- Bachelor of Law, Ramkhamhaeng University
- Thai Barrister – At Law

Training

- Fundamentals Practice for Corporate Secretaries, Thai Listed Companies Association
- Advances for Corporate Secretaries, Thai Listed Companies Association

Experience

2017 – Present legal officer and Company Secretary
Alla Public Company Limited

2012 – 2015 Lawyer
Yanisatharm Law office Company Limited

Executive Committee



1. Mr. Ong-ard Puntuyakorn

- Director
- Member of the Nomination and Remuneration Committee
- Chairman of the Executive Committee
- Chairman of the Risk Management Committee
- Chief Executive Officer
- Acting Chief Financial Officer

2. Mrs. Vallaya Puntuyakorn

- Director
- Executive Director
- Chief Administrative Officer

3. Mr. Chumphol Chanchareon

- Director
- Executive Director
- Vice Chairman of the Risk Management Committee
- Chief Operating Officer

Executive Committee



4. Mr. Pracha Patthanawitthayakul

- Executive Director
- Member of the Risk Management Committee
- General Manager



5. Miss Chalumporn Puntuyakorn

- Executive Director
- Member of the Risk Management Committee
- Assist General Manager

Executive Committee Profile



Mr. Pracha Patthanawitthayakul

Executive Director, Member of the Risk Management Committee, and General Manager
Age 50 years



Miss Chalumporn Puntuyakorn

Executive Director, Member of the Risk Management Committee, and Assist General Manager
Age 30 Years

Education

- Bachelor of Mechanical Engineering, Chulalongkorn University

Training: None

Share Holding (%): None

Family relationship between directors and executives: None

Experience

2017 - Present Executive Director
Member of the Risk Management Committee, and General Manager
Alla Public Company Limited

Past Experience

2007 - 2017 Mechanical Construction Manager
Italian - Thai Development Public Company Limited

Education

- Master of Engineering Business Management, University of Warwick
- Bachelor Architecture, University of Liverpool

Training

- Director Accreditation Program (DAP) Class 110/2014

Share Holding (%): 7.50

Family relationship between directors and executives:

Daughter of Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn

Experience

2018 - Present Executive Director, Member of the Risk Management Committee, and Assist General Manager
Alla Public Company Limited

2012 - 2015 Director
Executive Director
Alla Public Company Limited

Other Position (s)- Other Companies

2019 - Present Director
Executive Director
Onvalla Company Limited

Past Experience

2015 - 2017 Area Manager
Mitsubishi Motors Thailand Company Limited

2011 - 2012 Architect
Civil Design & Architect

Company History and Significant Changes

Alla Public Company Limited (“the Company” or “ALLA”) was established by Mr. Ong-ard Puntuyakorn and a group of skillful engineers. Mr. Ong-ard was experienced in material handling equipment such as hoist and crane which is facilitated in many industries. He had working experience with leading company in Thailand as the in charge of sales and marketing department, cooperating with design and production engineer in order to meet customers’ need. As a result, Mr. Ong-ard has knowledge and ability and understanding in all aspects of material handling system business.

The Company and its subsidiary History and Significant Changes in brief

Period	History and Significant Changes
1992	Established Alla Company Limited by Mr. Ong-ard Puntuyakorn with Baht 1 million in registered.
1994	<ul style="list-style-type: none"> - Authorized by STAHL Crane Systems GmbH, Germany as a sole distributor of hoist and crane in Thailand. - Invested in 7,680 square meters of land in Chachoengsao and built factory with utility space of 1,500 square meters to manufacture hoist and crane parts.
1999	Increased registered capital to Baht 15 million for working capital.
2000	Expanded the utility space to 4,572 square meters for increasing the capacity.
2003	Increased registered capital to Baht 30 million.
2005	Expanded the utility space to 8,242 square meters to bring about more efficient in manufacturing.
2006	- ABUS Crane Systems Ltd. approached and offered ALLA to be the sole distributor of crane and hoist parts under ABUS brand in Thailand. Since ALLA has already been the sole distributor of crane and hoist parts under STAHL brand, Mr. Ong-ard nominated ONVALLA (Subsidiary) (Registered since 1990 but not operated) to be the sole distributor of ABUS brand. At the meantime, ONVALLA has registered capital of Baht 1 million.

Period	History and Significant Changes
	- Obtained ISO 9001:2000 from TUV NORD which is the certificate of quality management.
2008	ONVALLA (Subsidiary) invested in land with the area of 8,616 square meters in Lam luk ka, Phatumthani Province to manufacture crane and hoist.
2009	Obtained certificate of Occupational Health and Safety Management System TIS18001:1999 and OHSAS18001:2007 from TUV NORD.
2010	The construction of ONVALLA factory Phase I has been completed with the area of 3,687.50 square meters.
2012	Onvalla factory at Lam luk ka Phatumthani Phase II has been completed with the area of 4,968.50 square meters, totaling factory area approximately 8,656 square meters.
2013	ONVALLA (Subsidiary) invested in land with the area of 8,490.40 square meters next to Onvalla factory at Lam luk ka Phatumthani to expand the utility space.
2014	<ul style="list-style-type: none"> - ALLA implemented restructuring of a group company by acquiring 100% of registered and paid-up common stocks in ONVALLA from original shareholder, thus ONVALLA became the subsidiary company. - The Company increased register capital to 100 million and during the period ALLA increased registered capital to Baht 225 million. - ONVALLA (Subsidiary) increased registered capital to Baht 70 million.
2015	<ul style="list-style-type: none"> - ONVALLA (Subsidiary) increased registered capital to Baht 150 million. - ALLA increased registered capital to Baht 300 million with Baht 225 million paid-up capital and change par value from Baht 100 to Baht 0.50 per share. In order to prepare for listing in the Stock Exchange of Thailand. - ALLA registered for transformation to be public and changed business name from “Alla Company Limited” to “Alla Public Company Limited” on 17 September 2015.
2016	<ul style="list-style-type: none"> - On 22 September 2016, the Company received the approval from Securities and Exchange Commission, Thailand (SEC) for offering newly issued securities to the public, amount 150 million shares of common stock. - The company registered for capital increase to Baht 300 million with the department of Business Development on 3 November 2016.

Period	History and Significant Changes
	- The Company started the first trading day on 8 November 2016 under stock symbol “ALLA”.
2017	- Onvalla (Subsidiary) increased registered Capital to Baht 250 million for construction new warehouse and working capital.
2018	<ul style="list-style-type: none"> - Obtained ISO 9001:2015 from TUV NORD which is the certificate of quality management. - Completed ONVALLA (Subsidiary) new warehouse with the area of 4,230.16 square meters. - On 27 October 2018, the Company was officially appointed as a distributor of hoist parts under “YALE” brand by STAHL Crane Systems GmbH.
2019	<ul style="list-style-type: none"> - On 24 September 2019, the Company officially set up “Yale Grand Opening” to launch Yale Products. - Obtained certificate of Occupational Health and Safety Management System ISO 45001:2018 and TIS 18001:2011 from BSI Group (Thailand) Company Limited. - The Company officially launched its own brand named “AL”

Nature of Business

Revenue structure of the Company and its subsidiary in 2019 - 2017

Particulars (Consolidated Financial Statement)	2019		2018		2017	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales						
• Crane and hoist	511.69	59.13	367.66	54.28	364.55	58.71
• Loading dock and equipment	142.53	16.47	160.45	23.69	118.50	19.08
• Warehouse management system	43.11	4.98	0.06	-	-	-
Total revenues from sales	697.33	80.58	528.21	77.97	483.05	77.79
Revenues from services						
• Crane and hoist	131.34	15.18	117.75	17.38	103.89	16.73
• Loading dock and equipment	26.80	3.10	22.44	3.32	26.51	4.27
• Training center service	0.16	0.01	0.35	0.05	0.39	0.06
Total revenues from services	158.30	18.29	140.54	20.75	130.79	21.06
Other revenues ^{1/}	9.74	1.13	8.69	1.28	7.12	1.15
Total	865.37	100.00	677.44	100.00	620.96	100.00

Note :- ^{1/}Other revenues consist of interest income, gain (loss) on foreign exchange, gain on sales of assets, and others.

Products and Services

Products and services offered by the Company and its subsidiary are as follows :

Products and Services	ALLA (the Company)	ONVALLA (Subsidiary)
1. Crane and Hoist	✓	✓
2. Loading Dock and Equipment		
- Dock Leveler and Industrial Door	✓	-
- PVC Strip Curtain and Air Curtain	-	✓
3. Warehouse management system	✓	-
4. Services	✓	✓

1. Crane and Hoist

Crane and hoist are the necessary machines in manufacturing process of industrial plants since they are used for conveying high-value products such as turbine for power plant, materials, objects and heavy machine in industrial plants which are automobile plant, steel plant, building materials plant, etc. The design of crane depends on workspace and objectives. If crane and hoist are under maintenance, it will cause a disruption to or delay in production line, thus resulting in the production of the aforementioned plants could not manufacture products on schedule. Hence, crane and hoist in all factories must be of good quality, always be ready to use and meet standards in order to ensure that products conveyed by crane and hoist will not be damaged. In every step of crane production, the Company and its subsidiary pay high attention to good quality, concern international standards as well as consider for safety and user's property. The Company and its subsidiary emphasizes on production starting from design, which experienced engineering team advises on products and design. Skilled production team, who attended and qualified "ALLA Crane Systems" training course, pays attention to every steps of production, installation, delivery and after-sales services.

The Company was appointed to be Thailand's sole authorized distributor of important parts of crane, for example, hoist and end carriages under the STAHL brand from Germany, while its subsidiary is Thailand's sole authorized distributor of the ABUS brand from Germany. On 27 October 2018, the Company was also appointed as a distributor of the "YALE" brand. STAHL, ABUS and YALE are manufacturers of hoist, end carriages and other parts that meets the standards by focusing on functions, maintenance instruction, and safety in operation. The Company and its subsidiary consequently gain reputation and recognition for good quality over the long period.

Type of crane and hoist, which the group offers, are:

1.1 Crane

1.1.1 Overhead Crane is used in industrial plant, which lifts load. Overhead crane includes Single Girder Overhead Crane and Double Girder Overhead Crane, which is suitable for all industries especially for automotive, chemical and power plant.

1.1.2 Gantry Crane and Semi Gantry Crane is suitable for concrete structure parts manufacturing, concrete pile plants and precast plant.

1.1.3 Jib Crane whose arm is designed to be able to rotate from 90 to 360 degrees, is suitable for all industries and plants that have limited space. This includes Pillar Jib Crane and Wall Jib Crane.

1.1.4 Wall Travelling Crane is suitable for lifting goods or products along the wall of factory building.

1.1.5 Monorail Crane is suitable for factory or a place requiring to use crane in specific areas and to stop at each production station.

1.1.6 Suspension Crane is suitable for factory, which needs below area as much as possible, such as airplane hangar.

1.1.7 Explosion-Proof Crane can be used in petrochemical and oil & gas industry, which STAHL is an expert in this field and regarded as one of the leaders in explosion - proof crane parts manufacturing.



Double Girder Overhead Crane



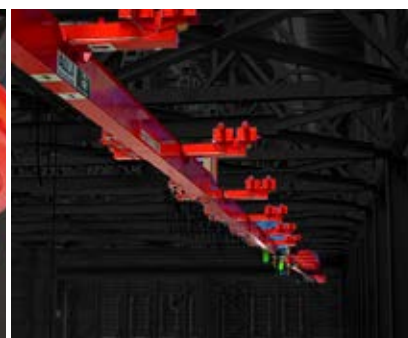
Single Girder Overhead Crane



Pillar Crane



Monorail Crane



Suspension Crane

1.2 Hoist

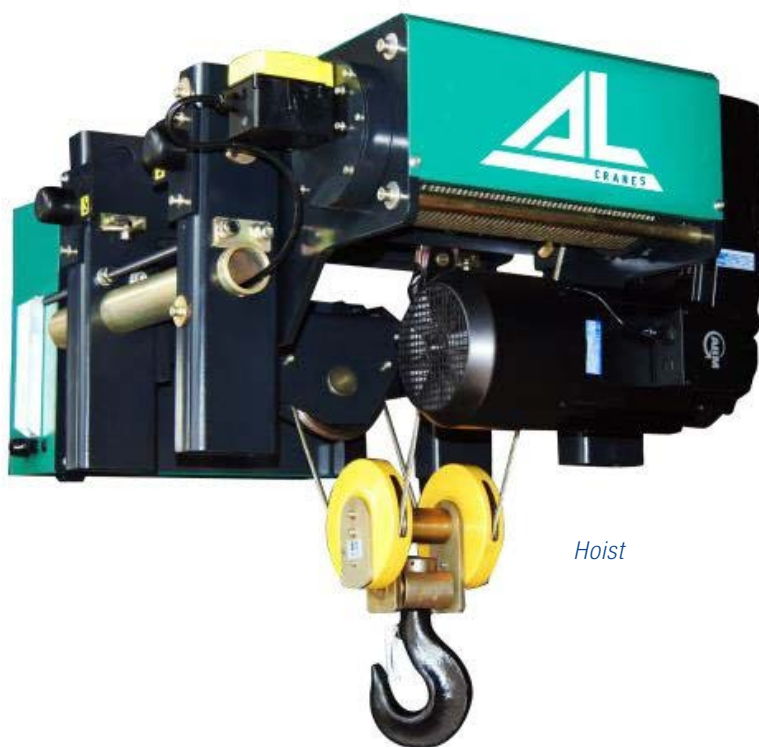
The Company and its subsidiary are importers and distributors of crane and electric hoist parts under STAHL, ABUS and AL brand respectively. The products can be classified as follow:

1.2.1 Electric Chain Hoist has appropriate size structure, which can be used both inside and outside the building. Lifting height can be enhanced by changing chain length.

1.2.2 Electric Wire Rope Hoist has fully covered structure and is suitable for outdoor or dusty place. Electric Wire Rope Hoist could not change lifting height but it is more durable with load capacity.

1.2.3 Manual Chain Hoist is an equipment without electronic parts hence it does not require power and this is suitable for non-routine work.

1.2.4 Explosion-Proof Hoist can prevent spark from occurring and each of its part is explosive-proof. This reduces and protects spark from leaking out during operation. Explosion-Proof hoist is suitable for petrochemical industry or industry involved with flammable material. It comes in both chain and sling types.



2. Loading Dock and Equipment

Loading Dock is an equipment facilitating goods handing, protecting impurities or storing coldness, which is crucial for present logistics systems. Main customer groups of the Company and its subsidiary are warehouse and logistics, cold storage, modern trade, agriculture and food including various industries that are interested in logistics together with production and marketing. The launch of the Asian Economic Community (AEC) at the end of 2015 offered opportunities for logistics industry since Thailand might become logistics hub in the future, creating demand for logistics services. The brands of Dock Leveler, which the Company imports and distributes, include SERCO, STERTIL and INKEMA. The brands of Industrial Door, which the Company imports and distributes, include NOVOFERM, CHASE DOOR and OVERHEAD DOOR.

2.1 Dock Leveler

Dock Leveler is a bridge facilitating goods handling between a truck and factory or warehouse. It helps for handling goods conveniently, rapidly and safely. Dock leveler includes Mechanical dock leveler, Airbag dock leveler, Electric-hydraulic dock leveler, Retractable dock shelters, Inflatable dock shelter and Dock Seal.



Electric-hydraulic dock leveler



Mechanical dock leveler



Airbag dock leveler



Inflatable dock shelter



Dock Seal

2.2 Industrial Door

Industrial Door is specifically manufactured for industrial plant for safety and for protecting things from impurities and fire, and for cold storage. The brands of Industrial Door, which the Company imports and distributes, include NOVOFERM, CHASE DOOR and OVERHEAD DOOR. The Industrial Door includes High-speed Roller Door, Overhead Sectional Door, Swing Door, Roller Fire Door and Cold Storage Door.



2.3 PVC Strip Curtain and Air Curtain

PVC Strip Curtain and Air Curtain are equipment installed in factory, warehouse or cold storage in order to block staff, trolley or forklift from passing through both inside and outside of room or building. These curtains protect dust and insect as well as help for maintaining temperature in warm and cold room, and saving energy. Recently, the Company changes its distribution channel by only distributing through the subsidiary, which imports curtain from China.



3. Warehouse Management Systems

The Company foresaw potential growth of the warehouse management systems business thus the Company set up the new business unit as comprehensive sales and services related to warehouse management systems and accessories. Since the government have supported Thailand to be logistics hub of ASEAN and moving into Thailand 4.0 era focusing on maximize utilities of the warehouse space by increasing the use of machines and automation in order to reduce cost and enhance the warehouse performance to be more efficient, accurate and faster. Products and services offered by the Company are as follows:

3.1 Warehouse Management Systems and Accessories

The Company distributes and installs quality warehouse systems and accessories which be designed to suit the customers' needs, including simple racking and best technology automated warehouse system - AS/RS, by experienced professionals with the recognized in Europe and America.

3.2 Automated sorting and retrieving system – AS/RS

Enhance sorting and picking product more precisely, fast and safe. In addition, it reduce number of staffs in the warehouse by using the program-controlled machine to store in pallets, unit load carriers, a belt or AGV (Automatic Guide Vehicle) as well as non-driver forklift (AGV Truck).

3.3 System Provider

is a system design that works together with various types of equipment, such as Warehouse Management System (WMS), Warehouse Control System (WCS), Transportation Management System (TMS), Conveyor, picking system and sorting system under the cooperation between the Company and foreign companies that expertise in warehousing and distribution.

3.4 Simple Racking

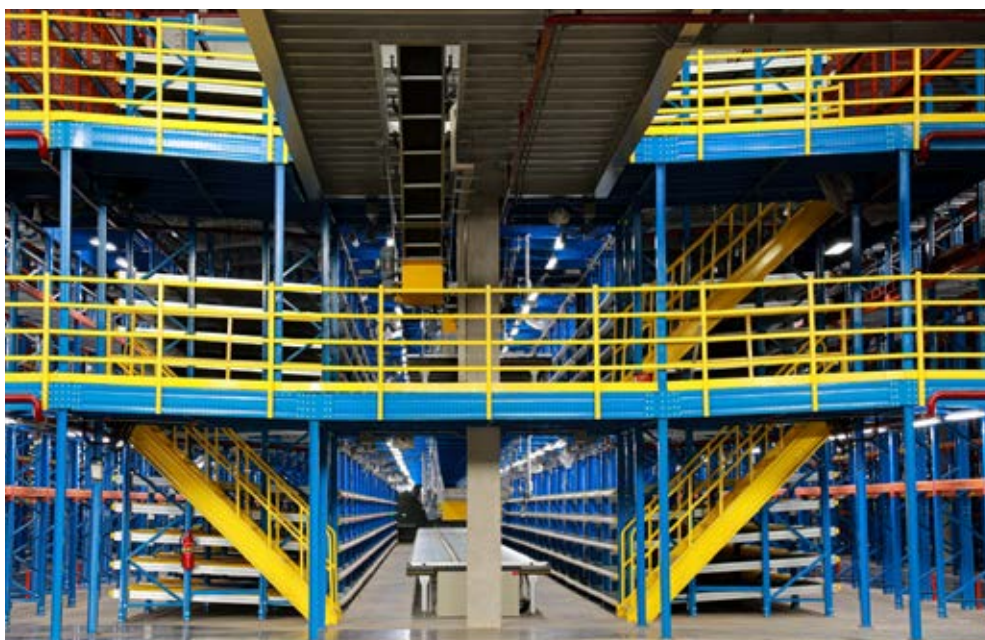
is multipurpose shelf helping easy and convenient warehouse placement. It is available in small to large and the level-adjustment shelves as needed and structuring for maximum efficiency including rack guards.

3.5 High Volume Low Speed (HVLS) Fan

is large ceiling fan that generate large amounts of air at low rotational speed. HVLS fan is an important equipment to distribute air throughout the working area and suitable for wide areas and warehouse or industrial plants ventilation. The Company has quality products with leading brand. It can be used with ease, safety, energy saving and installing inside and outside.

3.6 Warehouse LED

made from quality materials with international standards and long-term usage. LED power is 50W with input voltage AC90-305V. Number of LEDs 77 PCS lumens (+50) 8,500 lumens, size 30*12,295 mm. Using advanced electrical control techniques with High voltage and wide-input voltage at 374v 480v prevent light instability caused by the network.



4. Services

4.1 After-sales services, other services for general customers

As at 31 December 2019, the Company and its subsidiary have 38 experienced teams with 76 skilled staff and sufficient stock of spare parts for customer's needs. Furthermore, the Company locates service center in Chonburi Province and Chachoengsao Province in order to provide 24-hour after-sales services to customers. The subsidiary locates service center in Pathumthani Province. After-sales services of the Company and the subsidiary can be classified into three major categories as follows:

4.1.1 After-sales services, under warranty

The Company and its subsidiary have a warranty, with the period of six months to six years, which scheduling to test load and conduct preventive maintenance for customer on monthly basis as agreed including general repair. The major services under warranty include:

- Preventive Maintenance is checking services for crane and hoist, industrial door and dock leveler in forms of preventive maintenance in order for products to be always ready for use. As required by law, crane must have preventive maintenance.

- General maintenance and spare part replacement. The customer can ask for service immediately. The warranty covers spare parts replacement for damage from normal use.

4.1.2 Contract Service

This service is a continuous service after the warranty expired. Moreover, it provides load test service, which is an additional service to warranty for crane as required by law, including scheduled load test by skilled engineer. After load test is performed and results meet internal standards, the engineer will issue Por Jor 1 certificate to customer.

4.1.3 Non Contract Service

This Service includes preventive maintenance, load test, repair and spare parts replacement, depending on the requirement of customer at the time. This service offers to both customers who use products of the Company and its subsidiary and general customers.

4.2 Training center service

The Company and its subsidiary have training center offering courses of operation for crane operator, signalman and rigger. According to Department of Labour Protection and Welfare, the employer is required to provide the aforementioned course for the employee, and provide review course for crane operation in accordance with specific rules, procedure, training course and trainer.

There is grand opening the “Puntu” meeting room or “ALLA Learning Center” on the third floor of Onvalla Factory, Lam luk ka, being training center such courses of operation for crane operator since 2018.

Market and Competition

Competitive Strategy

The Company and its subsidiary define competition strategy and business policy in order to promote long-term competition and to continuously develop production capability by focusing on quality of products, on time delivery and good services to customers. The marketing strategy and main business policy includes:

1. Quality of Products

In every step of production process, the Company and its subsidiary always consider and determine on production of high quality products. In order to achieve this goal, the Company and its subsidiary utilize international standard machine and technology for production and

provide team with knowledge and expertise in control and check quality of product in each step of the process in order for safety. The determination on developing production process contributed to the factory and products of the Company and its subsidiary to obtaining international certifications, including ISO 9001:2015 for Quality Management System from TUV NORD, and TIS 18001:2001 and ISO 45001:2018 for Occupational Health and Safety Management System from BSI Group (Thailand) Co., Ltd.

2. After-sales services

The Company and its subsidiary focus on highest customer's satisfaction by providing 24-hour after-sales services and a team to advice customer on products regularly

3. Spare parts

The Company and its subsidiary has appropriate spare parts policy in order to provide spare parts for customers in short period of time and to response to customer's demand in timely manner.

4. Safety

The Company and its subsidiary place importance on customer safety by providing equipment, taking care of and advising on product application. Besides, the Company and its subsidiary realize the importance of production safety by having production process that conforms to rules on safety, accident protection for employees, and installation of products by experts, which helps to reduce and control risk of accident to employee and concerned party.

5. Delivery time

The Company and its subsidiary place importance on delivery products and services in timely manner by estimating duration in production and installation in order to be confident that the Company and its subsidiary are able to complete the production and installation for customer in time.

6. Continuous development in knowledge and capability of staff

The Company and its subsidiary place importance on continuous development in knowledge and capability of staff in order to improve efficiency, flexibility and quality of operation by improving working system to be always up-to-date and constantly supporting employee's training and development. This is resulted in improving capability and more importantly, the working system itself will enable employee to develop constantly.

Distribution Channels and Target Customer

Sales departments of the Company and its subsidiary handle products distribution. They have segregated duty and responsibility for each product category to their sales force. These sales staffs responsible for contacting customers, addressing customer demand and introducing products and services to customers. Products distribution of the Company and its subsidiary consists of:

1. Distribution through contractors

Since the Company and its subsidiary's products are mainly used in factories and warehouses, their customers are contractors from small size to large size contractors who have projects to build

factories or warehouses. In building factories or warehouses, operators or owners of the factories will invite the contractors to bid for the project. The contractors will submit price according to the drawing and specifications. For the work related to products of the Company and its subsidiary, the contractors will contact the Company and its subsidiary to propose price according to the drawing and specifications. When operators or owners of the factory choose the contractors, the contractors will complete sales contract with the Company and its subsidiary.

2. Distribution to end users

This customer group is the owners of factories or warehouses, which the Company and its subsidiary used to provide service through contractor. After project delivered, the Company and its subsidiary continue to provide after-sales services, including maintenance, repairing and spare parts replacement. Hence, when these owners have project to expand their investment, factories or warehouses, they will contact the Company and its subsidiary to conduct the work without going through the contractors. Moreover, the customer in this category may be referred by factory owners, who were the Company and its subsidiary's customers and satisfied with quality and services, and they accordingly recommend other factory owners to use products and services of the Company and its subsidiary.

Customer structure of the Company and its subsidiary, classified by type of business:

Type of Business	Percentage (%)		
	2019	2018	2017
1. Steel and aluminum	4.37	23.54	11.78
2. Motor vehicles	18.89	19.17	21.55
3. Agriculture and foods	4.45	13.08	9.54
4. Power plant	19.96	5.70	10.05
5. Warehouse and Logistics	16.69	5.59	6.92
6. Hypermarket and convenient stores	2.63	5.14	4.48
7. Construction materials	1.92	2.52	4.13
8. Real Estate	12.39	1.33	0.76
9. Petrochemical	4.01	0.66	3.85
10. Others ^{1/}	14.69	23.27	26.94
รวม	100.00	100.00	100.00

Note: ^{1/}others include petrochemical sector and electronic parts sector and rail transit system sector.

Pricing Policy

The Company and its subsidiary adopt cost plus pricing policy and consider together with other factors such as comparison of the Company and its subsidiary's price to market price and price of competitors. Products pricing may appropriately adjust by product type, target customer and distribution channel in response to competition situation at that time in order to compete with the competitors in the market, but maintain margins as required by the Company and its subsidiary to be sufficient for expenses and operating expenses.

Certificate and International Standard

The Company focuses on improving efficiency in production and management in order to that meet international standards and is recognized by customers. Details of certificates obtained by the Company include:

Standard	Period	Detail
1. ISO 9001 : 2015 for Quality Management System	16 Mar 2018 - 15 Mar 2021	Standard, which International Standardization and Organization set up in order to promote management in quality of organization and systematically create customer's satisfaction
2. TIS 18001 : 2011 for Occupational Health and Safety Management	24 Mar 2019 - 23 Mar 2022	Thailand Industrial Standard, which is used to manage organization in order to reduce safety risk and increase employee' safety; and to improve operation of organization for safety, and to reduce and control safety risk to employee and concerned.
3. ISO 45001:2018 for Occupational Health and Safety Management	24 Mar 2019 - 23 Mar 2022	International Industrial Standard, which is used to manage organization in order to reduce safety risk and increase employee' safety; and to improve operation of organization for safety, and to reduce and control safety risk to employee and concerned. ISO 45001 is a set of Standards created to replace OHSAS 18001. ISO (International Organization for Standardization) announced the discontinuation of the accreditation

Industry Overview and Competition

Target customers of the Company and its subsidiary comprising government agencies and private agencies, being end users, main contractor and sub-contractor in a variety of industries. For the year 2019, the Company and its subsidiary have increased in performance due to the industry and investment expansion. The Company initiate new business unit enhancing the leader in manufacturing and distribution in material handling equipment as warehouse management system and accessories. The new business unit fulfill the Company to be warehouse solution center by providing one stop service to continuously facilitate and customers' value creation.

Investment Promotion

In 2019, the overall Thai economy has expanded evidenced by records of the Board of Investment (BOI) for 2018 and 2019 that number of BOI project applications increased from 1,517 projects to 1,624 projects and a registered capital value slightly increased from Baht 131.07 billion to Baht 144.82 billion. The aforementioned increase in investment will be an opportunity for the Company and its subsidiary to boost sales of products and services as well as expand their customer base since their products can be used in diverse industries, especially for large-scale industries with continuous production process.

Table: BOI promotion application filed 2017-2019

	2019	2018	2017
Number of Project	1,624	1,517	1,547
Total Investment (Billion Baht)	756.10	814.86	610.51
Registered Capital (Billion Baht)	144.82	131.07	78.47
- Thai	80.32	15.36	41.50
- Foreign	64.51	115.70	36.98

Source: the Board of Investment (www.boi.go.th)

Investment in Transport Infrastructure

The government plans to develop Thailand's Transport Infrastructure Development Strategy 2015-2022 under the accelerated plan the achievement of development goals in order to solve traffic problems in Bangkok Metropolitan Region. The Company and its subsidiary have well-experienced in installing overhead cranes in the Depot. As a result of the investment in the public transport network, there are opportunities for the Company and its subsidiary to sale products and services to target customers related to the development plan and also have the potential growth from investing in the development of transportation infrastructure from the upcoming Eastern Economic Corridor (EEC).

Expansion of logistics and warehouse business

According to Thailand's Logistics Development Strategy (2017 - 2021), it enhance the logistics system of the country, support to be the ASEAN trading and services center as well as increase competitiveness. The three main strategies consist of development of value added supply chain, development of infrastructure and facilities, and development of logistics support factors being opportunities for the Company and its subsidiary to expand their customer base.

Power Generation

Power generation business, or power plant, is necessary to national development since business sector, private sector and households require electricity for their business and daily life. The expansion of power production business helps the Company's business to grow as well since power plants employ large and heavy machinery which must be lifted and moved by crane during the usual course of operation, especially for repairing and maintenance process.

According to the Office of the Energy Regulatory Commission's record, there are many power producers desiring to produce and supply power to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority (PEA). However, power producers who filed application to EGAT and PEA are classified into various status and types of plants. Therefore, the Company and its subsidiary have an opportunity to produce and distribute cranes for power plants that have filed an application but have not yet signed the power purchase agreement (PPA), and those that have obtained approval but have not yet commenced operation (Commercial Operation Date or "COD").

However, for the power plants that have already started commercial operation, the Company and its subsidiary may have an opportunity to produce and distribute crane or provide repairing and maintenance services to those power plants.

Table: Power Plant Information by Category and Status

	COD		Signed PPA but have not yet COD		Approved but have not yet signed PPA	
	Project	Capacity (MW)	Project	Capacity (MW)	Project	Capacity (MW)
Waste	34.00	317.00	22.00	170.00	-	-
Community Waste	33.00	310.00	16.00	140.00	-	-
Industrial Waste	1.00	7.00	6.00	30.00	-	-
Biomass	208.00	3,382.00	22.00	274.00	15.00	355.00
Biogas	178.00	400.00	8.00	20.00	-	12.00
Hydro	41.00	105.00	-	-	31.00	39.00
Wind	34.00	1,497.00	2.00	18.00	2.00	2.00
Solar	6,698.00	3,115.00	121.00	1.00	253.00	62.00
RE-Others	4.00	97.00	-	-	-	-

Source: Power plant information of the Office of the Regulatory Energy Commission (www.erc.or.th)

COD means Commercial Operating Date.

PPA means Power Purchase Agreement.

Eastern Economic Corridor - EEC

The government supports infrastructure developments and provide investment privilege. The 10 targeted industries are comprise of First S Curve, including next – generation automotive, smart electronics, affluent, medical and wellness tourism, agriculture and biotechnology and food for the future, and New S Curve consisting of robotics, aviation and logistics, biofuels and biochemical, digital and medical hub. The investment in industrial promotional zone of 3 provinces, including Rayong, Chonburi and Chachoengsao, tend to expand considerably. Therefore, it is the business opportunity to distribute industrial products such as crane and electric hoist, Industrial doors and offer services to customers located in the Eastern Economic Corridor.

Product and Service Procurement

Capacity Utilization

In crane production, the Company and its subsidiary customize the products to customer's order (made to order). The whole process from production to installation takes about 3-4 months, depending on complexity of work. Dock leveler, industrial door, PVC strip curtain and air curtain are finished products that are distributed to customers and will be completely installed within about 2 months after purchase order are confirmed by customers, as waiting for imported products in case of no reserve.

The Company and its subsidiary have two factories for crane production, one of which belongs to the Company located at 2/1 Moo 4, Wat Phimpawat - Khlong Koh Don Road, Koh Rai Sub-District, Ban Pho District, Chachoengsao Province, on land area of 4 rai 3 ngan 20 square wah. The subsidiary has one factory, located 50 and 50/1 Moo 20, Lam luk ka Sub-District, Lam luk ka District, Pathumthani Province, on land area of 10 rai 2 ngan 77 square wah.

Maximum capacity of the company and its subsidiary, classified by type of crane, and utilization rates are as follow.

Type of Crane	Maximum Annual Capacity (No. of Crane) ^{1/}		Combined Utilization in 2019 (No. of Crane)	
	Company	Subsidiary	Company	Subsidiary
Single girder crane, less than 15 meters long	102	94	39	6
Single girder crane, more than 15 meters long	76	75	13	18
Double girder crane, less than 15 meters long	60	43	2	-
Double girder crane, more than 15 meters long	42	36	15	28
Special-function crane, less than 15 meters long	32	- ^{2/}	16	-
Special-function crane, more than 15 meters long	25	- ^{2/}	8	-

Note : ^{1/}maximum annual capacity = No. of cranes produced in a year, assuming that only a single type of crane is produced and based on working 8 hours/day

^{2/}the subsidiary does not produce special-function cranes.

Procurement of Raw Materials and Finished Products

The Company procures raw materials, supplies, spare parts, and finished parts from numerous local and abroad producers and suppliers with details as follow:

1. Raw materials, supplies and spare parts

includes structural steel, such as steel plate, steel, rust preventive primer, electrical equipment, equipment in electrical system. These raw materials are procured from several local suppliers, both large and small, representing 100% of value of raw material procured for production.

2. Finished Parts

- Hoist and parts, including hoist, end carriages, spare parts, are imported from Germany since both companies are sole authorized distributor of these products in Thailand. The Company is a sole authorized distributor of STAHL and YALE brand while the subsidiary is a sole authorized distributor of ABUS brand. One hundred percent of parts order is for crane and hoist production. In addition, the Company also has its own brand named AL.

- Dock leveler, industrial door, PVC strip curtain and spare parts are procured by importing from the overseas brand owners who appointed the authorized dealership to the Company and its subsidiary for brands such as SERCO STERTIL NOVOFERM and NASSAU

Customer Satisfaction Level

The Company surveyed customer satisfaction, responsible by Customer Relations Department, the main survey area included sales and installation of crane and hoist, sales and installation of industrial door and dock leveler, sales and installation of warehouse management system, as well as after-sales service. More than 3,225 questionnaires were issued, the result found that most customer satisfaction is excellent in line with the target. In addition, any recommendations received from customers and concerned department, directly report to Chief Operating Officer, then suggestions from customers will continue to improve.

Customer Satisfaction results for 2019 are consist of 5 areas, the satisfaction scores in each area are as follow:

- Product Quality has satisfaction score 96.93%
- Sales Representative Quality has satisfaction score 96.21%
- Performance Quality has satisfaction score 97.58%
- Safety has satisfaction score 97.87%
- Overall has satisfaction score 97.15%

Environmental Impacts

Crane manufacturing process of the Company and its subsidiary minimally affect environment, not exceeding regulated levels required by related-government agency detailed as follow:

- Noise quality

In production process, noise may occur during welding, grinding, polishing, cutting and assembling process or from broken machines. Hence, the Company and its subsidiary provide preventive and noise-reduction equipment such as ear plug for employees working in the noise area and always provide repair and maintenance for the machine to run efficiently

- Air quality

Air quality from production process can be affected by mist from spraying and paint in crane assembling area and dust in shot blast area, where the dust level is not exceeding legal requirements. The Company and its subsidiary provides equipment to protect odor, dust and smoke (Filter Half Mask) for employees who work in those areas. The Company and its subsidiary's plant areas are fully enclosed to prevent dust emissions

- Water quality

Since water is not used in the Company and its subsidiary's production process, there is no direct water pollution. Waste water from washing and cleaning within the plant, which is small amount, indirectly affects water quality. The Company and its subsidiary do not discharge waste water but stores in sump manhole in order to use for watering plants in factory area.

- Waste Waste

from production process, such as steel scraps, are collected and made into various weights for test load. The Company and its subsidiary sell wood and paper waste to scrap dealers, registered with Department of Industrial Work. Other wet and dry waste are separated and collected by municipality.

The Company and its subsidiary have engaged a private, recognized by the Department of Industrial Works, to conduct an environmental quality evaluation on yearly basis. The latest results from evaluation on the Company on 10 May 2019 by Pacific laboratory Company Limited and on the subsidiary on 27-28 May 2019 by C.E.M Technology (Thailand) Co.,Ltd., demonstrate that the noise level and air quality meet legal requirements.

Backlog

As at 31 December 2019, the Company and its subsidiary have backlog amounting to Baht 283 million, decreased 38% from the previous year amounting to Baht 459 million. However, the Group still receives sale orders from customers continuously.

Shareholding Structure

The shareholding structure of the Company and subsidiary is as follows:



Alla Public Company Limited

ALLA Public Company Limited was established on 20 March 1991 to engage in production, distribution and installation of crane and hoist. The Company was appointed as a sole distributor of hoist and crane parts under STAHL brand and a distributor of YALE brand, Germany, on 27 October 2018. Moreover, the Company imports, distributes and installs industrial door and dock level, warehouse management systems, including after-sales services and training center service located at Koh Rai Sub-District, Ban Pho District, Chachoengsao Province.

The Company's target customers using crane and hoist, are various industrial plants desiring to use specific products since crane and hoist parts of STAHL brand can be produced to suit customer's requirements. These customers include automotive, power plant, construction materials, agriculture and warehouse. While crane and hoist parts of YALE and AL brand normally suit for non-complicated usage such as small to medium factories.

Onvalla Company Limited

Onvalla Company Limited was established on 8 February 1990 but commenced operation in 2006. The subsidiary engages in production, distribution and installation of crane and hoist by using crane and hoist parts of ABUS brand. Moreover, the subsidiary imports, distributes and installs industrial door, dock leveler, PVC strip curtain and air curtain, including after-sales service and training center service located at Lam luk ka Sub-District, Lam luk ka District, Pathumthani Province.

The Subsidiary target customers using crane and hoist, are various industrial plants requiring to use uncomplicated products without specific requirements, since crane and hoist parts of ABUS is standard. These customers are property sector, steel and aluminum, construction materials and warehouse.

Risk Factors

The Company and its subsidiary consider it is important to manage risks systematically and effectively. Major risks factors are as follows:

1. Operation Risks

1.1 Risk from dealerships cancellation by brand owners.

The Company and its subsidiary are manufacturers and distributors of crane and hoist. Major parts such as end carriage, gearbox, electric hoists, are imported from well-known overseas manufacturers, including STAHL, YALE and ABUS. These parts are assembled to crane structure and hoist, which are designed and produced by the Company and its subsidiary, and subsequently installed for customers. Moreover, the Company and its subsidiary are distributors of dock leveler and industrial door under brands SERCO, STERTIL, INKEMA, NOVOFERM and DOCK EQUIPMENT. If the Company and its subsidiary are not granted authorized dealerships or new products have inferior quality to the existing products, this will have adverse impact on customers' confidence in products and lower revenue from products and services accordingly

Mitigation Plan Since the Company and its subsidiary constantly meet terms and conditions specified in dealership agreements, the Company and its subsidiary have been trusted from the brand owners to be their distributors and have never been cancelled the dealerships. With efficient distribution channels, strong sale teams, more than 20-year experienced in the business, good services and good relationships with customers and brand owners, the Company and its subsidiary are confident that the brand owners will continue to grant authorized dealerships to the Company and subsidiary.

1.2 Risk from declining revenue due to dependence on customers in a few industries

During the past three years (2017-2019), the Company and its subsidiary's revenue was mainly contributed by customers in automobile and steel industry which are heavy industry and their growth mainly rely on economy Thailand. With the 2019 slowdown in economy, these customers have scaled down their production capacities, thus lowering the Company and its subsidiary's revenue.

Mitigation Plan The Company and its subsidiary have diversified customer base to other potential industries such as power plant, construction materials, logistics and agriculture and food. Moreover, the Company will focus more on after-sales services and maintenance to serve increasing number of customers, who need these services to ensure that their equipment is ready for operation. This will resulting in increase in revenue.

The Company also sees opportunity to expand its business to ASEAN Economic Community (AEC) countries. The Company set up the Representative Office in Indonesia which aims to seek for new customers and retain existing customers since the Company has good relationship with target customers, who have recently relocated their production base to Indonesia.

1.3 Risk from delay in project/ product delivery.

In production and distribution of crane and hoist, industrial door and dock leveler, the agreement normally specifies delivery date and penalty in the case that the Company and its subsidiary are not able to deliver project in timely manner. The penalty is usually a fine to compensate for damages from delay in product delivery. This fine, which varies from contract to contract, causes an increase in project cost and a decrease in profits accordingly. Moreover, the project delay will damage the Company and its subsidiary's reputation and lower trust from other customers, thus leading to potential loss of future business.

Mitigation Plan The Company and its subsidiary closely monitor and examine each step of work process - since design, procure parts from overseas, production and quality control. This will keep the management and concerned parties up to date on status of each project and allow the team to solve problem as soon as it arises, thus improving efficiency in project management.

1.4 Risks from shortages of skilled labor.

Production and after-sales services require experienced staff to reduce potential loss during production process. In addition, they require less time to identify and solve problems, leading to customer's satisfaction. Hence, the Company and its subsidiary always focus on recruiting qualified staff for efficient production and services. However, technicians, welders and service staff are in demand. There are risks of not being able to recruit replacements for these staff when required.

Mitigation Plan To avoid shortages of skilled labor in the past, the Company and its subsidiary adjusted its salary structure to be competitive with other companies in the same industry and provided additional benefits such as meal allowance. This is also to incentivize staff to work for a long term. Although the new recruits are experienced, the Company and its subsidiary provide training courses to improve staff's knowledge and skills.

1.5 The risk to rely on personnel and executives.

Personnel are one factor in the success of the Company if the Company loses personnel or Executive and / or key personnel of the management are not being able to maintain the proper position and not a substitute for comparable properties, it may have negative impact significantly to the financial condition, performance and business prospects of the Company.

Mitigation Plan The Company recognizes the importance of maintaining human resources of the Company has a plan to develop human resources by focusing on talent development and personnel as well as guiding career path of the personnel in each level clearly, including the allocation of a reasonable return on the capability of the individual, and then compare with other operators in the industry. Moreover, the Company also has a policy about the succession plan to delegate the work. The Company has continued to recruit new staff to replace resigned staff in order to have enough staff in accordance with the plans of the Company.

1.6 The risk from the stability of the information technology system.

The Company introduced a system in the database management for their organizations to optimize operations and reduce capital of the group of the company. The risk associated with

database of enterprise information system, which may cause the damage of sensitive data, the risk from the data theft of critical information such as customer data and information. These are significant risks that are necessary to manage data, which impact on operations and its financial status.

Mitigation Plan The Company has also developed networks by develop, manage, control, monitor and maintenance for IT Management systems. Providing the sufficient and efficient back up of information, to prevent the loss of data. Set persons who have authorized to access to a computer, network, program and information, as well as the completion of the operation of the repair and maintenance information technology systems plan of the Company and its subsidiary for stability. As a result, the Company is able to quickly solve the systems in case of damaging.

2. Financial Risks

2.1 Risk from Fluctuation in Foreign Exchange Rate

The Company and subsidiary's products have a lot of import components. Most costs of import parts and payment are denominated in Euro followed by US dollar, whilst revenues from products and services in Thailand are in Baht. The agreement does not allow the Company to adjust Baht price to pass onto the impact of Euro and US Dollar appreciation to customer. Exchange rate fluctuation might affect costs and gross profit of the Company and its subsidiary.

Mitigation Plan The Company and its subsidiary reduce risk exposure by entering into forward contract, which is at management's discretion in accordance with approved policy and guidelines from the Board of Directors. The Company and its subsidiary closely monitor exchange rates and evaluate trends in order to quote selling prices, which reflects exchange rate in that period.

In addition, the proper procurement and delivery plan together with products pricing to cover exchange rate fluctuation will limit exchange rate risks. The Company and its subsidiary do not have policy to speculate on exchange rate.

3. Risks of Investors in the Company's Securities

3.1 Risk from major shareholder with 50% ownership

After shares offering in the Stock Exchange of Thailand (SET), the major shareholder which is Puntuyakorn group will hold 63.87% of the Company's total paid up capital. Puntuyakorn group also are management and authorized directors of the Company. Therefore, such group has authority in managing the Company and can control almost all major resolutions in shareholders' meeting. This includes the appointment of directors or other resolutions, which requires majority votes of the shareholders' meeting, except for agendas, which are in accordance with law or articles of association of the Company require three out of four of all votes of the shareholders attending the meeting and having the right to vote such as capital increase and capital reduction. Therefore, other shareholders attending the shareholders' meeting might not be able to collect sufficient votes to examine the Company's operations managed by the major shareholder.

Mitigation Plan The Company realizes such risk; therefore, the Company has managed to appoint four out of total eight directors to be independent directors. All four independent directors, who also serve in the Audit Committee, are knowledgeable, competent and legally qualified. Besides, the Company engaged Internal Auditor, who is an external party, to examine and evaluate the Company's operations and report directly to the Audit Committee, thus providing thorough and transparent examination on operations and counterbalancing the Board of Directors.

— **G**eneral Information and Other Information —

General

1. General Information of the Company

Company	:	Alla Public Company Limited
Company Name	:	933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suanlung, Bangkok 10250
Branch		
Branch1 (Factory)	:	2/1 Moo 4, Watpimpawad-Klongkohdon Road, Kohrai, Banpho, Chachoengsao 24140
Branch2 (Service Center)	:	255/22 Moo 3, Route 311, Bo Win, Sriracha, Chonburi 20110
Branch3 (Office)	:	621 Soi Onnut46, Onnut Road, Onnut, Suanluang, Bangkok 10250
Registration No.	:	0107558000393
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	0 2322 1891-2
Website	:	www.alla.co.th

2. Registor

Company	:	Thailand Securities Depository Co., Ltd
Address	:	The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400
Telephone	:	0 2009 9000
Fax	:	0 2009 9991

3. Auditor

Company	:	EY Office Limited
Address	:	33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0 2264 0777
Fax	:	0 2264 0789

4. Investor Relations

Name	:	Miss Rachaya Rattanasrithong
Address	:	933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suanluang, Bangkok 10250
Telephone	:	0 2322 0777, 0 2721 5699
Fax	:	0 2322 1891-2
E-mail	:	ir@alla.co.th

Other Information

- None -

Securities and Major Shareholders Information

Registered and paid-up capital

As at 31 December 2019, the Company has Baht 300 million in registered and paid-up capital dividing into 600,000,000 common shares at Baht 0.50 par value.

Shareholders

The Company has top ten shareholders and their shareholdings as at the latest book closing date on 30 December 2019 as follows:

Name	Number (Shares)	%
1. Puntuyakorn Group		
1.1 Mr. Ong-ard Puntuyakorn	203,232,300.00	33.87%
1.2 Mrs. Vallaya Puntuyakorn	135,000,000.00	22.50%
1.3 Miss Chalumporn Puntuyakorn	45,000,000.00	7.50%
Total Puntuyakorn Group	383,232,300.00	63.87%
2. Rattanasrithong Group		
2.1 Mr. Tratorn Rattanasrithong	30,040,900.00	5.00%
2.2 Miss Rachaya Rattanasrithong	10,000,000.00	1.67%
2.3 Mr. Pawat Rattanasrithong	2,255,400.00	0.37%
Total Rattanasrithong Group	42,296,300.00	7.04%
3. Mr. Satit Kumarn	19,360,400.00	3.22%
4. Mr. Chaowarat Vespinyo	9,465,000.00	1.57%
5. Mr. Chaivat Taepaisitphongse	8,600,000.00	1.43%
6. Miss Kalyarat Kruawan	5,800,000.00	0.96%
7. Mr. Bophit Phattrara-rangrong	5,503,800.00	0.91%
8. Mr. Bunkit Sirisuknantadej	3,084,000.00	0.51%
9. Mr. Wichai Chotvichien	2,759,000.00	0.45%
10. Mr. Somsak Sothisaowapak	2,668,300.00	0.44%
Total	482,769,100.00	80.40%

Source: The Thailand Securities Depository Co., Ltd

Other Securities

- None -

Dividend Policy

The Company and the subsidiary have prescribed a dividend payment policy which has term and condition as follow:

1. The Company's policy is to pay dividends at not less than 50% of the Company's net profit after tax deduction and statutory reserves from the separate financial statement and must be comply with Public Limited Companies Act. However, such dividend payment subjects to cash flow, investment plan, necessity and appropriateness in the future.
2. The subsidiary's policy is to pay dividends at not less than 50% of net profit of its financial statements and subjects to appropriateness investment plan and it cash flow and financial position.

However, the dividend payout ratio could be able to change, subjects to the operating performance, financial position, liquidity and the needs of working capital investment, additional investment, business expansion, terms and restrictions of loan agreement and other factors related an administration as it deems appropriate by the Board of Directors and/or the shareholders.

The approved dividend payment by the Board of Directors, must be proposed to the Shareholders' Meeting for approval. The Board may have authority to pay interim dividends to shareholders and report to the Shareholders' Meeting subsequently.

History of Dividend payment

Separate Financial Statement	2019	2018	2017
Net Profit per share (Baht per share)	0.13	0.09	0.10
Dividend per share (Bahr per share)	0.10	0.08	0.07
Dividend payout ratio (%)	79.20	86.66	68.96

Management Structure

Management structure of the Company consists of the Board of Directors and four Sub-Committees, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. The Company's Board of Directors and the Executives have complete qualifications and do not possess any prohibitive attributes pursuant to Section 68 of the Public Limited Companies Act B.E. 2535 (including amendments). In addition, they do not have any prohibitive attributes and attributes that lack of appropriateness to be trusted to manage and administrate business, whose shareholders are public under Section 89/3 and Section 89/6 of the Securities and Exchange Act B.E. 2535 and the notification of the Capital Market Supervisory Board. Detail of management structure are as follow:

The Board of Directors

As at 31 December 2019, the Board of Directors comprised of eight members details as follow:

Name – Surname	Position
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Board of Directors/ Chairman of the Audit Committee/ Independent Director
2. Prof. Dr. Sahaton Rattanapijit	Vice Chairman of the Board of Directors/ Member of the Audit Committee/ Member of the Nomination and Remuneration Committee/ Independent Director
3. Mr. Ong-ard Puntuyakorn	Director/ Chairman of the Executive Committee/ Chairman of the Risk Management Committee/ Member of the Nomination and Remuneration Committee/ Chief Executive Officer/ Acting Chief Financial Officer
4. Mrs. Vallaya Puntuyakorn	Director/ Executive Director/ Chief Administrative Officer
5. Mr. Chirawat Srisawadi	Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Independent Director
6. Mr. Patai Bunmark	Director/ Member of the Audit Committee/ Independent Director
7. Mr. Chumphol Chanchareon	Director/ Executive Director/ Vice Chairman of the Risk Management Committee/ Chief Operating Officer
8. Miss Rachaya Rattanasrithong	Director

Miss Prapaporn Saelim acts as the Company Secretary

Authorized Directors

Mr. Ong-ard Puntuyakorn or Mrs. Vallaya Puntuyakorn co-signs with either Mr. Chumphol Chanchareon or Miss Rachaya Rattanasrithong, and affix the Company seal.

Change in shareholding of directors and top executive

Name – Surname	Position	Period 2019 outstanding share as 30 December 2019	Period 2018 outstanding share as 28 December 2018	Change Increase/ (Decrease)
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Board of Directors/ Chairman of the Audit Committee/ Independent Director	-	-	-
2. Prof. Dr. Sahaton Rattanapijit	Vice Chairman of the Board of Directors/ Member of the Audit Committee/ Member of the Nomination and Remuneration Committee/ Independent Director	-	-	-
3. Mr. Ong-ard Puntuyakorn	Director/ Chairman of the Executive Committee/ Chairman of the Risk Management Committee/ Member of the Nomination and Remuneration Committee/ Chief Executive Officer/ Acting Chief Financial Officer	203,232,300	203,111,100	121,200
4. Mrs. Vallaya Puntuyakorn	Director/ Executive Director/ Chief Administrative Officer	135,000,000	135,000,000	-
5. Mr. Chirawat Srisawadi	Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Independent Director	-	-	-
6. Mr. Patai Bunmark	Director/ Member of the Audit Committee/ Independent Director	-	-	-
7. Mr. Chumpol Chanchaoen	Director/ Executive Director/ Vice Chairman of the Risk Management Committee/ Chief Operating Officer	-	-	-
8. Miss Rachaya Rattanasrithong	Director	10,000,000	10,000,000	-
9. Mr. Pracha Patthanawiththayakul	Executive Director/ Member of the Risk Management Committee/ General Manager	-	-	-
10. Miss Chalumporn Puntuyakorn	Executive Director/ Member of the Risk Management Committee/ Assist General Manager	45,000,000	45,000,000	-

Attendance of the Board of Directors Meeting in 2019 and 2018 can be summarized as follow

Name - Surname	Presence/ Total Meeting (times)	
	2019	2018
1. Mr. Weerachai Ngamdeevilaisak	6/6	7/7
2. Prof. Dr. Sahaton Rattanapijit	6/6	7/7
3. Mr. Ong-ard Puntuyakorn	6/6	7/7
4. Mrs. Vallaya Puntuyakorn	6/6	6/7
5. Mr. Tratorn Rattanasrithong ^{1/}	1/1	7/7
6. Miss Rachaya Rattanasrithong	6/6	7/7
7. Mr. Chirawat Srisawadi	6/6	6/7
8. Mr. Patai Bunmark	4/6 ^{3/}	7/7
9. Mr. Chumphol Chanchareon ^{2/}	5/5	-

Remarks: ^{1/}Resigned due to retirement on 5 March 2019.

^{2/}The Annual General Meeting of 2019 on 23 April 2019 approved to appoint Mr. Chumphol Chanchareon as a director of the company and attended the first meeting of Board of Directors' Meeting No. 2/2562.

^{3/}Absent from the meetings due to health problem.

On 7 November 2019, a meeting was held between the directors who are not executives without the attendance of management at the meeting.

Composition and Qualifications

The Board of Directors is composed of directors with various qualifications in the area of skills, experience and ability. The Board of Directors is to have gender diversity, skills, occupations and special expertise to benefit the company according to the following content:

1. The Board of Directors requires a sufficient number of directors to supervise the company's business. The Board of Directors must have no less than five directors with at least one non-executive director who has experience in accounting and finance.

2. The company requires independent directors in the number announced and specified by the Office of the Securities and Exchange Commission. At least one-third of all directors must be independent directors and at least three of all directors must be independent directors. Every director must have qualifications meeting criteria in relevant capital market regulatory notifications.

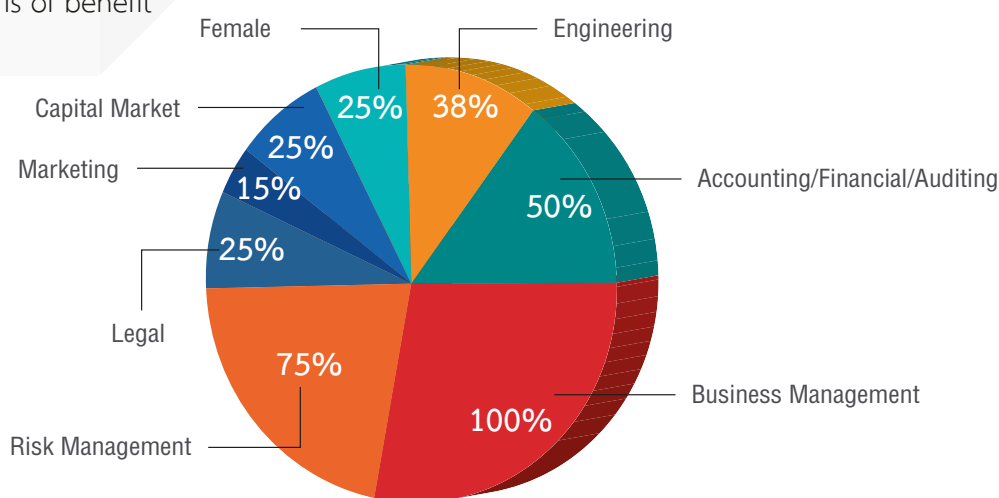
3. Director appointments must comply with the company's regulations and associated requirements of the law.

4. The Board of Directors requires each director to hold positions in no more than five other registered companies and thoroughly considers work efficiency of directors who hold positions in multiple companies in order to ensure that directors can sufficiently dedicate time to perform duties in the company.

5. Concerning policies in holding significant director or executive positions in other companies, the company's regulations stated directors may not engage in businesses or become partners in ordinary partnerships or a partner without limited responsibilities in limited partnerships or directors in other limited companies or public limited companies engaged in the same business in competition with the company's business unless the shareholder meeting was notified before a resolution of appointment.

6. Furthermore, the Board of Directors has no policy to send executives to become directors in other companies outside the company's group. In cases where the company's executives will hold director positions in other companies, directors must first obtain approval from the Board of Directors except for director positions in charitable non-profit organizations. Director positions must not conflict with decrees of the law and regulations related to the company's business. Directors must not use work positions in the company as references to support outside businesses.

The Company's board of directors has diversity in terms of gender, skills, professions and expertise that is of benefit



Roles and Duties of the Company's Chairman of the Board

The Company's Chairman of the Board is under obligation to moderate at meetings of the Company's board of directors and shareholders' meetings to ensure that the Company's rules and regulations with efficiency by supporting every director in participating in meetings as well as providing assistance, advice, supervision and support of the business operations of the management, including independence in presenting items on meeting agendas and expressing opinions about various aspects of the Company's business operations.

Office Term of the Directors

1. In every Annual General Meeting of the Shareholders, at least one-third of total directors must be retire. If the number of directors cannot be divided into three portions, the number of directors to retire must be nearest to one-third of total directors. To identify which directors to retire in the first and second year after the registration of the Company, this shall base on draw lots. Thereafter, directors with the longest tenure will be retired and can be reappointed.

2. In addition to the expiration for retirement of rotation, the director will be vacated the office term upon

- Death
- Resignation
- Disqualification or having prohibitive attributes under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 (including amendments)
- By the resolution of the meeting of shareholders

3. If the position of the director is vacant because of other reasons, apart from the expiration for retirement of rotation. The Board of Directors shall elect qualified person without prohibited characteristics as prescribed under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 (including amendments) to be the Company's directors. Unless the

office term is less than 2 months, the appointed director will remain in the office term only for the remaining term of the director who he/she replaces of.

4. In the case that the director resigns before the end of their tenure. The director should notify the Chairman of the Board in advance and specify the reason for resignation.

Scope of Authorities, Duties and Responsibilities of the Board of Directors

1. Take actions in compliance with the law, the Company's objectives and regulations and shareholder meeting resolutions with integrity and honesty in addition to preserving the Company's interests.

2. Evaluate, review, inspect and authorize the Company's vision, policies, direction, strategies and business plans as prepared by the Executive Committee and the management.

3. Hold meetings of the Board of Directors at least six times annually where each meeting should be attended by the entire board, unless unavoidable circumstances cause otherwise.

4. Each director should attend at least 75 percent of all Board of Directors' meetings held each year.

5. The Chairman of the Board is to serve as the chairman of meetings in charge of supervising and allocating sufficient time for each meeting agenda. In addition, each director is entitled to express opinions freely on key issues with fair consideration given to the interests of shareholders and all parties involved.

Each resolution passed by Board of Directors' meetings must be passed by a majority of votes, whereby each director holds one vote. In addition, stakeholder directors not present at a meeting and/or do not vote on a given agenda, in cases where votes are even, the meeting chairman will cast an additional deciding vote. In addition, each meeting has to be composed of at least two-thirds of all directors in order to form a quorum.

6. Make arrangements to establish an appropriate accounting, financial reporting and auditing system that is both reliable and effective. In addition, ensure that a record keeping system exists to allow subsequent verification of information accuracy.

7. Ensure that financial statements are created accurately in order to accurately demonstrate financial position and performance over each accounting period in accordance with facts, completely and correctly in line with generally accepted financial reporting standards. The Board of Directors is required to make arrangements for auditors approved by the Office of the Securities and Exchange Commission to audit and express opinions about the financial statements of the Company and subsidiary before presentation at shareholder meetings. In addition, the Board of Directors is required to ensure the preparation and audit of quarterly financial statements.

8. Supervise the Company to ensure the presence of an adequate and effective internal control and internal audit system, and create a process for regularly evaluating the adequacy of the Company's internal control system.

9. Consider setting risk management policies for the entire organization and oversee the presence of systems and processes for managing risks with measures in place to support and methods to control impacts to the Company's business as deemed appropriate, which includes effective reporting and monitoring and mechanisms for handling complaints and responses to informants. In addition, ensure that the Company has management that is consistent with good business governance policies.

10. Evaluate and authorize the Company's activities consistently with the Company's

regulations and consider and authorize expenses for activities in the Company and subsidiary in addition to creating a table for the delegation of authority.

11. Continuously monitor the performance of the Company and subsidiary along with other joint company in order to ensure consistency with the Company and subsidiary's objectives, guidelines, policies, business plans and budgets, and regularly evaluate the performance of the Board of Executives and management. Furthermore, specify remunerations and review succession plans.

12. Consider and set mechanisms for ensuring that the Company can control and supervise the work responsibilities of subsidiary as if they are an agency of the Company. In addition, set measures for monitoring the subsidiary to preserve the Company's capital investments in line with Announcement No. Tor. Jor. 39/2559.

13. Set in place and ensure compliance with written policies concerned with oversight in the businesses of the Company and subsidiary in line with the principles of good governance such as the anti-corruption, reporting of clues and use of internal information policies and implement the aforementioned policies effectively in order to ensure confidence that the Company and subsidiary are responsible and fair to all stakeholders.

14. Set in place written business ethics and morals to create a standard in the work of the Company's directors, executives and employees. In addition, the Board of Directors should monitor activities to ensure serious adherence to business ethics and morals.

15. Create the charters of the Board of Directors, sub-committees, Chief Executive Officer and Company Secretary and revise the Board of Directors' charter and approve proposals made by sub-committees, Chief Executive Officer and Company Secretary on changes to the contents of their charters to ensure that information is current and appropriate to changes in regulations, rules and situations. Furthermore, review charters at least once annually.

16. Make arrangements to ensure personal work evaluation annually conducted as by-committee and by-individual evaluations.

17. Consider and set the management structure with the authority to appoint specify authority and duties and remunerations for the Board of Directors, sub-committees and the Chief Executive Officer.

18. Consider specifying and revising or changing the names of directors who possess binding signatory authority. In addition, in the event that a directorship is vacant due to any other reason aside from term expiration, the Board of Directors is in charge of selecting a person possessing the qualifications without the prohibitions stated by the Public Limited Companies Act and the Securities and Exchange Act, including all relevant announcements, regulations and/or rules to become a new director on the occasion of the next Board of Directors' meeting, unless the remaining term of the vacant directorship is less than two months.

19. Appoint people to become directors and executives in subsidiary and joint venture companies at least according to the Company's share ratio in subsidiary and joint companies. In addition, specify the remunerations, scope of authority, duties and responsibilities of appointed directors and executives and set the voting authority for the meetings of subsidiary and joint companies' boards of directors on issues that require prior approval from the Board of Directors. Furthermore, oversee and control the administration and management department of subsidiary and joint companies to ensure consistently with the Company's plans and policies in addition to supervising and regulating transactions to ensure compliance with relevant laws and regulations. Moreover, monitor and ensure that subsidiary and joint companies fully and correctly disclose information about their financial positions, performance, connected transactions and acquisition

or disposal of significant assets as well as monitor and ensure that directors and executives in subsidiary perform their duties and responsibilities in line with legal specifications.

20. Consider and propose remunerations for the Board of Directors and sub-committees as presented by the Nomination and Remuneration Committee for approval consideration at shareholder meetings. In the consideration of the Board of Directors' remunerations, judgement has to be based on consistency with the Company's long-term strategies and objectives and each director's experience, work obligations, scope and roles of responsibilities and expected benefits. In addition, the Company is prohibited from paying funds or assets to directors aside from remunerations as prescribed by the Company's regulations. In cases not covered by the Company's regulations, remuneration payments are to be decided by shareholder meeting resolutions passed by at least two-thirds of all votes of attending shareholders.

21. Appoint the Company's secretary to handle various affairs on behalf of the Company or the Board of Directors such as preparation and keeping of the registration of directors, director meeting invitations, the board meeting minutes, shareholder meeting invitations, shareholder meeting minutes and stakes reports among others.

22. Consider and authorize transactions for the acquisition and disposal of the assets of the Company and subsidiary, investments in new businesses and various other activities as stipulated by laws, announcements and/or regulations related to the Stock Exchange of Thailand and the Capital Market Supervisory Board, including other relevant regulations.

23. Consider and/or express opinions about connected transactions between the Company, subsidiary, joint companies and connected persons as required by the Securities and Exchange Act, including the regulations set by the Stock Exchange of Thailand and the Capital Market Supervisory Board. Furthermore, consider and authorize in principle trade agreements that have general trade conditions for transactions between the Company, subsidiary, joint companies and directors, executives or other connected people in order to set the scope of activities and grant the Executive Committee and management the authority to conduct the aforementioned transactions within the frameworks and scopes of relevant laws and regulations. Furthermore, consider and/or express opinions about the Company's transactions (in cases where the transaction's value does not require consideration and approval of a shareholders' meeting) consistently and in compliance with all relevant laws, announcements, regulations and rules.

24. Supervise, control and prevent conflicts of interest between the Company's stakeholders and subsidiary and take actions to resolve conflicts of interest and misuse of the Company and subsidiary assets and inappropriate actions in transactions between people connected to the Company and/or subsidiary.

25. Ensure confidence that the structures and work procedures of the Board of Directors and sub-committees support and exist to provide appropriate oversight and that changes can be made whenever required.

26. Hold an annual meeting of shareholders within four months after the conclusion of each of the Company's accounting years.

27. Make arrangements to ensure the disclosure of appropriate news and information to all stakeholders, persons with conflict of interest and all other related people. Furthermore, ensure the appropriate disclosure of significant news and information to shareholders in financial statements and reports prepared for shareholders. Moreover, the aforementioned information should be published via the Stock Exchange of Thailand's system first before possibly additionally published

on the Company's website, and people should be assigned to be responsible for giving information to investors, and the Board of Directors should take actions to ensure that information is disclosed correctly, fully, appropriately and in a timely manner.

28. Ensure the preparation of annual reports and take responsibility for the creation and disclosure of financial information in compliance with laws and relevant regulations and present them to shareholder meetings for consideration and approval.

29. The Board of Directors may authorize one or several directors or other people to perform specifications on behalf of the Board of Directors under the supervision of the Board of Directors or possibly through authorization of powers to the aforementioned persons as the Board of Directors deems appropriate and for time periods the Board of Directors deems fitting. In addition, the Board of Directors can revoke, cancel, revise or change granted authorizations as deemed appropriate. Furthermore, the aforementioned authorizations must not be in the manner that constitutes an authorization or sub-authorization that allows the aforementioned persons to evaluate and authorize transactions in which they or individuals with conflict of interest or stakes may gain or conflict of interest might arise as a result in any manner to the Company or subsidiary (if any) (as defined in announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of relevant agencies), unless the aforementioned transactions are normal transactions of the Company and have the same criteria that exist for transactions conducted with external parties (arm's-length basis).

30. Seek independent opinions from professional consultants whenever it is deemed necessary concerning the expenses of the Company and or subsidiary whereby the aforementioned hiring of consultation follows the regulations of the Company and subsidiary.

31. Take joint responsibility for people who trade in the Company's securities and damages resulting from disclosure of information to shareholders and general public whereby information is presented falsely or with concealment in essential content as should have been disclosed in essential content in compliance with the specifications set by laws governing securities and exchange, unless directors can prove that their positions did not grant them knowledge in the authenticity of information or lack of information that should have been disclosed.

32. The Company's directors and executives are responsible for correctly, fully, appropriately and timely reporting to the Company about the relationships and ownership of the shares and debentures of the Company, subsidiary or joint companies including the transactions of the Company's directors and executives and people related to the aforementioned directors and executives with the Company or subsidiary in a manner that might cause conflict of interest, including avoidance of transactions that might lead to conflict of interest with the Company or subsidiary.

33. Take joint responsibility for damages caused to the Company in accordance with the criteria set by the Public Limited Companies Act.

34. Consider and approve payment of interim dividends in line with the Company's regulations when the Company views that sufficient profits exist, and report to shareholder meetings whenever interim dividends payments occur.

35. Perform all other duties related to the Company's business as assigned by shareholders.

The Audit Committee

As at 31 December 2019, the Audit Committee included four members with their attendance of the Audit Committee meeting in 2019 and 2018 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2019	2018
1. Mr. Weerachai Ngamdeevilaiak	Chairman of the Audit Committee	5/5	5/5
2. Prof. Dr. Sahaton Rattanapijit	Member of the Audit Committee	5/5	5/5
3. Mr. Chirawat Srisawadi	Member of the Audit Committee	5/5	5/5
4. Mr. Patai Bunmark	Member of the Audit Committee	3/5 ^{1/}	5/5

Remarks: ^{1/} Absent from the meeting due to health problem.
Miss Woraratt Mekkerdchoo acts as the Secretary of the Audit Committee
Mr. Weerachai Ngamdeevilaiak and Mr. Chirawat Srisawadi are knowledgeable and experienced in accounting. (Please see credentials of both audit committee members).

Composition and Qualifications

1. The Audit Committee must be composed of directors with qualifications specified by the Capital Market Supervisory Board and the company's corporate governance policy. In addition, the Audit Committee must receive approval for appointments from the Board of Directors.

2. The Audit Committee must be composed of no less than three independent directors and at least one audit director must have sufficient knowledge and experience to perform duties in reviewing financial statements.

3. Audit committee must be neutral without holding direct or indirect benefits or stakes which may have effects on freedom of judgment in duties and responsibilities.

4. The Board of Directors is to select and appoint an audit committee to be the Chairman of the Audit Committee.

Office Term of the member of the Audit Committee

1. The office term of each Audit Committee's member is based upon the office term they occupied as the Board of Directors.

2. The Audit Committee's members may be re-appointed if the Board of Directors see as appropriate, but the office term of the Audit Committee shall not be automatically renewed.

3. In addition to the expiration for retirement of rotation, the audit will be vacated the office term upon

- Death
- Resignation
- Dismissal by the Board of Director
- Disqualification as specified in the Audit Committee's charter or fail to comply with the regulations set by the Capital Market Commission, the Stock Exchange of Thailand and other regulatory agencies.

4. In case of the completion of the office term or any circumstances that don't allow the audit committee to continue the term of office, which result in the decrease in number of audit committee and therefore violates the required amount of at least three Audit Committee's members, the Board of Directors shall, immediately or within three months, appoint a new member to meet the requirement in order to resume the operation of the Committee. The substituted member can only be in the office within the remaining term of the member he/she replaced.

5. In cases where audit directors resign prematurely, audit directors should notify the Chairman of the Board appropriately in advance and state reasons for resigning.

Scope of Authorities, Duties and Responsibilities of the Audit Committee

1. Review the Company's financial reports correctly with sufficient disclosure of information in line with financial reporting standards through coordination with external auditors and executives responsible for creating quarterly and annual financial reports. The Audit Committee can make recommendations for auditors to audit or review any important transaction as necessary during audits.

2. Review the Company to ensure the presence of an adequate and effective internal control and audit system and evaluate the independence of the internal audit agency in addition to granting approval for the appointment, transfer and termination of employment of the head of the internal audit agency or other agencies with responsibilities associated with internal audit.

3. Review the Company to ensure that the Company complies with laws governing securities and exchange as well as the specifications of the Stock Exchange of Thailand, the Capital Market Supervisory Board and/or other laws related to the business of the Company and subsidiaries.

4. The Audit Committee should hold meetings to deliberate on various matters as assigned as follows:

4.1. Evaluate financial statements and related financial reports, accounting principles and accounting practices.

4.2 Compliance with accounting standards, business continuity, significant changes in accounting policies, including reasonings of management for setting accounting policies before they are proposed to the Board of Directors for disclosure to shareholders and investors in general.

4.3 Evaluate the internal control and internal audit system.

4.4 Evaluate and review the Company's annual internal audit plans, procedures for coordinating work in related audit plans and joint audits with internal auditors and auditors. The Audit Committee should make inquiries about the scope of planned audits in order to ensure that audit plans can detect corruption and faults in the internal control system.

4.5 Make joint considerations with internal auditors about problems and limitations encountered during audits and review the performance of internal auditors.

4.6 Make joint considerations with auditors about problems and limitations encountered during financial statement audits.

4.7 Make joint considerations with internal auditors and auditors about the presence of plans for reviewing procedures and control of electronic information processing and make specific inquiries about the security in order to prevent corruption and misuse of computers by company employees and external parties.

4.8 Consider and review transactions posing potential conflicts of interest such as connected transactions within the Company and others.

4.9 Ensure compliance with laws governing security and exchange and the specifications of the Stock Exchange of Thailand and/or all other relevant laws.

4.10 Perform all other tasks as assigned by the Board of Directors.

5. Consider, select and nominate for the appointment of independent people to serve as the Company's auditors as well as propose the remunerations for the aforementioned people. In addition, attend auditor meetings without the participation of management at least once annually in order to learn about the results of quarterly and annual financial statement audits and discuss problems and obstacles that might have been encountered in the work of auditors.

6. Evaluate connected transactions and transactions posing potential conflicts of interest and consider specifications and cancellations of transactions that deviate from specifications governing cancellation of evaluated transactions prior to conducting transactions in essential content. Furthermore, evaluate transactions for the acquisition and disposal of the Company's and subsidiaries' assets in compliance with the law and specifications of the Stock Exchange of Thailand in order to ensure that the aforementioned transactions are reasonable and for the greatest benefit of the Company. In addition, if the Audit Committee lacks the necessary expertise for evaluating potentially connected transactions or other transactions as stated above, the Company will arrange for independent experts or the Company's auditors to give opinions on the aforementioned connected or other transactions to accompany the consideration and/or decisions of the Audit Committee.

7. Review and monitor the outcomes of risk management as well as evaluate risk management activities by risk management committees.

8. Prepare the Audit Committee's reports and disclose them in the Company's annual reports. These reports must be signed by the Chairman of the Audit Committee and contain at least all of the information stipulated by the Stock Exchange of Thailand.

9. In the duties performed by the Audit Committee, if any of the following transactions or actions are suspected due to significant potential impact on the Company's financial position and performance, the Audit Committee is to report to the Board of Directors for corrective actions within a timeframe that the Audit Committee deems appropriate:

9.1. Transactions causing conflicts of interest.

9.2. Corruption or significant irregularities or faults in the internal control system.

9.3. Violations of laws governing securities and exchange and specifications of the Stock Exchange of Thailand or other laws related to the Company's business.

If the Board of Directors and executives fail to complete the corrective actions within the time period stated in the aforementioned paragraph, a director can report the occurrence of the aforementioned transactions or actions to the Office of the Securities and Exchange Commission.

10. Conduct a self-evaluation of performance annually by-committee and by-individual.

11. Review the Audit Committee's charter at least once annually to submit to the Board of Directors for approval.

12. Seek independent opinions from professional consultants when necessary at the expenses of the Company or subsidiary by having the hiring follow the regulations of the Company and subsidiary.

13. Review and express opinions about anti-corruption on the suitability and consistency of the Company's anti-corruption policies.

14. Perform other assignments given by the Board of Directors with the approval of the Audit Committee.

The Executive Committee

As at 31 December 2019, the Executive Committee had six members with their attendance of the Executive Committee meeting in 2019 and 2018 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2019	2018
1. Mr. Ong-ard Puntuyakorn	Chairman of the Executive Committee	11/11	11/11
2. Mrs. Vallaya Puntuyakorn	Member of the Executive Committee	11/11	11/11
3. Mr. Tratorn Rattanasrithong ^{1/}	Member of the Executive Committee	2/2	11/11
4. Miss Rawiphun Tantiauschariyakul ^{2/}	Member of the Executive Committee	3/3	11/11
5. Mr. Chumpol Chancharoen	Member of the Executive Committee	10/11	11/11
6. Mr. Pracha Patthanawitthayakul	Member of the Executive Committee	11/11	9/10
7. Miss Chalumporn Puntuyakorn ^{3/}	Member of the Executive Committee	1/1	-

Miss Prapaporn Saelim acts as the Executive Committee Secretary.

Remarks: ^{1/}Resigned due to retirement on 5 March 2019.

^{2/}Resigned on 26 April 2019.

^{3/}Appointed as an executive director on 20 November 2019 and first attended a meeting at Executive Board Meeting No. 11/2019.

Composition and Qualifications

The Board of Directors appoints the Executive Board by recruiting executive directors from the company's directors, executives or high-ranking executives who can manage work on topics related to normal business operations and the company's management. In addition, the Executive Board may specify policies, business plans, budgets and management structure in addition to checking and monitoring the company's performance based on policies specified by the Board of Directors.

Office Term of the member of Executive Committee

The executive director will vacate the position when

- Death
- Resignation
- Dismissal by the Board of Director
- Disqualification as specified in the Executive Committee's charter

In cases where an executive director resigns prematurely, executive directors should notify the Chief Executive Officer at an appropriate time in advance of resignation and specify causes of resignation.

Scope of Authorities, Duties and Responsibilities of the Executive Committee

1. Conduct and manage the Company's business in line with the purposes, regulations, policies, rules, specifications, orders and resolutions of the Board of Directors' meetings.
2. Filter and propose objectives, policies, business plans, business strategies, financial objectives and annual budgets, business expansion, management structure and annual action plans with proper consideration to business factors.
3. Supervise, inspect and oversee the Company's business activities and monitor the Company's performance in line with set business objectives, policies and plans. In addition, supervise budgetary

spending as approved by the Board of Directors and report performance results to the Board of Directors.

4. Appoint, supervise, coordinate and specify the authority and duties of special work committee and work management committees in addition to considering and approving proposals made by work committees and special work committees in addition to holding the authority to appoint chief advisors, advisors and an advisory board for the Executive Committee as appropriate. The Executive Committee also has the authority to set appropriate remunerations for the aforementioned advisors.

5. Set procedures and methods for transactions between the Company or subsidiary and major shareholders, directors or executives of the Company along with people connected to the aforementioned persons as appropriate in order to prevent transfers of gains and make proposals to the Board of Directors for approval in principle and ensure that practices follow principles and specifications approved by the Board of Directors.

6. Consider and approve transactions that are part of the Company's normal business activities, contracts, investments, general work administration and take actions concerning transactions that support the Company's normal business in line with general trade conditions and within the financial limit set by the Board of Directors.

7. Evaluate the Company's performance and proposed interim dividend payments before making proposals to the Board of Directors for approval. Furthermore, inspect and give recommendations concerning the dividend payment policy and evaluate the Company's annual dividend payment proposals in order to make proposals to the Board of Directors for approval and subsequent proposals to shareholder meetings for approval.

8. Conduct feasibility studies in new investment projects by conducting appropriate and comprehensive technical and financial studies in order to facilitate decision-making and investment cancellation considerations and make proposals to the Board of Directors.

9. Monitor the performance and progress of investment projects in each business and report overall problems and obstacles that occur along with solution guidelines to the Board of Directors.

10. The Executive Committee is authorized to evaluate and approve financial transactions with financial institutes in opening accounts, borrowing funds, withdrawing funds from the Company's accounts, using loans and submitting the Company's assets as a bond for the aforementioned debts, whether registered or not, in order to benefit the Company's business activities. The Executive Committee also has the authority to conduct juristic acts, enter into contracts, file requests, submit proposals, contact and otherwise engage in other juristic acts with governmental bodies in order to acquire various rights for the Company and/or take any actions relating to the aforementioned undertakings until completion within set financial limits and/or according to set delegation of authority as set by the Board of Directors and/or in accordance with related laws and regulations and/or the Company's regulations.

11. The Executive Committee is authorized to seek independent opinions from professional consultants when deemed necessary by making the hiring follow the Company's regulations.

12. Supervise and oversee the presence of procedures for operators to report incidents, unusual activities and legal violations to the Executive Committee in a timely manner. In addition, in cases where the aforementioned occurrences have potentially significant impacts, the Executive Committee is required to report to the Board of Directors for consideration of proper corrective actions within a timely manner.

13. The Executive Committee is required to report the duties that it performs to the Board of Directors on a regular basis as well as report on other issues as necessary and appropriate to be presented to the Board of Directors. In addition, report resolutions and significant activities within the authority of the Executive Board to the Board of Directors for acknowledgement on each subsequent Board of Directors' meeting.

14. The Executive Committee may authorize one or several other people to perform specific actions under the supervision of the Executive Committee or possibly through authorization of powers to the aforementioned persons as the Executive Committee deems appropriate and for time periods the Executive Committee deems fitting. In addition, the Executive Committee can revoke, cancel, revise or change granted authorizations as deemed fitting. Furthermore, the aforementioned authorizations must not be in the manner that constitutes an authorization or sub-authorization that allows people authorized by the Executive Committee to have the ability to authorize transactions in which they or individuals with conflict of interest or stakes (as defined in announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of relevant agencies) may gain or other conflict of interest might arise as a result in any manner to the Company. The Executive Board does not have the power to authorize the such undertakings, and the aforementioned issues must be presented to a meeting of the Board of Directors' and/or shareholders (depending on the case) for approval, unless the aforementioned transactions are normal transactions of the Company and have the same criteria that exist for transactions conducted with external parties (arm's-length basis).

15. Conduct a self-evaluation of performance annually by-committee and by-individual.

16. Review the Executive Committee's charter at least once annually in order to present it to the Board of Directors for approval

17. Perform all other tasks as assigned by the Board of Directors with the approval of the Executive Committee.

The Risk Management Committee

As at 31 December 2019, the Risk Management Committee had five members as follow:

Name – Surname	Position
1. Mr. Ong-ard Puntuyakorn	Chairman of the Risk Management Committee
2. Mr. Chumphol Chanchaen	Vice Chairman of the Risk Management Committee
3. Mr. Pracha Patthanawitthaykul	Member of the Risk Management Committee
4. Mr. Waiyakorn Seehanern	Member of the Risk Management Committee
5. Miss Chalumporn Puntuyakorn	Member of the Risk Management Committee

Miss Rachaya Rattanasrithong acts as Risk Management Committee Secretary.

Attendance of the Risk Management Committee Meeting in 2019 and 2018 can be summarized as follow:

Name – Surname	Attendance/ Total Meeting (times)	
	2019	2018
1. Mr. Ong-ard Puntuyakorn	5/5	3/4
2. Mr. Tratorn Rattanasrithong ^{1/}	1/1	4/4
3. Miss Rawiphun Tantiauschariyakul ^{2/}	1/1	4/4
4. Mr. Chumphol Chancharoen	4/5	3/4
5. Mr. Pracha Patthanawitthaykul ^{2/}	5/5	4/4
6. Mr. Waiyakorn Seehanern ^{3/}	1/1	-
7. Miss Chalumporn Puntuyakorn ^{3/}	1/1	-

Remarks: ^{1/}Resigned due to retirement on 5 March 2019.

^{2/}Resigned on 26 April 2019.

^{3/}Appointed as the Risk Management Committee on 7 November 2019 and first attended the meeting at Risk Management Committee No. 5/2019.

Composition and Qualifications

1. The Board of Directors appoints the Risk Management Committee. The Risk Management Committee must have no less than two directors. The Chief Executive Officer is the Chairman of the Risk Management Committee by virtue of position.

2. Risk management directors must have knowledge and understanding in the company group's business or have special expertise as a major factor in enabling the company group's business operations to achieve the organization's objectives.

3. The Chairman of the Risk Management Committee does not hold the position of the Chairman of the Board.

Office Term of the member of the Risk Management Committee

1. The term of each risk management director is consistent with terms as directors of the company. If any risk management director is not a company director, the risk management director is to have a term of three years in the position.

2. The member of the risk management committee can be reappointed as the Board of Directors deems appropriate. It should not be automatically re-appointed.

3. Upon by the expiration for retirement of rotation, the member of the risk management committee will be vacated the office term upon :

- Death
- Resignation
- The resolution of the meeting of the Board of Directors
- Disqualified of being the member of the risk management committee

4. When a risk management director's term is complete or if there is any reason for the risk management director to be unable to remain until the term is complete, causing the number of risk management directors to be lower than the required number of two directors, the Board of Directors is to appoint new risk management directors to complete the number in order to create consistency of the Risk Management Committee's operations. Persons who will become risk

management directors may remain in position only for the remaining term of that risk management director.

5. In cases where a risk management director resigns prematurely, risk management directors should notify the Chief Executive Officer at an appropriate time in advance of resignation and specify causes of resignation.

Scope of Authorities, Duties and Responsibilities of the Risk Management Committee

1. Consider and identify significant risks in the Company's business activities potentially caused by internal and external environmental conditions. Analyze and assess the probability of risk situations and impacts relative to acceptable risk levels. Prioritize risks and propose prevention and risk management methods to keep risks within acceptable levels. Set appropriate and effective policies and propose guidelines for the management of various risks in the Company's business activities and present them to the Board of Directors for consideration.

2. Oversee compliance to risk management policies and risk management frameworks in order to ensure that the Company has an effective risk management system covering the entire organization and which is continuously implemented. In addition, the Risk Management Committee has the authority to invite the Company's employees to provide explanations, express opinions, attend meetings or send documents as deemed necessary.

3. Monitor risk statuses and risk management progress along with issues that require changes and corrections in order to ensure consistency with risk management policies and strategies. In addition, the Risk Management Committee is required to report the aforementioned to the Board of Directors every quarter.

4. Evaluate risk management reports submitted by agencies responsible in risk management in order to monitor significant risks on the organization level and express opinions about potential risks, control measures and guidelines and risk management plans in order to ensure that the Company's group has sufficient and proper risk management.

5. Coordinate with the Audit Committee about significant risks and internal control information to provide information to accompany the Audit Committee's decisions in the approval of internal audit plans and provide reasonable confidence that the Company has an appropriate internal control for risk management and that the risk management system is appropriately implemented and applied throughout the entire organization.

6. Regularly provide knowledge and understanding and instill a culture of risk management in executives and company employees.

7. Conduct a self-evaluation of performance annually by-committee and by-individual.

8. Review the Risk Management Committee's charter at least once annually in order to present it for approval by the Board of Directors.

9. Perform other tasks as assigned by the Board of Directors with the approval of the Risk Management Committee.

The Nomination and Remuneration Committee (NRC)

As at 31 December 2019, the Nomination and Remuneration Committee had three members with their attendance of the Nomination and Remuneration Committee meeting in 2019 and 2018 as follow:

Name – Surname	Position	Presence/ Total Meeting (times)	
		2019	2018
1. Mr. Chirawat Srisawadi	Chairman of the Nomination and Remuneration Committee	3/3	3/3
2. Prof. Dr. Sahaton Rattanapijit	Member of the Nomination and Remuneration Committee	3/3	3/3
3. Mr. Ong-ard Puntuyakorn	Member of the Nomination and Remuneration Committee	3/3	3/3

Miss Woraratt Mekkerdchoo acts as the Secretary of the Nomination and Remuneration Committee Secretary.

Composition of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee is appointed by the Board of Director and consists of directors and executives as least three persons. More than half of all nomination and remuneration directors must be independent directors.

2. The Chairman of the Nomination and Remuneration Committee must be independent directors.

3. The Chairman of the Board should not be a director in the Nomination and Remuneration Committee.

Office Term of the member of the Nomination and Remuneration Committee

1. Office term of each member of the Nomination and Remuneration Committee is according to their office term of the Board of Directors.

2. The Nomination Remuneration Committee's member may be re-appointed as the Board of Directors see as appropriate but should not be re-appointed automatically.

Apart from vacating upon the end of office term stated in clause aboved, the NRC's member will retire from the office upon the following conditions:

- Death
- Resignation
- Dismissal by the Board of Directors

3. The Board of Directors has the authority to appoint additional nomination and remuneration directors for the benefit of achieving objectives or providing replacements for nomination and remuneration directors who vacated positions in Clause 1 or Clause 3. Persons who will become nomination and remuneration directors may remain in position only for the remaining term of that nomination and remuneration director.

4. When a nomination and remuneration director's term is complete or if there is any reason for nomination and remuneration director to be unable to remain until the term is complete, causing the number of nomination and remuneration directors to be lower than the required number of three directors, the Board of Directors is to appoint new nomination and remuneration directors to complete the number in order to create consistency of the nomination and remuneration directors. Persons who will become nomination and remuneration directors may remain in position only for the remaining term of that nomination and remuneration director.

5. In cases where a nomination and remuneration director resigns prematurely, nomination and remuneration directors should notify the Chairman of the Board at an appropriate time in advance of resignation and specify causes of resignation.

Scope of Authorities, Duties and Responsibilities of the Nomination and Remuneration Committee

1. Evaluate the structure and composition of the Board of Directors to ensure that the number of directors are consistent with the size and complexity of the Company's business and make adjustments in line with environmental changes. In addition, specify the qualifications of directors in each committee and each director in terms of knowledge, skills, experience and expertise and specialization in order to benefit related areas within the Company.

2. Set policies, criteria and methods for the recruitment and specification of remunerations and other benefits for the Company's directors and high-ranking executives.

3. Evaluate the qualifications and specify guidelines for recruitment and selection of qualified people in line with relevant regulations and laws and make proposals to the Board of Directors and/or shareholder meetings for considerations of appointments to the following positions:

- Directors.
- Directors in sub-committees directly authorized and responsible to the Board of Directors.
- High-ranking executives with management authority. Recruitment considerations have to be open, transparent and free from prejudices.

4. Evaluate the independence and qualifications of each independent director in order to ensure that the Company's independent directors possess all of the qualifications stipulated by relevant regulations and/or laws.

5. Nominate suitable people to become directors and high-ranking executives whenever a term concludes or a position becomes vacant, or nominate people to other executive positions as assigned by and with the consideration of the Board of Directors.

6. Consider and set guidelines for payment of monetary and non-monetary remunerations, including other remunerations, for the Company's directors and high-ranking executives to ensure consistency with the missions, duties, responsibilities and qualifications of appointees and employment and make proposals at meetings of the Board of Directors and/or at shareholder meetings for consideration of approval.

7. Set guidelines and evaluation for the Company's directors and high-ranking executives in order to determine annual remuneration adjustments with consideration to duties, responsibilities, associated risks and attention to long-term increases in shareholders' equity during evaluation.

8. Consider and create director improvement plans to enhance and develop knowledge and skills in the Company's various committees and create understanding in the roles and duties of directors, business, economic conditions, technology and laws and regulations related to the Company's business.

9. Consider and create or take actions to ensure the creation of succession plans for the Company's directors and high-ranking executives in order to ensure work continuity and replaceability without disruption. In addition, disclose policies and details in the recruitment process along with remuneration specification policies and various forms of remunerations in the Company's annual reports.

10. The Nomination and Remuneration Committee has the authority to seek independent opinions from professional consultants when deemed necessary with hiring in accordance with the Company's regulations.

11. Conduct a self-evaluation of performance annually by-committee and by-individual.

12. Review the Nomination and Remuneration Committee's charter at least once annually in order to present it for approval by the Board of Directors.

13. Perform other tasks as assigned by the Board of Directors with the approval of the Nomination and Remuneration Committee.

14. Nomination and Remuneration Committee Reports are prepared and disclosed in the company's annual report. The aforementioned report must be signed by the Chairman of the Recruitment and Remuneration Committee.

15. The Nomination and Remuneration Committee must provide orientation, documents and information to benefit new directors in performing duties.

The Executive

As at 31 December 2019, the Company's executives comprises of five persons as follow:

Name – Surname	Position
1. Mr. Ong-ard Puntuyakorn	Chief Executive Officer and Acting Chief Financial Officer
2. Mrs. Vallaya Puntuyakorn	Chief Administrative Officer
3. Mr. Chumphol Chanchaoen	Chief Operating Officer
4. Mr. Pracha Patthanawitthaykul	General Manager
5. Miss Chalumporn Puntuyakorn	Assist General Manager

Composition and Qualifications of the Chief Executive Officer

The Board of Directors appoints the Chief Executive Director nominated by the Nomination and Remuneration Committee, which considers persons with knowledge and ability to manage work related to normal business operations and the company's management. In addition, the Chief Executive Officer must be able to determine policies, business plans, budgets, management structures including auditing and monitoring the company's performance in line with policies specified by the Board of Directors. The Chief Executive Officer must meet the following requirements and have the following qualifications:

1. The Chief Executive Officer may hold director positions in no more than three other registered companies with thorough consideration of work efficiency when holding positions in multiple companies and to ensure that the Chief Executive Officer may dedicate sufficient time to perform duties in the company.

2. Concerning policies in holding significant director or executive positions in other companies, the company's regulations state that the Chief Executive Officer may not engage in businesses or become partners in ordinary partnerships or a partner without limited responsibilities in limited partnerships or directors in other limited companies or public limited companies engaged in the same business in competition with the company's business unless the shareholder meeting was notified before a resolution of appointment.

3. Furthermore, the Board of Directors has no policy to send executives to become directors in other companies outside the company's group. In cases where the Chief Executive Officer will hold director positions in other companies, the Chief Executive Officer must first obtain approval from the Board of Directors except for director positions in charitable non-profit organizations. Positions must not conflict with decrees of the law and regulations related to the company's business. The Chief Executive Officer must not use work positions in the company as references to support outside businesses.

Terms in Office

The Chief Executive Officer will vacate the position in the following events:

- Death.
- Resignation.
- The Board of Directors reaches a resolution to remove the Chief Executive Officer from positions.
- Lack of qualifications or characteristics prohibited by the Public Limited Company Act of B.E. 2535 (A.D. 1992) and the Securities and Exchange Act of B.E. 2535 (A.D. 1992) (including revisions and additions).

In cases where the Chief Executive Director resigns prematurely, the Chief Executive Officer should notify the Chairman of the Board at an appropriate time in advance of resignation and specify causes of resignation.

Scope of Authorities, Duties and Responsibilities of the Chief Executive Officer

1. Supervise, manage, operate and perform work regularly as part of the Company's normal business activities for the benefit of the Company and in line with related policies, vision, objectives, annual work plans and business strategies, including annual budgets allocated by the Board of Directors.

2. The Chief Executive Officer has the authority to hire, appoint, transfer, dismiss, terminate and set remunerations and pay, including pension, salary adjustments and compensation, for the Company's employees within the framework and policies set by the Board of Directors, whereby the Chief Executive Officer is authorized to appoint people to perform actions on his or her behalf.

3. Enter into contracts and/or conduct any transactions relating to the Company's normal business activities with financial limits for each transaction as stipulated for the authority to act as approved by the Board of Directors.

4. The Chief Executive Officer has the authority to assign other persons he or she deems fitting to perform management duties and take actions on behalf of the Chief Executive officer in necessary and suitable matters at the discretion of the Chief Executive Officer within the specifications of the law and the Company's rules and regulations.

5. Issue orders, regulations, announcements, manuals and records within the Company as well as maintain discipline within the organization to ensure that the Company's activities comply with the policy and for the Company's interests.

6. Conduct a self-evaluation of performance annually.

7. Review the Chief Executive Officer's charter at least once annually in order to present it for approval by the Board of Directors.

8. Perform all other duties as assigned by the Board of Directors as well as take all other necessary actions in order to carry out the aforementioned duties.

The Chief Executive Officer does not have the power to authorize undertakings in which the Chief Executive Officer or a person authorized by the Chief Executive Officer or a person with potential conflict of interest or stakes has gains or in which other conflict of interest might be caused to the Company and/or subsidiary. Such issues must be proposed to a meeting of the Board of Directors and/or shareholders (depending on the case) for consideration of approval, unless the issues are concerned with authorization of transactions according to normal business activities and general trade conditions as approved in principle by the Board of Directors.

The Company Secretary

The Board of Directors' Meeting No. 3/2562 on 28 June 2019 resolved to appoint Miss Prapaporn Saelim to the position of Company Secretary in compliance with Article 89/15 of the Securities and Exchange Commission of B.E. 2535 (A.D. 1992) revised by the Securities and Exchange Act (4th Edition) of B.E. 2551 (A.D. 2008). The Company Secretary has the following duties and responsibilities:

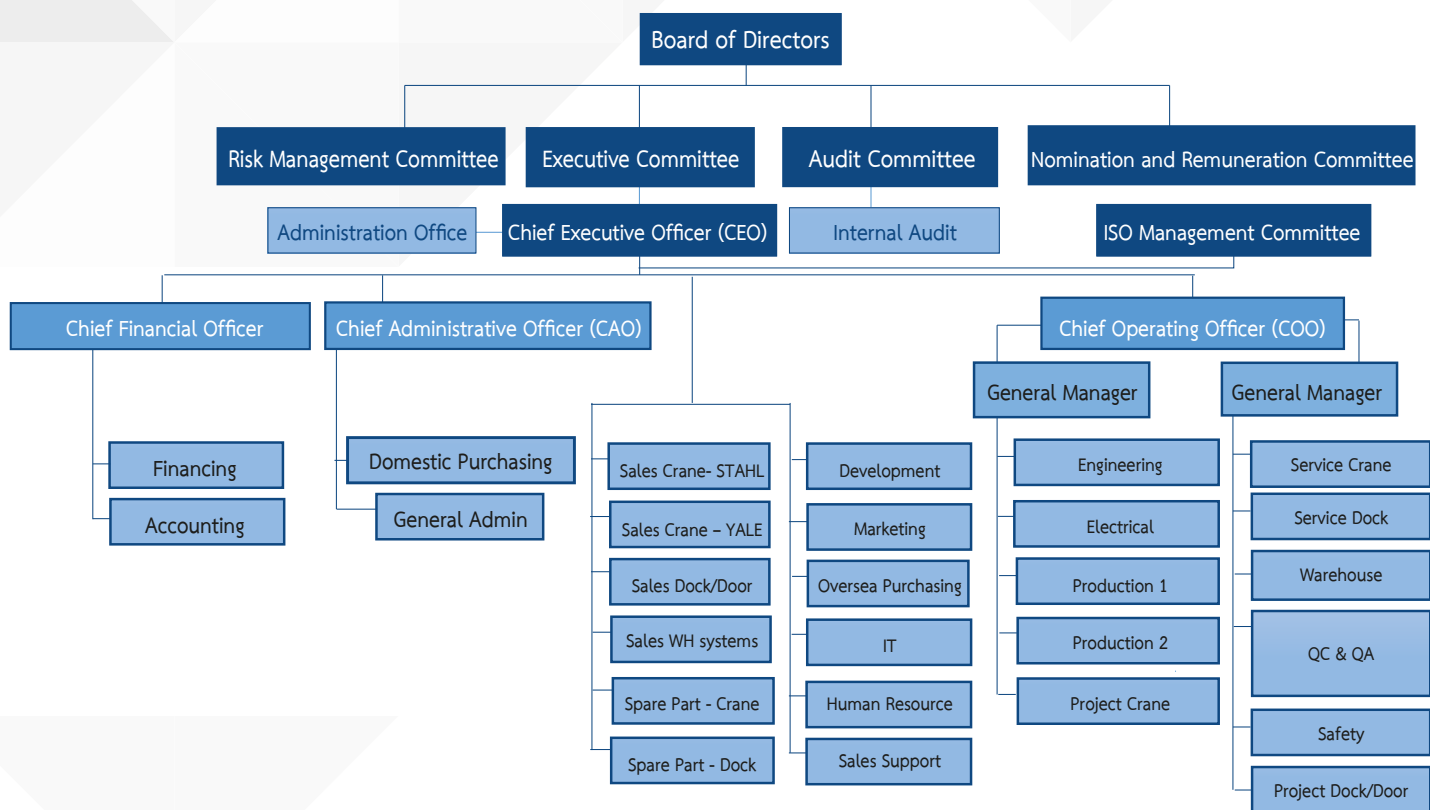
Scope of Authorities, Duties and Responsibilities

1. The Company's secretary has the duty of creating and keeping the following documents:
 - The registration of the Company's directors.
 - Invitations to Board of Directors' meetings, Board of Directors' meeting minutes and the Company's annual reports.
 - Invitations to shareholder meetings and shareholder meeting minutes.
2. Prepare reports on stake-holding by directors or executives at least on an annual basis and keep records of stakes reported by the Company's directors and executives.
3. Provide preliminary recommendations to the Board of Directors concerning laws and appropriate practices in line with the Company's criteria, regulations and rules and monitor activities to ensure correct and consistent practices as well as report significant developments to the Board of Directors.
4. Promote knowledge and understanding about business governance, provide information and push the Board of Directors to ensure compliance and conduct an inspection on performance in line with the aforementioned principles.
5. Organize meetings of shareholders and the Board of Directors' in accordance with the law, the Company's regulations and good practices.
6. Take care to ensure the disclosure and reporting of information in parts under the secretary's responsibilities to agencies that oversee the Company in line with government specifications and regulations.
7. Contact shareholders to inform them about their rights and the Company's news and information and serve as a medium between shareholders, the Board of Directors and executives.
8. Communicate policies, regulations and orders received from resolutions issued at Board of Directors' meetings.
9. Control and supervise all sections/departments within the organization covering the entire Company and subsidiary to ensure that activities properly comply with all relevant laws.
10. Coordinate work between the Board of Directors, the Company's executives, shareholders and the Office of the Securities and Exchange Commission.
11. Serve as an investor relations person to provide the organization's information to interested parties in regards to the organization's management and business administration.
12. Perform other activities as assigned by the Board of Directors without breaking the law or violating good morals.
13. Review the Company Secretary's Charter at least on an annual basis to present to the Board of Directors for approval.

The Company's secretary is required to perform his or her duties responsibly, cautiously, honestly and with integrity as well as follow all laws, the Company's purpose and regulations, the Board of Directors' resolutions and resolutions passed at shareholder meetings.

Internal Management Structure

The chart of the company's internal management approved by the Board of Directors' Meeting No. 5/2562 on 7 November 2019 is shown in the following content:



Director and Executive Remunerations

The Board of Directors

In 2019 and 2018, the remunerations for the Board of Directors and the Sub-Committees are as follow:

Position	Director Remuneration			
	2019		2018	
	Remuneration Per month	Meeting Allowance	Remuneration Per month	Meeting Allowance
Chairman of the Board of Directors	25,000	15,000	25,000	15,000
Directors	20,000	10,000	20,000	10,000
Chairman of the Audit Committee	-	15,000	-	15,000
Member of the Audit Committee	-	10,000	-	10,000
Chairman of the Nomination and Remuneration Committee	-	15,000	-	15,000
Member of the Nomination and Remuneration Committee	-	10,000	-	10,000

Note : ^{1/}Conditions on remuneration

- The remunerations above were paid to independent directors and non-executive directors in each committee only. Non-executive directors entitled for remunerations must not be shareholder representative
- Bonus is not more than 2% of the dividend paid to shareholders in the case of cash dividend payment depending on the Company's performances.
- Remuneration for directors and sub-committees, Bonus, and other benefits must be in the amount not exceeding 5,000,000 Baht and at shareholders' discretion

In 2019 and 2018, the Company paid remunerations to the directors as follow:

Name – Surname	Remuneration (Baht)					
	Director		Member of the Audit Committee		Member of the Nomination and Remuneration Committee	
	2019	2018	2019	2018	2019	2018
1. Mr. Weerachai Ngamdeevilaisak	390,000	405,000	75,000	75,000	-	-
2. Prof. Dr. Sahaton Rattanapijit	300,000	310,000	50,000	50,000	30,000	10,000
3. Mr. Ong-ard Puntuyakorn	-	-	-	-	-	-
4. Mrs. Vallaya Puntuyakorn	-	-	-	-	-	-
5. Mr. Chirawat Srisawadi	300,000	300,000	50,000	50,000	45,000	45,000
6. Mr. Patai Bunmark	280,000	310,000	30,000	50,000	-	-
7. Mr. Chumphol Chanchareon	-	-	-	-	-	-
8. Miss Rachaya Rattanasrithong	-	-	-	-	-	-
Total	1,270,000	1,325,000	205,000	225,000	75,000	75,000

In addition in 2019, the Company paid bonuses to independent directors and non-executive directors in the amount of Baht 960,000 by calculating at a rate of two percent of the dividends paid to shareholders without offering any other benefits to directors. Thus, the remuneration for Company directors, sub-committee members and bonuses paid to directors amounted to a total of Baht 2,510,000, which is within the limit of no more than Baht 5,000,000 in compliance with the resolution of the annual general meeting of shareholders 2019, which set forth the terms for payment of remuneration to directors (in 2018 no bonuses were paid to directors).

The Executive

In 2019 and 2018, the Company had employee benefit expenses to the executives as follow

Remuneration	2019		2018	
	Number (person)	Remuneration (Baht million)	Number (person)	Remuneration (Baht million)
Salary Bonus Other remunerations i.e. social security contribution, provident fund, post-employment benefits and other welfares	7*	15.82	6	20.55

Remark : Mr. Tratorn Rattanasrithong, Chief Operating officer, resigned in March 2019.
Miss. Rawiphun Tantiauschariyakul, Chief Financial officer, resigned in April 2019.

Remuneration policy of the Chief Executive Officer

Chief Executive Officer Remuneration in short and long term, the Company has a transparent and fair consideration process. The Nomination and Remuneration Committee determines the criteria and policies for determining the remuneration of the Chief Executive Officer in every year, including performance evaluation and determining remuneration policy in short and long term that consider from the evaluation score, working, business performance and business strategy etc.

Personnel

As at 31 December 2019 and 2018, the Company and its subsidiary had 476 and 460 employees, respectively (excluding executives). Employees of the Company by department are as follow.

The Company's employee	31 December 2019	31 December 2018
Sales and services	111	104
Production and after-sales service	228	219
Total	339	323

Employee remuneration policy

The Company has determined a policy for employee remuneration that is consistent with the Company's short and long term performance and define proper salary structure based on knowledge, ability and work experience being suitable for the responsibilities which the minimum salary of the employee is in line with the minimum wage set by the government.

The Company has determined the employees' performance evaluation according to the KPI (Key Performance Indicator) and the core competency evaluation as a tool to manage the remuneration according to performance and other welfare in order to create relationship between employee and organization such as salary increase, bonus payment, commission and other welfare.

Employee remunerations In 2019 and 2018, the Company and its subsidiary had employee benefit expenses in a total amount of Baht 185.24 million and Baht 166.76 million, respectively, comprising of salary, bonus and other benefits.

Provident fund The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary, the Company and its subsidiary contribute to the fund monthly at the same rate as its employees but not more than 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2019 by the Company and its subsidiary amounting to approximately Baht 2.96 million (2018: Baht 3.24 million) were recognized as expenses, the Company only Baht 2.37 million (2018: Baht 2.71 million).

Policy on human resource development

The Company realizes that employees are the crucial factor to drive and support the Company's business to reach its goal. As such, the Company set policy to develop employees at all levels regularly in order to create knowledge and capability for employees, thus enabling employees to perform their job efficiently. The Company plans to provide both internal and external trainings in order to enhance employees' skills in their respective area of responsibilities, resulting in benefits to overall work development of the Company. The responsible department is Human Resource department which has set the strategic approach for personnel development and regularly report to the Executive Committee. In 2019, the personnel development are as follow.

1. Capability It is a management tool used in individual development and will be used to assess the strengths and weaknesses of each employee. The supervisor will evaluate and consider the potential in order to identify the area and set the tool for employee by focusing on four areas of capability as follow

1. Core capability refers to the ability that everyone must have or can perform. It is a common characteristic of all positions. This ability is determined by the vision, mission, mission, main objectives or strategy of the organization.
2. Functional capability is a specific capability for each position. For those who hold the position can behave appropriately to their role and can perform duties better.
3. Management capability is knowledge and management ability which will be different depends on management roles and responsibilities.
4. Academic capability is knowledge and specific skill including the behavior that employees must have for working in key positions.

The planning of capability must be clear and having mutual understanding of both supervisor and employee, in order for employee using as self-development guideline, and to be consistent with the capabilities that have been set the organization. To build employee engagement by using employee development tools in their own department such as coaching, mentoring, challenging work assignment, increasing tasks assignment and self-learning.

2. Career Development or Career Planning Preparing the plan to develop the potential of employees individually and to develop talented and good people. It is important aspect of career development that the Company do recognizes and have started seeking for talented and good people in the organization in order to motivate and retain these people to work in the organization as long as possible. The Company is preparing these people to be successor for important role or management level.

3. Performance Management The process of creating an environment and working methods that encourage the employees to perform most effectively. The main goal is to create higher productivity and performance, and clarify the performance by aligning with organizational performance goals. The Company also focuses on all relevant processes that are continuous and consistent, not only on performance assessment or at the end of the measurement but starting from performance planning, performance development, performance monitoring and performance assessment.

4. Organization Development By creating good values to be a corporate culture. It is an internal process that creates teamwork and behavioral change throughout the organization. The concept of organizational development can be considered as integrated the human resource development. The organization will continue to develop when it develops individual employees. Maintaining good employees by continually developing employee career, as well as the adjustment of performance management guideline to ensure fair evaluation of the performance.

The Company also takes into account of the safety and health of all employees. Therefore, the Company encourages seminars and self-development as required by law, such as safety training in electrical work, training course on occupational safety and health at workplace, safety training both of supervisory and administrative levels and basic firefighting training.

Training

In 2019, the Company provided internal and external training totaling 6,083 hours, to employees at all levels. The topics in the training are divided into the following categories.

1. General categories total hours with 1,245.
2. Leadership development, Self development, and Management categories total hours with 612.
3. Career development categories total hours with 715.
4. Skills, technology, and innovation development categories total hours with 330.
5. Working safety categories total hours with 3,181.

Unit : hour/person/year

Average Training Hour	2019	2018
Employee and Executive	17.9	26.8

Report of the Board of Directors

Alla Public Company Limited (the Company) have conducted the business by manufacturing and selling integrated material handling systems. The Company focuses on quality and service mind. The Company is determined to be the leader in material handling system. The Company is also devoted to the communities, societies and environment in order to promote sustainable growth together. In the business operation, the Company adheres to good governance policy and promote good governance practice and improvement. These are conformed to concerned authorities regulation and accepted international standard. The Company position is strongly against all form of corruption.

In 2019, the Company has arranged 6 meetings for the Board of Directors in order to follow up work results and discuss important issues which are beneficial to Company's operation. The summary is as follow:

- Review and follow up work practices to be performed effectively as per the vision, policy, direction, strategy, business plan for the Company and the subsidiary.
- Set up a system for accounting, financial report, and audit to be appropriate, dependable and efficient.
- Compile a correct financial budget to truly reflect financial status and operation result over the past fiscal year. The information shall be correct, complete, truthful and conform with generally accepted financial reporting standards.
- Arrange sufficient and effective internal control system and internal audit system. Evaluation for appropriateness of internal control system shall be carried out regularly.
- Arrange risk management process with countermeasure and mitigation. Report and follow up for complaint shall be carried out once there is reported evidence. Make sure that the Company has good governance for business.
- Regularly control and follow up business results of the Company and the subsidiary.
- Enforce effective anti-corruption policy, whistleblower policy, internal information usage policy and business ethics to the Company and the subsidiary.

The Board of Directors has operated with passion to achieve significant target, which will lead to continuous and sustainable growth for the greatest good for the Company, shareholders, and stakeholders. As a result of commitment of all directors, management team, and employees, the Company achieved "very good" results in 2019 surveillance project evaluation, which is conducted by Thai Institute of Directors (IOD). The Board of Directors will maintain its determination and monitor the Company and the subsidiary to operate the business as per the objective with caution, transparence, responsibility for social, environment and all stakeholders as always.

This report was reviewed and approved by the Board of Directors on 26 February 2020.

On behalf of the Board of Directors



Mr. Weerachai Ngamdeewilaisak
Chairman of the Board of Directors
26 February 2020

Report of the Audit Committee

The Audit Committee, appointed by the Board of Directors, is comprised of four independent directors, each of which has experiences in management, engineering, financial accounting and law. Mr. Weerachai Ngamdeevilaisak serves as Chairman of the Audit Committee, Prof. Dr. Sahaton Rattanapajit, Mr. Chirawat Srisawadi and Mr. Patai Bunmark are Members of the Audit Committee. Ms. Woraratt Mekkerdchoo is Secretary of the Audit Committee.

The Audit Committee performs its duty within scope of responsibilities in accordance with assignments from the Board of Directors and the Audit Committee Charter. In term of the corporate governance, the Company purposes integrity and transparency of operations which are responsible for shareholders. The Audit Committee ensures that the Executive Committee and the management operates correctly, completely and generally in accordance with the Company's policies.

In 2019, the Audit Committee held five meetings upon consultations with the management, internal auditor and auditor to acknowledge, approve and discuss on various issues, which can be summarized as follows:

1. Review of Financial Statements

The Audit Committee reviewed quarterly and yearly 2019 reviewed/audited consolidated financial statements before proposing to the Board of Directors for approval. The Audit Committee inquired and obtained clarification from the management and the auditor in relation to accuracy of the financial statements, significant adjustment which impacts on financial statements, appropriateness of accounting treatment and scope of audit as well as adequate and accurate disclosure. The Audit Committee and the auditor had meeting without the management's presence to independently discuss important matters in relation to preparation of financial statements, disclosure of useful information and consider suggestions by the auditor to improve the Company's internal control more efficiently.

2. Review of Internal Control and Risk Management

The Audit Committee reviewed internal control and risk management in order to evaluate its adequacy and suitability in accordance with standards of internal audit and guidelines by the Securities and Exchange Commission, Thailand. The Audit Committee quarterly monitored and discussed with the Risk Management Committee on the risk management operations and reviewed the report of internal audit, an external party hired by the Company. The Audit Committee was of the opinion that the Company's overview had adequate, concise, suitable and efficient internal control and risk management.

3. Review of Compliance with Law

The Audit Committee required the review and monitoring of the Company's operation to ensure that the Company abides by the security law, regulations of the Stock Exchange of Thailand and other related laws. This review was included the scope of work for internal audit and was one of the agenda to be reported in the quarterly meeting of the Audit Committee.

The Audit Committee did not find any indicator that the Company intended to neglect and/or operated any transactions to violate the laws which was material.

4. Review of the guidelines for entering into Connected Transactions

The Audit Committee reviewed suitability and adequacy of the rules and procedures of entering into connected transactions or transactions that could be conflict of interests. The Audit Committee also reviewed transactions that could be within the scope of connected transaction or conflict of interests during the year and reviewed disclosure of the transactions in accordance with regulations and guidelines by the Stock Exchange of Thailand.

The Audit Committee was of the view that connected transactions occurred during the year were the ordinary transactions of business and benefited the Company. Moreover, the disclosure of information of such transactions were adequate and suitable.

5. Oversight Internal Audit

The Audit Committee had oversight of the internal audit department by reviewed and approved the 2019 audit plan, prepared in accordance with the risks assessment of the Company's departments, and reviewed the internal audit results on a quarterly basis. As well as giving advices and guidance for improvement to the management, to ensure that the Company had effective and appropriate internal control system.

6. Appointment of External Auditor for 2019

The Audit Committee carried out the evaluation of auditor and their remuneration for 2019 by taking into consideration of performances, independence and ethical requirements according to the guidelines from the Securities and Exchange Commission, Thailand (SEC). The Audit Committee offered the Board of Directors to propose approval from the shareholders' meeting to reappoint EY office limited as auditor for 2019.

7. Report of Operation Results

The Audit Committee quarterly reported operation results to the Board of Directors by providing useful suggestions to the management. The management properly improved operations in accordance with the suggestions.

In 2019, the Audit Committee performed its duty with competency, carefulness, independence and without limitation of obtaining information from the management, staff and other concerned parties. The Audit Committee opinioned and provided useful suggestions for all stakeholders equally.

In conclusion, the Audit Committee was of the view that the Board of Directors, the management and staff determined to perform their duties to achieve the Company's goal by emphasizing on operating under appropriate internal control, risk management systems and sufficient good corporate governance.

This report was reviewed and approved by the Audit Committee on 26 February 2020.

On behalf of the Audit Committee



Mr. Weerachai Ngamdeevilaisak
Chairman of the Audit Committee
26 February 2020

Report of Nomination and Remuneration Committee

The board of directors of Alla Public Company Limited has appointed a Nomination and Remuneration Committee with specifications for the Committee to be composed of at least three persons of directors and executives. More than half of the Nomination and Remuneration Committee must be composed of independent directors and the chairperson of the Nomination and Remuneration Committee can only be an independent director. The Committee has the task of selecting, oversee recruiting and proposing people with appropriate knowledge, ability and qualifications for work performance in the position of director and high-ranking executives, including the proposal of policy on remuneration, guidelines for payment of remuneration and other benefits for the Company's board of directors, sub-committees and high ranking executives as commensurate with their respective duties and responsibilities in line with the Company's performance and marketing conditions at all times.

At present, the Nomination and Remuneration Committee is composed of three people, namely Mr. Chirawat Srisawadi, Chairman of the Nomination and Remuneration Committee, Mr. Sahaton Rattanapijit, Director and Independent Director, and Mr. Ong-ard Puntuyakorn, Director and Executive all of whom make up the Nomination and Remuneration Committee. In 2019, the Nomination and Remuneration Committee held meetings on three occasions. The relevant information on the performance of duties by the Nomination and Remuneration Committee can be summarized as follows:

1. Consideration of recruitment and selection of people to hold director positions in the Company, including sub-committee directors who have been released from their positions based on their terms of office. The recruitment was considered based on complete fulfilment of appropriate qualifications as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, consideration must be given to the recruit's credentials, experience and competence to benefit the Company in order to be proposed to the meeting of the Company's board of directors and meeting of shareholders (cases involving recruitment of Company directors) and for approval to be considered. Directors who have conflict of interest will not attend and will abstain from voting on the aforementioned issue.

2. Consideration of remuneration for Company Directors, sub-committee directors and the setting of remuneration for 2019 based on evaluation criteria, the Company's work performance and in comparison to similar industries in the same field by careful and sufficient filtering to maintain the qualified directors and in order to be proposed to the meeting of the Company's shareholders and the shareholders meeting for further consideration of approval.

3. Arrangements were made for evaluating the performance of the Company's board of directors and sub-committees for 2019. Furthermore, the evaluation results were reported to the Company's board of directors to improve the efficiency of performance and to be disclosed in the annual report.

4. The charter of the Company's Nomination and Remuneration Committee was reviewed in line with the principles of good governance and related environmental factors, which were revised as deemed fitting.

5. There was follow-up and monitoring to ensure that the Company has proper succession plans and continuity in its management for high ranking executive and other key positions in order to prepare and enable personnel to support in response to business expansion.

In 2019, the Nomination and Remuneration Committee performed work in line with its appointed duties and responsibilities by applying sufficient knowledge, ability, caution and independence with various opinions and recommendations for the benefit of stakeholders with equality.

This report was reviewed and approved by the Nomination and Remuneration Committee on 26 February 2020.

On behalf of the Nomination and Remuneration Committee



Mr. Chirawat Srisawadi
Chairman of the Nomination and Remuneration Committee
26 February 2020

Corporate Governance

Corporate Governance

The Company is aware of the importance of governance in line with the Company's main objectives and goals based on set strategies, policies, work plans and budgets with proper follow-up, evaluation and care for work performance reports under business ethics with responsibility for shareholders and stakeholders. Thus, consideration is given to social benefits and care for environmental impact, including adaptation to constantly occurring changes to ensure that the Company's group has competitive capacity and long-term good performance. The board of directors has, therefore, set good governance policy as practice guidelines for the performance of duty by all personnel in the Company's group with the following eight main practices:

Code of Conduct 1 – Remain aware of the roles and responsibilities of the board of directors as corporate leaders who build value toward sustainable business operations.

The Company has clearly set the roles and responsibilities of the board of director as per the details specified in the Company's charter for the board of directors. The main duties of the board are to set key objectives and goals for the Company's business operations, financial policy, risk management and operational strategies, including the allocation of necessary resources to enable the Company's personnel to perform duties toward achieving set objectives. The board of directors will properly monitor, evaluate and care for the Company's work performance reports.

Thus, the Board of Directors will govern the Company's operations ethically with respect for the rights and responsibilities of every shareholder and stakeholder for the benefit of society with consideration given to environmental adaptation to handle constant changes due to various factors by continuing to preserve competitive capacity and good performance for the long-term benefits of shareholders.

Furthermore, the Board of Directors has specified the duties, responsibilities and governance for the directors, the chief executive officer and executives to meet specifications with responsibility, caution, honesty and care in operating the Company's business in compliance with related laws, criteria, various rules and regulations as well as meeting resolutions and the Company policies.

Code of Conduct 2 – Set key objectives and goals for sustainable business activities.

The Board of Directors gives great importance for setting key objectives and goals in the Company's business activities in order to enable sustainable growth in tandem with society, build value and benefit the Company, customers, competitors, employees, shareholders, stakeholders and society as a whole. The board of directors will further promote communication, create key company objectives and goals that reflect the decision-making and work performance of personnel at every level until the aforementioned become a corporate culture under the principles of good governance.

Thus, the Board of Directors has set strategies, work plans, regularly monitors and evaluates work performance in order to ensure consistency with the Company's purpose and key objectives. In addition, innovations and technologies are applied appropriately together with ensuring readiness and expertise for meeting the needs of customers and stakeholders on the basis of responsibility

for society and the environment. Furthermore, the Board of Directors has to have awareness about risks involved in setting goals that might lead to illegal activities or unethical conduct and must ensure that the Company's purpose and objectives are disseminated as strategies and work plans throughout the entire company.

Code of Conduct 3 - Promotion of an Effective Board of Directors

The Board of Directors must be composed of knowledgeable, skilled and experienced people who can perform their duties in the interest of the Company as well as be accepted by every party and play key roles in setting the Company's policies. The Board of Directors has to be composed of executive directors, independent directors in order to ensure appropriate checks and balances as well as at least one non-executive director who has experience in the Company's current business or primary industry. Accordingly, the details on the components of the Board of Directors, qualifications of company directors, term of tenure, duties and responsibilities are specified in the Board of Directors' charter.

Independent directors must make up 4 persons which more than one-third of all directors in order to appropriately provide checks and balances. In addition, the Company's independent directors are required to possess the qualifications without the prohibitions in the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand, and sub-committees must be established to provide assistance in the Board of Directors' management in line with the scope specified by the charter of each sub-committee in order to enhance the Board of Directors' work effectiveness and work efficiency.

The Board of Directors appointed suitable people which are Independent Directors to serve as Chairman of the Board. In addition, if the person serving as the Chairman of the Board is not an independent director, the Board of Directors will appoint an independent director to jointly consider and set the Board of Directors' meeting agendas in order to promote checks and balances between the Board of Directors and Management and ensure compliance to the good government principles for registered companies.

The Board of Directors has formed the Nomination and Remuneration Committee to play a supporting role to the Board of Directors in selecting qualified and suitable directors using transparent and clear processes and in evaluating appropriate remunerations before submitting nominations for approval by shareholders.

The Board of Directors will supervise and ensure that every director takes responsibility for their duties, also arrange the meeting schedule in advance throughout the year. Therefore, all directors can allocate sufficient time and provide oversight to disclose the roles and duties of the Board of Directors and sub-committees, including numbers of meetings and attendances of each director in meetings over previous years and performance reports of every sub-committee.

The Board of Directors provide oversight and ensure the presence of frameworks and mechanisms for governing the policies and activities of subsidiary and other businesses in which the Company has significant investments as appropriate to each business. In addition, the Board of Directors will promote correct and mutual understanding between subsidiary and other businesses in which the Company has investments.

Furthermore, the Company has appointed a company secretary to support the Board of Directors' activities and coordinate activities in line with the Board of Directors' resolutions in addition to overseeing and managing matters related to meetings of the Board of Directors and shareholders.

In addition, the company secretary is required to have appropriate qualifications and experience in order to perform duties and give recommendations related to laws and regulations that the Board of Directors should know about.

Code of Conduct 4: Recruitment and Development of Top Executives and Human Resource Management

The Board of Directors has set in the policy for the recruitment of the Company's directors and top executives along with succession in order to provide guidelines for recruiting qualified, experienced and beneficial people to work with the Company, the details of which are described by the recruitment policy for the Company's directors, top executives and succession.

The Board of Directors has set the remuneration structure for the Company's directors and executives also conduct performance evaluation as deemed fitting for the scope of responsibilities and duties for each assignment. In addition, the Nomination and Remuneration Committee serves to provide oversight and ensure compliance to the Company's human resource management and organization development policies, including shareholders' resolutions. Thus, the Company's directors receive monthly remunerations along with meeting attendance fees, audit committees and, nomination and remuneration committees receive meeting attendance fees, and executives receive remunerations in the form of salaries, other benefits and annual bonuses, which are judged based on the performance of the Company and each individual.

In terms of human resource development, the Board of Directors promotes training and knowledge provision within the Company and at external institutions for all persons involved in the Company's business governance such as the Company's directors, executives and company secretary in order to ensure continuous performance improvement.

When the Company's directors change or new directors are appointed, management will provide documents and beneficial information to facilitate the activities of new directors as well as introduce the Company's nature of business and business practice guidelines to new Company directors.

Code of Conduct 5: Promotion of Innovations and Responsible Business Practices

The Board of Directors gives importance to and supports value-adding innovations and has developed a modern information and technology systems to boost the Company's capacity to meet needs and provide services and support the Company's growth in the digital age. Furthermore, the Company has a business continuity plan (BCP) in place to ensure that business can operate continuously during times of crisis and emergencies.

Furthermore, the Board of Directors will monitor management to ensure that business activities take place in conjunction with creating value for all stakeholders, corporate social and environmental responsibility. The Board of Directors will promote activities to increase the Company's value based on constantly changing environmental factors, which might cover business models, product and service design and development perspectives, research, production and work process improvements as well as cooperation with trade partners. The Company is determined to operate business honestly and transparently while adhering to justice and excellent service provision for customers. The Company will also gladly compete in business without taking advantage or seeking unlawful gains and will operate within the frame of good governance. Furthermore, the Board of Directors realizes the importance in the roles of stakeholders and will treat all stakeholders transparently, appropriately, equally and fairly. These stakeholders include the following:

- **Shareholder:** The Company has policy in doing business with integrity, moral and ethics, and tries to develop the business for growth and good performance to create returns suitable for investment by shareholder and investor. The Company adheres to equitable treatment of shareholders and ensures that directors, executives and employee conduct their duties with integrity and make decision with transparency carefulness and fairness to all shareholders with equitability to maximize benefit of all shareholders.
- **Employees:** Remunerations are given to employees primarily based on work performance, fairness and measurable capabilities in line with set criteria. In addition, the Company supports and develops employees to continuously enhance their knowledge and capabilities while also giving primary consideration to employees' rights and gives them opportunities to file complaints through several channels in cases of injustice.
- **Customers:** Long-term relations and cooperation are built with customers based on integrity, honesty, reliability and trust. The Company is responsible for maximizing customer satisfaction by fulfilling its obligations and giving first considerations to customers' problems and needs on the basis of ethical conduct and good and effective service provision.
- **Creditors:** The Company establishes relationships with and treats creditors on the basis of integrity and honesty, reliability and trust, and the Company takes responsibility and gives importance to conditions and terms agreed with creditors to the best of the Company's ability.
- **Competitors:** The Company treats trade partners with integrity, honesty and equality in order to ensure business fairness, shared interests and sustainable development as well as to maintain long-term trade partners with the Company. The Company chooses to do business with trade partners based on various conditions such as prices, quality, trustworthiness, adherence to rightness and technical, legal and environmental protection expertise.
- **Government sector:** The Company operates its business to support the development of the country by adhering to law, rules, regulations and normal business practice.
- **Communities and the Environment:** The Company ensures that the Company and its employees conduct business responsibly and in the interests of society and communities. In addition, the Company is responsible to treat communities and nearby inhabitants in friendly terms and provide assistance and support in community development in order to ensure quality living.
- **Fair Competition:** The Company takes care to operate business openly and transparently without creating unfair competitive advantage.
- **Anti-Corruption:** The Company takes care to comply with all relevant laws and standards and ensures that the Company announces its anti-corruption policy to the public.
- **Intellectual Property:** The Company respects the intellectual property of others and will only utilize if after obtaining permission to do so. Any infringement of intellectual property rights is against the Company's policy. The Company purchases all the licensed software necessary for employees to perform their functions adequately. Employees are not permitted to install any unlicensed software onto the Company's computers or devices.
- **Safety, occupational health and environment in the workplace:** The Company is aware and recognized the importance of safety, occupational health and the environment in the workplace as well as the life and health of employees at all levels. The Company has a

policy for employees to follow, including a Safety Officer, who supervised and trains employees to follow the Company's policy on safety and occupational health and environment in the workplace.

The Company strictly follow the safety standard by implementing Occupational Health and Safety Management System. It also obtains ISO 45001:2018 and TIS 18001:2011.

In 2019, there are five occupational accident, while injury rate, occupational disease rate, absent rate, and occupational death rate are as follow.

Description	Rate (%)
Injury Rate	0.3
Occupational Disease Rate	0
Absent Rate	0.001
Occupational Death Rate	0

Code of Conduct 6: Ensuring the Presence of an Appropriate Risk Management and Internal Control System

The Board of Directors will provide oversight that the Company has a risk management and internal control system that will effectively fulfill its purpose. In addition, the Board of Directors ensures compliance to all relevant laws and standards and has formed the Audit Committee to support the Board of Directors in providing oversight, ensuring the presence of a system for good governance and giving direct opinions on financial reports and internal control to ensure the reliability and good quality of financial reports as well as increase the organization's value. The Audit Committee is composed of at least four independent directors who meet all of the required qualifications stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand with one member of audit committee possessing accounting or financial knowledge, understanding and experience or continuous knowledge about events that influence changes in financial reports. Accordingly, the details about the composition of the Audit Committee, qualifications of audit committee, terms of office and duties and responsibilities of the Audit Committee are described in the Audit Committee's charter.

The Board of Directors has set the following policies to provide appropriate risk management and internal control guidelines:

1. Principles of business ethics
2. Risk management policy
3. Policy on insider information and securities trading
4. Policy on computer safety and information technology
5. Policy on conflicts of interest
6. Policy on connected transactions
7. Anti-corruption policy
8. Policy on investment and governance of subsidiary and joint venture companies
9. Policy on dividend payments for the Company and its subsidiary.
10. Delegation of Authority Table

The Board of Directors has in place a clear anti-corruption policy as stated by the Company's charter and ethics. The anti-corruption is communicated to personnel on every level within the organization as well as external parties in order to facilitate implementation. In addition, the Board of Directors provides oversight to ensure that mechanisms exist for handling complaints and takes actions in response to informants and has in place clear practice guidelines in the Company's policy for handling complaints about corruption and wrongdoing. Furthermore, the Company has specifications governing reporting, investigations, ethical violations and dealing with corruption and wrongdoing complaints filed by stakeholders who encounter such situations in the activities of the Company and subsidiaries. Moreover, stakeholders can make inquiries, file complaints or report clues about legal violations, inaccurate financial reporting, faulty internal control and business ethics violations by contacting the Company's independent directors or Audit Committee. All information about complaints and clues reported to the Company are kept secret, and independent directors or audit committee will order to investigate information and seek solutions (if any) and report to the Chairman of the Board and/or Board of Directors. The following are the Company's channels for handling complaints and/or expressing opinions along with the added channel of directly emailing the top executives.

Channels for Contacting the Company

Stakeholders can express opinions to the Company through the following communication channels.

1) By Post

Send to Chairman of the Board or Chairman of the Audit Committee or Chief Executive Officer or Administrative Office.

Alla Public Company Limited

933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suan Luang, Bangkok 10250

2) By Email

- Chairman of the Board and Chairman of the Audit Committee: Mr. Weerachai Ngamdeevilaiak
weerachai@alla.co.th
- Chief Executive Officer: Mr. Ong-ard Puntuyakorn
ongardp@alla.co.th
- Administrative Office through the Company's secretary: Miss Prapaporn Saelim
company_secretary@alla.co.th

3) The Company's website at www.alla.co.th on the Complaint Hotline page where complainers can send complaints to the Chairman of the Audit Committee or the Chief Executive Officer.

4) The Company's comment boxes found at the Company's main office at Soi Onnut 46 and at Alla's factory in Chachoengsao. People in charge of watching over comment boxes will send any complaints filed there to the Chairman of the Audit Committee through the Company's secretary.

Code of Conduct 7: Maintaining Financial Reliability and Disclosure of Information

The Board of Directors gives importance to the disclosure of correct, complete, sufficient, transparent and timely financial and regular information along with other information that might affect the Company's stock prices, all of which impact the decision-making of the Company's investors and stakeholders. Accordingly, the Company discloses the aforementioned information in line with the criteria set by the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

The Company has an investor relations department to serve in communications with investors and shareholders. In addition, the Company organizes meetings on a regular basis to analyze the Company's performance and discloses the Company's information, both financial and regular, to shareholders, securities analysts, reliability ranking companies and related government agencies through various channels. To elaborate, the Company reports to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and publishes information on the Company's website, with website information being regularly updated. In addition, the aforementioned information includes the Company's vision, mission, financial statements, news, public relations, annual reports, organization structure and executives, including share structure and major shareholders, meeting invitation letters, registration information and various charters.

The Company gives importance to the Company's financial statements and financial information that appear in the Company's annual reports. Thus, the Audit Committee is responsible for reviewing the quality of financial reports and internal control, along with sufficient disclosure of information in financial statement annotations and reporting to the Board of Directors. In addition, the Board of Directors is required to state its financial reporting responsibilities alongside annual auditor's reports.

The Company also discloses in annual reports and the Company's annual information disclosure form information about each of the Company's directors along with the roles and responsibilities of the Board of Directors and sub-committees, number of meetings and meeting attendances over the previous year and opinions based on performance of duties and professional training and knowledge development. Furthermore, the Company discloses the Company's remunerations payment policy along with the characteristics and details of remunerations for the Company's directors and top executives.

The Company also discloses audit fees and fees for other services provided by the Company's auditors.

Code of Conduct 8: Supporting Participation of and Communication with Shareholders

The Company will send meeting invitation letters along with meeting agenda information to shareholders at least 21 days in advance and within other periods of time as stipulated by relevant laws or regulations. Each meeting agenda is accompanied by the opinions of the Board of Directors along with sufficient other accompanying information to allow shareholders time to study the aforementioned information ahead of each meeting. Furthermore, the Company publishes the aforementioned information on the Company's website at least 30 days before the date of each shareholder meeting.

The Company gives opportunities for shareholders to express opinions and recommendations and make inquiries. In addition, shareholders can propose additional meeting agendas and nominate people to directorships before scheduled meeting dates in line with the Company's criteria and

specifications, which the Company announces on the Company's website.

In organizing shareholder meetings, the Company will select locations suitable for travel and attach maps that display each meeting location to shareholders together with meeting invitation letters. In addition, meeting dates are appropriately selected and sufficient time is allocated for each meeting for the convenience of the Company's shareholders.

In cases where a shareholder is unable to personally attend a meeting, the Company will allow the aforementioned shareholder to appoint an independent director or a third party to serve as proxy at the meeting on the shareholder's behalf. The shareholder can appoint a proxy by using any of the proxy forms the Company delivers along with meeting invitations.

At shareholder meetings, the Company gives equal right to every shareholder to freely express opinions and recommendations and raise questions in each agenda before voting on a resolution for the agenda. In addition, the Board of Directors and related executives will also participate in shareholder meetings to answer meeting inquiries.

The Company supports the use of voting ballots in every agenda in order to ensure transparency and vote counting verification as follows:

1. The Company assigns independent personnel to count votes in every agenda.
2. The Company discloses votes for each agenda to shareholders through the SET Portal of the Stock Exchange of Thailand and the Company's website subsequent to meeting adjournment.

The Company reports meetings correctly in essential content and records signification inquiries, opinions and recommendations in the minutes to meetings in order to allow verification by shareholders.

Investor Relations

The Board of Directors realizes that its information, both financial and non-financial, affect to the decision-making investors and stakeholders. For the investor relations part, the Board of Directors and executives provide important information to stock analysis and investors. In 2019, the Company presented its performance summarized below:

- Always meeting with the investors at the “Opportunity Day” hosted by SET to provide information, movement and performance of the company to analysts and investors.
- Provide an opportunity for interviewing top management for newspaper, journal and television program
- Answer questions to shareholders, investors, analysts via e-mail and phone by the Investor Relations Department

Director's Self-Assessment

The Nomination and Remuneration Committee annually determines the policy that the Board of Directors, Sub-committees and individual director are able to appraise the annual performance assessment, the objective for adequate and effective determination and/or improvement. The Nomination and Remuneration Committee will review the result of assessment and concluding the appraise result and reporting to the Board of Directors for acknowledgement accordingly.

In 2019, the Company arranged the annual performance assessment for the Board of Directors and Sub-committees as follows.

Performance assessment category

1. Performance assessment for the Board of Directors
2. Performance assessment for the Sub-committees i.e. Audit Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee
3. The individual assessment for each director

Topic and Criteria of Performance assessment

Performance assessment for the Board of Directors and Sub-Committees shall consist of the main consideration topics such as structure and qualification of the Board of Directors, Role, Responsibilities and Duties of the Board of Directors, the Board of Directors meeting, work performance of Directors, relationship towards management division and self-improvement of directors. In addition, each sub-committee has evaluated their own performance by comparing with each charter of sub-committee.

Criteria of assessment both of the group and individual are as follow.

Score (%)	Level
90-100	Excellent
80-89	Good
66-79	Quite Good
50-65	Fair
below 50	Need improvement

The assessment result of the Board of Directors and each Sub-Committee are as follow:

1. The Board of Directors assessment included 6 main areas and the average score is at a excellent level of 92%. The details as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of Director	92
2	Role, Responsibilities, and Duties of the Board of Directors	91
3	The Board of Directors Meeting	93
4	Work Performance of Directors	93
5	Relationship towards management division	94
6	Self-improvement of directors	90
	Average percentage	92

2. The individual director assessment included 3 main areas and the average score is at an excellent level of 92%. The details are as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of the Board of Director	90
2	Role, Responsibilities and Duties of the Board of Directors	93
3	The Board of Director Meeting	92
	Average percentage	92

3. The Sub-Committees assessment consist of 3 main areas which are Structure and Qualifications of the committees, Role, Responsibilities and Duties of the Committees and Committees Meeting and the average score is at good to excellent level. The details of each Sub-Committee are as follows:

No.	The Committee	Result (%)
1	Executive Committee	90
2	Audit Committee	92
3	Nomination and Remuneration Committee	92
4	Risk Management Committee	89

The result of assessment of the Board of Directors and each Sub-Committees are satisfactory and effective for the year 2019.

Evaluation of Chief Executive Officer's performance

There is a regulation that non-executive directors and non-executive member of the Nomination and Remuneration committee annually evaluate the performances of the Chief Executive Officer for the success of the administration, in accordance with the Company's strategy. However, Chief Executive officer's scores is at good level which the Independent Director has infomed the performance evaluation and recommendation to Chief Executive officer.

Remuneration

Remunerations for directors depend on duties, experiences, accountability and responsibility, including expected benefits from each director. The Board of Directors sets clear policy and criteria in paying remuneration to directors and proposes for approval at the shareholders' meeting every year. These remunerations are transparent, auditable and at appropriate level, compared to industry, size of business and sufficient to incentivize and retain qualified director, as required. In addition, director's remuneration also takes into additional responsibility in sub-committee, such as member of the Audit Committee.

Remuneration of the Chief Executive Officer and executives are in accordance with criteria and policy set by that the Board of Directors and the Nomination and Remuneration Committee and

for the highest benefits to the Company. Remunerations, including salary, bonus and incentives, are at the appropriate level and consistent with performance of each executive. The executive, who is assigned additional responsibility, will receive additional remunerations in accordance with additional responsibility. Besides, it has to be competitive within the same industry to retain qualified executives. Benefits to the Company and to shareholders are taken into account.

Director and Executive Development

The Board of Directors promotes and facilitates training to related person in corporate governance to directors, member of the Audit Committee, Executives, Company Secretary in order to improve operation continuously. Every year the Board of Directors will support at least one director to attend training courses or participate in seminars in order to increase knowledge of work practices.

During 2019, directors and executives attended training course are 2 persons which are Mr. Weerachai Ngamdeevilaisak and Mr. Chumphol Chanchareon (Please see training history)

Every time there is a new appointment of director, the administration will provide useful document and information for performing director's duty, including introduction the nature of business and guidelines in business operation to the new director.

The Board of Directors requires the Chief Executive Officer regularly reports development and succession plan, which the Chief Executive Officer and the executives prepares the continuous plan to successor in case they cannot perform the duty.

The Board of Directors provides executive development project. The Chief Executive Officer will report every year on what is done during the year and consider together with the succession plan.

Sub-committee

The Board of Directors Structure

Sub-committees consist of the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee in order to perform specific area and propose to the Board of Directors to consider or acknowledge as follow:



Nomination of Director and Top Executive

Nomination of the Board of Directors

The Board of Directors has formed the Nomination and Remuneration Committee to oversee the recruitment and nomination of qualified people to be appointed at Board of Directors' meetings and/or shareholder meetings. In the recruitment process, importance is placed in leadership,

broad vision, fairness and justice, transparent work history and the ability to independently express opinions. The qualifications for directors that the Company wants to recruit are set to be based on ability, experience and expertise as required and consistent with the Company's policies and strategies. In addition, candidates have to meet all of the qualifications for becoming directors or independent directors stipulated by the Public Limited Companies Act, B.E. 2535 (A.D. 1992) (including amendments), the Securities and Exchange Act, B.E. 2535 (A.D. 1992) (including amendments) and related announcements of the Capital Market Supervisory Board and the Securities and Exchange Commission.

Independent Director

According to the corporate governance policy of the Company has determined that the Board of Directors must have at least one third of the total number of independent directors. Criteria for selection of independent directors based on criteria for selection of directors. Qualifications of those who will act as independent directors consider the qualifications and prohibited characteristics of the directors in accordance with the Public Companies Limited Act and Securities and Exchange Act, including relevant regulations, announcements and/or regulations. Independent directors have education, specific expertise in work and other suitability together. Independent directors are individuals who can independently express their opinions, perform duties and maintain the interests of the company and shareholders as well.

The Company's independent directors are required to be directors who possess the following qualifications:

1. No more than one-percent shareholding of the total shares with voting rights in the Company or the Company's parent company, subsidiary, joint company or a major shareholder or person with the authority to control the Company, including the shares held by people related to the independent director.
2. No current or past history as a director who participated in management of work, employees and workers and is not or has never been a consultant with a regular salary or a person with the authority to control the Company or the Company's parent company, subsidiaries, joint companies, major shareholders or people with the authority to control the Company, unless the director has left the aforementioned positions for at least two years before being appointed to become an independent director.
3. No relationship by blood or law as a father, mother, spouse, sibling or child, including spouses of children, to another director, executive, major shareholder or controlling person or person to be nominated to become a director, executive or controlling person over the Company or subsidiaries.
4. No current or past history of a business relationship with the Company or the Company's subsidiaries, joint companies, major shareholders or people with control authority in a manner that might hinder the independent use of judgment and is not and has never been a significant shareholder or controlling person who has a business relationship with the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.
5. No current or past history as an auditor of the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons and is not a significant shareholder,

controlling person or partner to an audit office in which an auditor of the Company or the Company's subsidiaries, joint companies, major shareholders or controlling person is affiliated with, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.

6. No current or past history as a professional service provider, which includes legal consultant service provider and financial consultant service provider who received more than two million baht annually in service fees from the Company or the Company's subsidiaries, joint companies, major shareholders or controlling persons and is not a significant shareholder, a controlling person or a partner to such a service provider, unless the director has left the aforementioned positions for at least two years prior to being appointed to become an independent director.
7. No history as a director appointed to represent a director of the Company, major shareholder or a shareholder who is connected to a major shareholder.
8. No operation of a business of the same nature and significant competition with the Company or subsidiaries and is not a significant partner in a partnership or a director who participates in the management of work, workers and employees and is not a consultant with a regular salary or a shareholder who holds more than one percent of all of shares with voting rights in another company that operates a similar business and which significantly competes with the business of the Company or subsidiaries.
9. No other characteristics that prohibit independent expression of opinions concerning the Company's activities.

Nomination of Sub-committee

The compositions and qualifications of each sub-committee are required to follow the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

Member of the Audit Committee is as follows:

1. Audit Committee must be independent directors in the Company.
2. Audit Committee must be appointed by the Board of Directors.
3. The Audit Committee must be composed of at least three members with at least one-third of the committee and consisting of at least one member who possess sufficient knowledge, understanding and experience in accounting and finance to be able to audit the reliability of the Company's financial statements. Accordingly, the Board of Directors is to appoint the person who serves at the Chairman of the Audit Committee, and the head of the internal audit agency or another person authorized by the Audit Committee is to serve as the Audit Committee's secretary.

The Nomination and Remuneration Committee

1. The committee must be composed of at least one independent director or be composed by a majority of independent directors in order to comply with the principles for good governance for registered companies.
2. Directors must possess the appropriate knowledge, capabilities, experience and expertise for completing assigned tasks

Other Sub-committee

1. Directors must possess the appropriate knowledge, capabilities, experience and expertise for completing assigned tasks
2. As the Board of Directors deems appropriate.

Nomination of Chief Executive Officer and Senior Executive

The Nomination and Remuneration Committee considers persons with knowledge, competency, complete qualifications, professional having experiences that are beneficial to the Company and its subsidiary operation and suitable for the position in order to submit to the Board of Directors for approval.

Investment Policy in Subsidiary and Associated Company

The Company's objectives of investment in subsidiary and associated company is to support its main business activities as well as tends to maximize the Company's performance and profit. The aforementioned investment will promote the Company's synergy in order to provide entire products and services.

The investment in subsidiary and associated companies will be reviewed on the principle and suitability by the Audit Committee. Supervising subsidiaries and associated companies, the Company nominates director or qualified executive with suitable experience to be representative in order to set important policies and control business operations of such subsidiary and associated company.

In present, the Company has invested in one subsidiary company, Onvalla Company Limited, in the proportion of 100% of the registered and paid-up capital. The Company has appointed three representatives from the Company to be a director of subsidiary, namely Mr. Ong-ard Puntuyakorn, Mrs. Vallaya Puntuyakorn, and Miss Chalumporn Puntuyakorn, in order to closely monitor the subsidiary's operation and the goals set by the Company.

Use of Inside Information

The Company ensures the strict oversight the application of inside information in order to protect utilization of inside information to benefit to oneself or other in a wrongful way (Abusive Self-dealing), and to be fair to all stakeholders. The Company sets guidelines in keep and maintain inside information of the Company and guidelines to protect the use of inside information to benefit oneself in writing, and to inform all staff in the organization to follow. In addition, the Company ensures that directors, executives and employees must not buy or sell the Company's securities by using confidential information and/or inside information and/or enter into transaction by using confidential information and/or inside information of the Company which create damage to the Company either directly or indirectly. In addition, directors, executives and employees in the units that obtain inside information shall not trade the Company's securities by themselves, spouse and child younger than eighteen years old, either directly or indirectly (nominee, private fund) within thirty days prior to the disclosure of quarterly and yearly financial statements.

The Company sets disciplinary actions for person who seeks benefits from using inside information or disclose. The punishments include verbal warning, warning in written, probation and termination.

Besides, the Company informs directors and executives about duty to report the Company's shareholding and punishments under the Securities and Exchange Act B.E. 2535 and regulations of the Stock Exchange of Thailand and to public thereon.

Whistleblowing, complaint-filling channels and contacting the Board

Any stakeholder who wishes to offer suggestions or report unfair treatment, illegal acts or in case where the executives, employees, officers and/or parties related with the Company are detected to have any behavior showing fraud, unfairness or reward demand, those stakeholders can immediately notify the Company through the channels below:

Channels for Contacting the Company

Stakeholders can express opinions to the Company through the following communication channels.

1) By Post

Send to Chairman of the Board of Directors or Chairman of the Audit Committee or Chief Executive Officer or Administrative Office.

Alla Public Company Limited

933 935 937 939 Soi Onnut 46, Onnut Road, Onnut, Suanluang, Bangkok 10250

2) By Email

- Chairman of the Board of Directors and Chairman of the Audit Committee:

Mr. Weerachai Ngamdeevilaisak

weerachai@alla.co.th

- Chief Executive Officer: Mr. Ong-ard Puntuyakorn

ongardp@alla.co.th

- Administrative Office through the Company's secretary: Miss Prapaporn Saelim
company_secretary@alla.co.th

3) The Company's website at www.alla.co.th on the Complaint Hotline page where complainers can send complaints to the Chairman of the Audit Committee or the Chief Executive Officer.

4) The Company's comment boxes found at the Company's main office at Soi Onnut 46 and at Alla's factory in Chachoengsao. People in charge of watching over comment boxes will send any complaints filed there to the Chairman of the Audit Committee through the Company's secretary.

All suggestions, complaints or reports will be forwarded to the relevant parties and all actions taken reported to the Audit Committee and the Board.

Compensation for Auditor

Audit fee

The Company and its subsidiary paid audit fees to EY Office Limited for the year ended 31 December 2019 for an amount of Baht 1.50 million and Baht 0.81 million, respectively. Total audit fees of the Company and its subsidiary of Baht 2.31 million. This does not include miscellaneous expenses such as stamp, printing cost of published financial statements, transportation, etc.

Non-audit fee

- None -

Corporate Social Responsibilities

Policy

The Company recognizes Corporate Social Responsibility (CSR), which is the guidelines in operating business under good corporate governance, ethics and good management, by focusing on generosity and public awareness in social development by supporting in every aspect that the Company possibly can, which is an element promoting sustainable business growth. The Company considers its vision, mission, values and objectives when developing CSR policy, which follows eight principles as follows:

1. Fair operations

The Company realizes moral and ethics and fairly treats all stakeholders, including trading partners, customers and commercial competitors. The Company builds its credibility through operating business with transparency, honoring agreements with all trading partners, providing accuracy and adequate information relating to products and services and willingly listening to suggestions from customers in order for sustainable development. The Company refrains from discrediting or destroying competitors' reputation and remains political neutrality by not being involved in any political party and politician.

2. Anti-corruption

The Company places importance on anti-corruption and realizes impact of corruption. Hence, the Company prepared Anti-Corruption Policy, in order for organization to have sustainable management with integrity, efficiency and effectiveness and to provide guidelines for directors, executives and staff. The guidelines are as follows:

- 2.1 The Company clearly defines roles and responsibilities of the Board of Directors, the Audit Committee, Chief Executive Officer, the executives and staff at all levels in relation to Anti-Corruption Policy.
- 2.2 The Board of Directors, the executives and staff at all levels must follow Anti-Corruption Policy and Codes of Ethics by not being involved directly or indirectly in corruption and not ignoring when witnessing the acts which could be in the scope of corruption.
- 2.3 The consistent training of Anti-corruption for staff at all levels, especially pattern of bribery, risks of getting involved in bribery, and corruptions, along with reporting method in case of seeing or suspected bribery or corruption. This training is a part of new employee's orientation.
- 2.4 The Company communicates the anti-corruption policy to all its agents, distributors and sub-contractors since the first cooperation and thereafter as it deemed appropriately.

2.5 The Company has provided channels to report any violations or unlawful acts or corrupt behavior. The aforementioned channels are the Company's website, direct e-mail to Chairman of the Audit Committee or Chief Executive Officer, the Company's complaints box and direct post to Chairman of the Audit Committee. All complaints and suggestions is being reported to the Board of Directors, the Audit Committee and Chief Executive Officer within three days. The Company also clearly state the process of investigation, set of penalty as well as preventive action.

3. Respecting human rights

The Company is aware of the importance of Human Rights in organization with equality and parity in treating staff, trading partners and other concerned parties without discrimination based on gender, race, religion, including not directly or indirectly violate of individual rights and liberty.

The Company strictly abides by Law, Regulations and Rules by providing channels to report complaint and independently express opinion from internal and external parties in order for the sustainable development and management of the organization.

4. Fair treatment of labor

The Company realizes that each employee is a major driver for the Company to grow and attain business goals. Hence, the Company provides equal opportunity for employees at all levels to have good quality of life, appropriate compensation and benefits, and pleasant working conditions. Furthermore, the Company promotes human resource development through relevant training to improve skills, increase efficiency and to provide opportunity for career advancement.

5. Responsibility to customers

The Company emphasizes on customers' satisfaction by producing and distributing good quality products, which meet international standards at reasonable prices. Moreover, the Company focuses on after-sales services and warranty to ensure customers' confidence in products and to provide process to file complaints through electronic mail and telephone.

The Company has been certified ISO 9001:2015 which is quality management systems from TUV NORD Thailand Ltd., as well as TIS 18001:2011 and OHSAS 45001:2018 which is occupational health and safety management systems from BSI Group (Thailand) Co., Ltd.

6. Environmental protection

The Company places importance on environmental protection by not conducting anything that destroys environment in both workplace and public area and ensures that the Board of Directors, the executives and employees at all levels abide by related law, rule and regulation, such as Factory Act B.E. 2535

The Company and its subsidiary annually check quality of environment at the workplace, including light intensity, noise level, noise accumulated level, temperature and air quality, by experts certified by Department of Labor Protection and Welfare.

Moreover, the Company sets various measures, which require all employees to follow consistently, such as energy conservation measure, including guidelines on how to use air-conditioner, light and computer with the consideration of best use to save costs and to promote awareness on sustainable energy conservation.

7. Community and social development participation

The Company is aware of the importance of community and social development by supporting volunteer staff to start and participate in projects, both Company-initiated project and project in cooperation with government, private sector and community, in order to improve quality of life of people in the community. The on-going project includes volunteer for rural school development camp and short-term projects are donation and recreational activities for disadvantaged person, school and government agency, for instance.

8. Development and innovation dissemination of CSR, environment and stakeholders

The Company will support innovation and participation of stakeholders in innovation that creates a balance between value and benefit to community, social and environment, and sustainable growth of the business.

Corporate Social Responsibilities Activities in 2019

The objectives are as follow:

1. To encourage the society.
2. To cultivate the student and juvenile to be generous and bountiful.
3. To support and distribute social opportunity to the orphan, handicapped and senile.
4. To be the model of education, juvenile and the nation development.
5. To publicize the Company to be widely known as well as participate in social and relationship development.

In 2019, the corporate social responsibilities activities are summarized as follow.

Support National Children's Day Events

Alla Group supports National Children's Day every year. In 2019, gifts were given to the following 15 educational facilities, communities and government agencies: Bangplanak School (Siriprachabamrung Cooperative), Ban Khwangklan School, Wat Khlong Suan School (Piboon Thammakhan), Suraojarakhe Noi School, Saen Phudas Police Station, Tambon Thepparat Municipality Office, Kho Rai Tambon Administrative Office, Surao Khlong Kao School, Wat Don Yai School, Ruamjai Pattana Community Moo 20, Tambon Lamlukka Municipality, Wat Thanyapol School, Darussalam Sangsan Community, Surao Khlong Sib School and Wat Suwan School for organizing National Children's Day activities in January 2019.



Happy Senior, Worship, and Make Merit

Alla Group held the activity “Happy Senior, Worship, and Make Merit” project with the intention of offering encouragement about the importance of promoting good quality of life for the elderly, so they can happily live in society, and bring the happiness to the elderly at the Banglamung Center for Developing the Social Welfare of the Elderly. The elderly were taken to worship and make merit at Wat Sothornwararam Maha Virharn (Wat Luang Por Sothorn and Wat Saman Rattanaram on 8 February 2019.



Shirt Donations to Senior Students in Ban Banglamung

On 19 March 2019, the Company gave sixty shirts with a total value of Baht 12,600 to the senior students at the Banglamung Center for Developing the Social Welfare of the Senior in Chonburi Province at the project for building the capacity and promoting the learning of the elderly in the community in 2019 (school for senior).



Planting Trees in Honor of His Majesty the King's Birthday 2019

The Company aims to balance the nature as a necessary and important issue. Furthermore, the Company serves as an instrument in instilling conscience among employees about taking part in conserving natural resources and building unity with each other. Therefore, we have joined with the Koh Rai Administrative Organization in organizing the project **“Planting Trees in Honor of His Majesty the King's Birthday 2019”** by planting rosy trumpet trees and creeping daisies in the area surrounding the village water reservoir for Moo 5, Koh Rai, Ban Pho, Chachoengsao, on 26 July 2019.



ALLA Creates Opportunities Leading to Sustainable Learning for the Youth

Since the education is a key factor leading to national and social development, promoting and developing human resources in terms of education is essential activity. Therefore, the Company recognizes the importance of promoting education by using quality educational media, so it organized the project, **“ALLA Creates Opportunities Leading to Sustainable Learning for the Youth”** by donating an electric pulley hoist and scholarships to the Engineering Science Department, Faculty of Mechanics, King Mongkut's Institute of Technology Ladkrabang for use in testing and improving workshop machinery at the university in order to create a scenario for students on 11 September 2019 at a total value of Baht 56,900.



Alla Blood Donation for Thai Society

Because the Thai Red Cross has steadily increasing demands for blood at hospitals nationwide, the management and employees annually donate blood to the Thai Red Cross. This year, the activity was held on 8 March 2019 at the OTOP building of the Thepparat Municipality, Ban Pho, Chachoengsao.



100% Motorcycle Helmet Wearers

Thailand recently has the highest mortality rate for road accidents, which are usually caused by motorcycles. Accordingly, the Company's management be conscious of the safety of employees and the use of motorcycles. Therefore, the Company has organized campaigns for 100% use of motorcycle helmets with the cooperation of the local police force who organized training for employees about the importance of wearing motorcycle helmets. It has also provided motorcycle helmets to 233 employees who are passengers on motorcycles in daily life of work. The activity also raised awareness about driving vehicles on the road.



Internal Control and Risk Management

The Board of Directors' Opinions on Internal Control

The Company recognizes the importance of the internal control and risk management systems with an emphasis on internal control, which is adequate and suitable for business, by adopting the framework of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) which is comprised of eight components as follows.

1. Control Environment

The Company sets clear vision, mission, business strategy and organization structure, which supports business management and operation. The Company has built corporate culture into employee awareness of duty, responsibility with effectiveness, kind assistance, sacrifice for the benefits of organization, community and society, positive thinking, readiness of skills and health as well as integrity at work.

2. Objectives Setting

The Company determines the objectives of risk management to be accordance with the Company's strategy and risk. The Company clearly and appropriately targets the risk management of the organization to achieve the objectives.

3. Event Identification

The Company records the events that could subject to internal and external risk factors which could be able to impact the Company. The aforementioned is to understand the events. The management could determine the ways and policies to manage risks that may occur as well.

4. Risk Assessment

The Company realizes on the importance of risk management, hence systematically performs risk assessment by defining criteria and suitable method, ensuring all units to be aware of the Company's risk tolerance level, providing guidelines for risk management and communicating to employees to behave.

5. Risk Response

The Company gathers risks that may arise in the organization to set regulations and policies such as management, personnel, finance, operations, information systems, accounting and risk management, etc. to reduce losses or impacts into the Company's tolerance level.

6. Control Activity

The Company has written policies and procedures for all employees to behave by defining good control activities. For example, segregation of duty for between reviewing and approval staffs, setting approval authority policy which specifies the limit at each level, and setting budgeting system by analyzing and controlling the worthiness of spending to maximize benefits.

The Company regularly reviews policies and procedures by top management and performs sufficient control by implementing KPIs as a tool for planning and monitoring.

7. Information System and Communication

In order to communicate the accurate and sufficient information for decision making of the Board of Directors, the management, shareholders and concerned parties, the Company has continuously developed information system and communication to achieve soundness and efficiency.

8. Monitoring Activities performs

The Company performs monitoring process including arranging department meetings to operation performances, preparing performances report to the management, setting up internal audit division to monitor, review and provide recommendations to improve internal audit, when material control weakness occurs. The monitoring and Enterprise Risk Management (ERM) are tools for the management to improve and develop internal control and risk management. As the Board of Directors' meeting of ALLA Public Company Limited 1/2020 held on 26 February 2020, which 4 independent directors attended the meeting, the Board of Directors assessed the adequacy of the Company's internal control system in accordance with the assessment form for adequacy of internal control system by the Securities and Exchange Commission Thailand, (SEC). The Board of Directors was of the opinion that the Company had suitable and adequate internal control system. All functions effectively performed in accordance with generally accepted accounting standards, notices of the Securities and Exchange Commission, Thailand (SEC) and regulations of the Stock Exchange of Thailand (SET) by reporting its quarterly and annually financial statements and providing financial statements disclosure in accurate, adequate and timely manner. The Company had adequate and suitable internal control system and efficiently developed with changing circumstances in order to achieve its objectives and abided by related laws and regulations. Any significant issue or mistake that may cause damage to the Company and subsidiary's operations was not found. The Company's internal control system of related transactions with major shareholders, directors and the management or the person related to the aforementioned parties was adequate, the Company's assets was prevented from being misappropriate used by the management. The independent directors and the Audit Committee did not have different opinion from the Board of Directors. Moreover, the Audit Committee will increasingly supervise good corporate governance.

The Company realized on the indispensability of internal control, by implementing good corporate governance, distinctly defining duties, responsibilities, rules, regulations, policy, authority level of management and appropriate approval level in writing. The Company set up internal audit division, which independently monitors and evaluate internal control system and directly report to the Audit Committee to review operations and activities in order to achieve objectives and goals of the Company and its subsidiary. The results showed that there was no material mistake in internal control system. In the other areas of internal control, the Board of Directors was of the view that the Company and its subsidiary had adequate internal control.

Internal Audit Unit to Monitor Internal Control

Multiplus Audit and Consulting Co., Ltd. (“Independent Internal Auditor” or “Multiplus”), which was an independent internal audit firm (Outsource), was appointed by the Company to evaluate and monitor the Company and its subsidiary’s internal control system in 2019. The Audit Committee was of the opinion that Mutiplus supervised by Mr. Surapol Tavalvijjajit had suitable qualifications and competent staffs. Moreover, the Company initiate to have its own internal audit division since 2017. During 2019, Miss Nutrunkorn Tripetchsomkhun is the Company’s internal auditor to perform internal audit function and to support and facilitate Multiplus. The internal auditors directly reported to the Audit Committee regularly, thus ensuring that the Company had adequate internal control.

Risk Management

The Company recognizes the importance of risk management then organizes the Risk Management Committee, chaired by the Chief Executive Officer, to monitor and manage risk in order to maximize effectiveness. In 2019, the Risk Management Committee held five meetings to review the numbers of incidents, action plan of each units responsible for each risk factors and consider risks level in order to manage risk effectively. Risk management is the key element of every steps in the business operation and relates to all levels. The Company instruction manual and procedure of risk management and corporate risk profile annually. The corporate risk profile categorizes into strategic risk, operation risk, financial risk and compliance risk, which might affect to the Company’s goals. The Risk Management Committee also reviewed risk from various incidents occurred during the year, ranked the risk level, developed guidelines to treat risk, assigned responsible person to develop an action plan and manage risk into tolerance level in order to achieve the Company’s goals and build up confidence from shareholders and stakeholders.

Related Party Transactions

Details of individuals and juristic person who may have a conflict of interest

Summary of details of related party transactions of the Company and its subsidiary, and individuals and juristic person who may have a conflict of interest as at 31 December 2019 and 2018

Individuals/ Juristic Person with Possible Conflict of interest	Nature of Relationship
1. Mr. Ong-ard Puntuyakorn	<ul style="list-style-type: none"> - Being an authorized director, Chief Executive Officer, Acting Chief Financial Officer and shareholder of the Company, holding 203, 232, 300 shares or 33.87% of the Company's paid-up registered capital (as at 30 December 2019) and being husband of Mrs. Vallaya Puntuyakorn. - Being an authorized director and Chief Executive Officer of the subsidiary.
2. Mrs. Vallaya Puntuyakorn	<ul style="list-style-type: none"> - Being an authorized director, Chief Administrative Officer and shareholder of the Company, holding 135,000,000 shares or 22.5% of the Company's paid-up registered capital (as at 30 December 2019) and being wife of Mr. Ong-ard Puntuyakorn - Being an authorized director of the subsidiary
3. Ms. Chalumporn Puntuyakorn	<ul style="list-style-type: none"> - Being an executive director and shareholder of the Company, holding 45,000,000 shares or 7.5% of the Company's paid-up registered capital (as at 30 December 2019) and being daughter of Mr. Ong-ard Puntuyakorn and Mrs. Vallaya Puntuyakorn. - Being an authorized director of the subsidiary
4. Amplus Chem Company Limited	<ul style="list-style-type: none"> - Mr. Chirawat Srisawadi is director of Alla Public Company Limited and being a director of Amplus Chem Company Limited which is engaged as wholesaler for industrial chemicals.

Related party transactions between Alla Public Company Limited and individuals or juristic person who may have a conflict of interest as at 31 December 2019 and 2018

Individuals/ Juristic Person with Possible Conflict of interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2019	2018	
1. Mr. Ong-ard Puntuyakorn	<p>Vehicle hire purchase guarantee for the Company</p> <p>As at 31 December 2019, the Company executed automobile hire-purchase contracts with one leasing company. The Company has two vehicles under hire purchase contract. The outstanding amount leasing payable is Baht 2.38 million. During the year 2019, the hire-purchase contracts, that were partial guaranteed by its directors, had been fully paid and the guarantee by directors was terminated.</p> <p>As at 31 December 2018, the Company executed automobile hire-purchase contracts with one leasing company. The Company has four vehicles under hire purchase contract, with guarantee furnished by Mr. Ong-ard Puntuyakorn totaling to Baht 2.30 million. The outstanding amount leasing payable is Baht 4.98 million.</p>	-	Guarantee in a total amount of Baht 2.30 million.	<p>Opinion of the Audit Committee</p> <p>The aforesaid guarantee for hire purchase is subject to the condition set forth by the leasing company. The Company needs such vehicles in its usual business operation. No guarantee fee is charged to the Company. Therefore, the transaction is deemed reasonable and beneficial to the Company.</p>

Related party transactions between Alla Public Company Limited and individuals or juristic person who may have a conflict of interest as at 31 December 2019 and 2018

Individuals/ Juristic Person with Possible Conflict of interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2019	2018	
2. Amplus Chem Company Limited (Having a common director namely Mr. Chirawat Srisawadi)	Alla Public Company Limited distributed and installed loading dock and accessories to Amplus Chem Company Limited Factory located at Bang Phriang Industrial Estate and completed in September 2018.	-	Project amount of Baht 0.86 million	<p>Reasonableness of the transaction Normal business transaction. The Company sold products and services which are the main products of the Company, and the Company also has experience and expertise.</p> <p>Opinion of the Audit Committee Normal business transaction which the Company has experience and expertise. Also, the Company sold at the market price as similar to those received from general projects. Therefore, the transaction is deemed reasonable and beneficial to the Company</p>

Related party transactions between Onvalla Company Limited (the subsidiary) and individuals or juristic person who may have a conflict of interest as at 31 December 2019 and 2018

Individuals/ Juristic Person with Possible Conflict of interest	Details of Transaction	Transaction Value		Rationale and Opinion of the Audit Committee
		2019	2018	
1. Mrs. Vallaya Puntuyakorn	<p>Vehicle hire purchase guarantee for the Subsidiary</p> <p>As at 31 December 2019, the subsidiary did not have automobile hire-purchase contracts for business with leasing company. The subsidiary have fully paid the remaining hire - purchase contracts during the year 2019.</p> <p>As at 31 December 2018, the subsidiary executed automobile hire-purchase contracts for business with one leasing company, with guarantee furnished by Mrs. Vallaya Puntuyakorn for four vehicles in a total amount of Baht 1.14 million. The outstanding amount leasing payable is Baht 0.57 million.</p>	-	Guarantee in a total amount of Baht 1.14 million.	<p>Opinion of the Audit Committee</p> <p>The aforesaid guarantee for hire purchase is subject to the condition set forth by the leasing company. The subsidiary needs such vehicles in its usual business operation. No guarantee fee is charged to the subsidiary. Therefore, the transaction is deemed reasonable and beneficial to the subsidiary.</p>

Necessity and rationale of related party transaction

In 2019 and 2018, the Company and its subsidiary's related party transactions included directors' guarantee on vehicles hire-purchase contracts, and product selling. These transactions were reasonable and necessary since they were under normal course of business and support the Company and its subsidiary's business. The Company and its subsidiary did not pay for guarantee provided by directors and related parties.

The Audit Committee reviewed the aforesaid related party transactions and was of the opinion that the transactions were deemed reasonable and beneficial to the Company and its subsidiary (See detail of each transaction in the table above).

Measure or procedure in approving for related party transaction

In the Board of Directors' meeting, there was a resolution to define policy and procedure of the approval for related party transaction between the Company and persons, who may have a conflict of interest, such as major shareholders, directors, executives, controlling persons, connected persons, related persons. The Company shall abide by the Security and Exchange Act, rules, orders and regulations required by the Securities and Exchange Commission, Thailand (SEC), the Capital Market Supervisory Board and the Security Exchange of Thailand (SET). The Company shall follow requirements relating to disclosure of related party transaction in accordance with accounting standards by the Federation of Accounting Professions. The person who may have a conflict of interest shall not be allowed to be involved or approve such transaction.

In case the law requires approval for related party transaction from the Board of Directors or the shareholders' meeting, the Company shall invite the Audit Committee to consider and give opinion on the necessity and rationale of such transaction.

Principles of related party transaction that is a commercial transaction with normal terms and conditions, and a commercial transaction without normal terms and conditions are as follow:

Commercial transaction with normal terms and conditions

Entering into a commercial transaction with normal terms and conditions, the Company and/or its subsidiary may enter into related party transactions that include selling and purchasing of goods and services with directors, executives or persons who may be related in the future. The Company defined a framework for such transaction, which was reviewed and accepted by the Audit Committee, and subsequently approved by the Board of Directors. The Management can approve the transaction, that the terms are similar to which the reasonable normal contract under the same circumstance, without any influences on the bargaining power due to the Company's director's, executives, or related parties. As such, the Company shall prepare a summary report on related party transactions with directors, executives or related persons and quarterly report to the meeting of the Audit Committee and the Board of Directors.

Commercial transaction without normal terms and conditions and other transactions

Entering into a commercial transaction without normal terms and conditions and other transactions, between the Company and/or its subsidiary with persons who may have a conflict of interest or may have a conflict of interest in the future. The Company shall propose to the Audit Committee to consider and give opinion on the necessity and suitability of entering into such transaction. The Audit Committee shall consider the suitability of prices and conditions of such transactions and compare prices with other parties or market prior to proposing to the Board of Directors and/or the shareholders' meeting, if required, for their approval. In case of the Audit Committee does not possess expertise to consider possible related party transactions, the Company shall bring in the independent expert or the Company's auditor to give opinion on the mentioned transaction in order to support the Audit Committee, the Board of Directors and/or the shareholders' meeting, if required, for their decision making. The persons who may have a conflict of interest shall not be allowed to vote such transaction.

The Company shall disclose related party transaction in note to financial statements, audited by the Company's auditor, annual report and annual registration statement (Form 56-1) as required by the Securities and Exchange Act.

Policy or future related party transaction

The Company expects related party transaction arising from normal course of business and supporting normal business with normal terms and conditions of the Company and/or its subsidiary, may occur in the future. As for the future related party transaction, the Company shall clearly set policy of transfer pricing at fair market prices and conditions, avoid transferring of benefit and consider benefit to the Company and its subsidiary. The Audit Committee shall review and give opinion quarterly on related party transaction which is a normal business transaction or supporting normal business transaction.

As for transaction between persons, who may have a conflict of interest that is different from the first paragraph, such as normal business and supporting normal business transactions without normal terms and conditions and other transactions, the Company set policy of measurement and approval for related party transaction and disclose of the mentioned transactions.

As for future related party transaction, the Board of Directors must abide by the Security and Exchange Act, rules, and regulations required by the Securities and Exchange Commission, Thailand (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET). This includes following requirements relating to disclosure of connected transactions of the Company and its subsidiary in accordance with Thai Financial Reporting Standards.

Key Financial Ratio

Key Financial Ratio	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2018	2017
<u>Liquidity Ratio</u>						
Current Ratio (x)	3.87	4.03	5.36	3.93	3.79	6.07
Quick Ratio (x)	2.72	2.83	4.10	2.56	2.58	4.85
Operating Cash Flow Ratio (x)	0.52	0.15	0.72	0.47	0.01	0.90
Account Receivable Turnover (x)	3.55	3.48	4.10	3.86	3.52	4.10
Average Collection Period (days)	102.74	104.84	88.92	94.49	103.63	89.07
Inventory Turnover (x)	2.94	2.57	2.84	2.59	2.54	3.10
Average Sales (Inventory) Period (days)	124.20	141.82	128.70	141.12	143.94	117.56
Account Payable Turnover (x)	7.51	7.09	8.13	6.44	6.17	7.15
Average Payment Period (days)	48.59	51.48	44.92	56.71	59.13	51.07
Cash Cycle (days)	178.35	195.18	172.70	178.90	188.44	155.56
<u>Profitability Ratio</u>						
Gross Profit Margin (%)	28.48	31.75	29.92	27.91	32.02	31.79
Operating Profit Margin (%)	14.89	13.87	11.98	15.02	14.09	16.73
Cash to Profit Margin (%)	82.07	26.39	127.04	77.62	2.31	94.72
Net Profit Margin (%)	11.74	10.89	9.27	11.76	10.91	12.99
Return on Equity (%)	12.13	9.30	7.65	9.68	7.27	8.35
<u>Efficiency Ratio</u>						
Return on Assets (%)	11.75	9.27	7.94	9.57	7.58	8.78
Fixed Asset Turnover (%)	390.89	318.26	331.52	1,238.91	1,023.36	852.84
Total Asset Turnover (x)	0.80	0.68	0.67	0.66	0.55	0.55
<u>Leverage and Coverage Ratios</u>						
Total Liabilities to Equity (x)	0.30	0.29	0.23	0.23	0.26	0.16
Interest Coverage Ratio (x)	585.51	242.01	97.94	457.52	208.38	119.98
Dividend Payout Ratio (%)	59.06	65.04	72.98	79.20	86.66	68.96
<u>Other Ratio</u>						
Book Value per share (Baht per share)	1.44	1.35	1.29	1.33	1.28	1.26
Net Profit per share (Baht per share)	0.17	0.12	0.10	0.13	0.09	0.10
Dividend per share (Baht per share)	0.10	0.08	0.07	0.10	0.08	0.07
Par value (Baht per share)	0.50	0.50	0.50	0.50	0.50	0.50
Number of shares (Million shares)	600	600	600	600	600	600

— **M**anagement Discussion and Analysis —

For the year ended 31 December 2019

2019 Business Performance Overview

The overall operating performance of the Group for the year 2019 has improved markedly, compared to the same period of the prior year, in which the Group had significantly increased of total operating income, especially revenue from sales of crane and electric hoist. The Company also had revenue from new segment which is warehouse management system and equipment, as well as the revenue from the services of the group still increasing continuously.

Although the gross profit margin of the Group decreased due to the increase of price competition and also affected by the Labor Protection Act in the second quarter of 2019, as a result, the Group had additional long-term employee benefit expenses of Baht 6.85 million. However, due to the significant increase in operating income and the continuously improve of costing management in all aspects for maximum efficiency, resulting in the Group's net profit this year to increase significantly.

The Group had revenue backlog at the end of 2019 amounting to Baht 283 million which decreased by 38% compared to the end of the previous year, due to the projects have been delivered during the year 2019. However, the Group still receives sale orders from customers continuously.

The Group has solid financial structure, has continued cash flow from operations, good liquidity ratio and low debt to equity ratio as well.

2019 Consolidated Financial Summary

Operating Income

Operating Income	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Revenues from contracts with customers	855,634	668,753	28%
Other income	9,742	8,686	12%
Total Operating Income	865,376	677,439	28%

Revenues structure

Revenues structure	2019		2018		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<u>Revenue from sales</u>						
Crane and Electric Hoist	511,691	59%	367,663	54%	144,028	39%
Loading Dock and Equipment	142,533	17%	160,493	24%	(17,960)	(11%)
Warehouse management system and Equipment	43,107	5%	56	0%	43,051	76,877%
<u>Total revenue from sales</u>	697,331	81%	528,212	78%	169,119	32%
<u>Revenue from services</u>						
Crane and Electric Hoist	131,337	15%	117,751	18%	13,586	12%
Loading Dock and Equipment	26,803	3%	22,436	3%	4,367	19%
Training center	163	0%	354	0%	(191)	(54%)
<u>Total revenue from services</u>	158,303	18%	140,541	21%	17,762	13%
<u>Other income</u>	9,742	1%	8,686	1%	1,056	12%
<u>Total Operating Income</u>	865,376	100%	677,439	100%	187,937	28%

Total operating income for the year of 2019 of the Company and its subsidiary were Baht 865 million increased from prior year of Baht 188 million or 28% which can be analyzed by each type of business as follows.

- Crane and Electric Hoist: The portion of revenue was 59% of total revenues. The revenue from sales increased from prior year by Baht 144 million or 39% as from revenue recognition of major projects during the year. The main customers were Power plant, Real estate, Automotive, Petrochemical and Sky train business sector.
- Loading Dock and Equipment: The portion of revenue was 17% of total revenues. The revenue from sales decreased by Baht 18 million or 11% compared to prior year, since there was no revenue recognition of major project in this year. The main customers were Warehouse and logistic, Agriculture and Foods and Hypermarket business sector.
- Warehouse management system and Equipment: The new segment of the group with the portion of revenue of 5% of total revenues. The main customer in this year was Warehouse and logistic business sector.
- Services: The portion of revenue was 18% of total revenues which increased from crane and hoist service segment of Baht 14 million or 12%, the main customers were Automotive and Steel and Aluminum business sector, and increased from loading dock and equipment service segment of Baht 4 million or 19%, the main customers were Hypermarket, Agriculture and Foods and Automotive business sector.

As at December 2019, the Company and its subsidiary had revenues backlog of Baht 283 million, which decreased by Baht 176 million or 38% compared to prior year, such backlog will gradually be recognized as revenues from 2020 onward. The Company has also received sale orders from customers continuously.

Operating Expenses

Operating Expenses	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Cost of sales and services	611,981	456,392	34%
Selling expenses	37,223	32,816	13%
Administrative expenses	88,746	95,468	(7%)
Total Operating Expenses	737,950	584,676	26%

Total operating expenses for the year of 2019 of the Company and its subsidiary were Baht 738 million increased from prior year of Baht 585 million or 26%. The mainly causes due to

- Cost of sales and services increased in line with the increase of revenues from contracts with customers.
- Selling expenses increased as from the impact of long-term employee benefits expenses under the Labor Protection Act. In addition with the transferring of some employees from supporting departments to sale departments, in order to increase sales volume. The commission also increased in line with the increase of revenue.
- Administrative expenses decreased, although the group had impact from the Labor Protection Act causing the increase of long-term employee benefit expenses. However, the Group has managed expenses by organizing the employee structure for maximum work efficiency, as a result, the decrease of other administrative expenses, related to employees.

Other Items

Other Items	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Finance costs	218	383	(43%)
Income tax expenses	25,617	18,579	38%
Total Other Items	25,835	18,962	36%

- Finance cost decreased by 43% due to the repayment of financial lease liabilities and short-term loans from financial institutions.
- Income tax expenses increased by 38% in line with the operating profit.

Profitability Analysis

Profitability Analysis	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Gross profit	243,653	212,361	15%
Gross profit margin	28%	32%	
Net profit	101,591	73,801	38%
Net profit margin	12%	11%	
Total comprehensive income	103,565	75,924	36%
Basic earnings per share (Baht)	0.17	0.12	42%

- Gross profit for the year 2019 increased from prior year of Baht 31 million or 15% which increased in line with the revenue from contract with customers. However, gross profit margin for the year 2019 was 28% decreased from prior year by 4% due to the increase of price competition and the impact of long-term employee benefit expenses under the Labor Protection Act.
- Net profit for the year 2019 increased from prior year of Baht 28 million or 38% and net profit margin for the year 2019 was 12% which increased from prior year by 1% in line with the increase of gross profit. In addition with the decrease of administrative expenses due to continuously costing management in all aspects for maximum efficiency.
- Total comprehensive income increased of Baht 28 million or 36% in line with the increase of net profit and actuarial gain.
- Basic earnings per share increased of Baht 0.05 or 42% in line with the increase of net profit.

Asset Management

Assets	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Cash and cash equivalents	170,136	118,216	44%
Short - term investments	135,762	203,511	(33%)
Trade and other receivables	259,617	246,041	6%
Inventories	216,203	200,267	8%
Other long-term investments	60,083	10,083	496%
Property, plant and equipment	223,983	218,784	2%
Other assets	54,983	51,417	7%
Total Assets	1,120,767	1,048,319	7%

Trade accounts receivable and accrued income	2019		2018	
	Thousand Baht	%	Thousand Baht	%
Not yet due	63,257	25%	34,460	15%
Over due				
Less than 3 months	165,475	65%	143,641	64%
More than 3 months, not over 6 months	14,274	5%	20,726	9%
More than 6 months, not over 12 months	2,165	1%	24,475	11%
More than 12 months	10,438	4%	2,871	1%
Total	255,609	100%	226,173	100%
<u>Less</u> Allowance for doubtful accounts	(53)	-	(53)	-
Trade accounts receivable and accrued income – net	255,556	100%	226,120	100%

Total assets of the Company and its subsidiary increased of Baht 72 million or 7%, due mainly to

- Cash and cash equivalent increased as from the Group's operations.
- Current investments decreased due to investing in long-term fixed deposits for better yield.
- Trade accounts receivable increased in line with the increase of revenue.
- Inventories increased due to work in process in preparation for delivery of work, including the increase of raw materials to support orders from customers.

Liabilities and Equity

Liabilities and Equity	2019 (Thousand Baht)	2018 (Thousand Baht)	Change
Trade and other payables	97,902	92,967	5%
Income tax payable	17,647	9,322	89%
Deposit received in advance	43,179	55,888	(23%)
Accrued expenses	33,642	24,808	36%
Provision for long-term employee benefits	48,535	41,304	18%
Other liabilities	14,751	13,469	10%
Total Liabilities	255,656	237,758	8%
Total Shareholders' Equity	865,111	810,561	7%

Total liabilities of the Company and its subsidiary increased of Baht 18 million or 8%, due mainly to

- Trade account payables increased in line with the increase of inventories, in order to support orders from customers.
- Deposits received in advance decreased because the projects had been delivered during the year.
- Income tax payable and accrued expenses for employee bonus increased in accordance with the improved operating results of the Group.
- Provision for long-term employee benefits increased as a result of the effect from Labor Protection Act.

Total shareholders' equity increased of Baht 55 million or 7% which increased from total comprehensive income of Baht 103 million and decreased from dividend payment of Baht 48 million.

Liquidity and Capital Management

Cash Flows	2019 (Thousand Baht)	2018 (Thousand Baht)
Net cash from operating activities	104,582	24,481
Net cash used in investing activities	(1,508)	(130,228)
Net cash used in financing activities	(51,154)	(46,509)
Net increase (decrease) in cash and cash equivalents	51,920	(152,256)
Beginning cash and cash equivalents	118,216	270,472
Ending cash and cash equivalents	170,136	118,216

For the year of 2019, the Company and its subsidiary had net increase in cash and cash equivalent of Baht 52 million from the beginning balance of Baht 118 million. As a result, cash and cash equivalents at the end of the year was Baht 170 million. Details of cash flows by activities during the year were as follows:-

- Net cash from operating activities were Baht 105 million.
- Net cash used in investing activities were Baht 2 million by receiving cash from short-term investments of Baht 70 million and investing in long-term fixed deposits of Baht 50 million and paying for investments in fixed assets of Baht 27 million.
- Net cash used in financing activities were Baht 51 million mainly due to dividend payment and cash paid for liabilities under financial lease during the year.

Key Financial Ratios	2019 (Thousand Baht)	2018 (Thousand Baht)
Returns Ratio (%)		
Return on Assets	11.75	9.27
Return on Equity	12.13	9.30
Liquidity Ratio (x)		
Current Ratio	3.87	4.03
Quick Ratio	2.72	2.83
Assets and Liabilities Management (Day)		
Average Collection Period	102.74	104.84
Average Sales (Inventory) Period	124.20	141.82
Average Payment Period	48.59	51.48
Leverage and Coverage Ratios		
Total Liabilities to Equity (x)	0.30	0.29
Interest Coverage Ratio (x)	585.51	242.01
Dividend Payout Ratio (%) - Separate financial statements	79.20	86.66

- Return on asset and Return on equity increased by 2.48% and 2.83%, respectively, due to the increase of profit, compared to the same period of prior year.
- Current ratio and Quick Ratio decreased by 0.16x and 0.11x, respectively, as the increase proportion of current liabilities is higher than the increase proportion of current assets. The current liabilities increased from accrued income tax and accrued expenses for employee bonus in accordance with the improved operating results of the Group. In addition, the Company has changed the investment model of fixed deposits from current investments to long-term investments of Baht 50 million.
- Average collection period decreased slightly by approximately 2 days due to the Group has improved the quality of debt collection. Average sales period decreased by 18 days due to improved inventory management. Average repayment period decreased slightly approximately 3 days.
- Total liabilities to equity increased by 0.01x which had no significant changed. Interest coverage ratio increased by 34.35x as from the decrease of finance costs as from the repayment of financial lease liabilities and short-term loans from financial institutions. Dividend payout ratio decreased by 7.46% which the payment rate is still higher than the Company's dividend policy at the rate of not less than 50% of the net profit of the separate financial statements.


The Board of Directors's

Report on its Responsibility to the Financial Statements

The Board of Directors recognizes its responsibility for the separate financial statements and the consolidated financial statements of Alla Public Company Limited and its subsidiary, including financial information that appears in the annual report. The financial statements have been prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547, including the Accounting Interpretations and Guidelines issued by the Federation of Accounting Professions, and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The Board of Directors has instituted and maintained appropriate internal controls to ensure that the financial statements have been accurately prepared and completely disclosed in the notes to the financial statements. The Board of Directors has appointed the Audit Committee to review the accuracy and reliability of the financial statements. This includes reviewing the accounting policies, related party transactions (if any), internal control system and internal audit. The opinion of the Audit Committee on such matters appears in the Audit Committee Report as shown in this annual report.

It is the Board of Directors’ opinion that the overall Company’s internal control system is satisfactory and can reasonably assure that the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2019 are accurate, reliable and in accordance with the relevant financial reporting standards.



(Mr. Weerachai Ngamdeevilaiwak)
Chairman of the Board of Directors



(Mr. Ong-ard Puntuyakorn)
Chief Executive Officer

Independent Auditor's

Report and Annual Financial Statements

To the Shareholders of Alla Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Alla Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Alla Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alla Public Company Limited and its subsidiary and of Alla Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

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

Inventory - work in process

Estimating the net realisable value of work in process, as disclosed in Note 11 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of work in process. This requires details of the estimated cost to complete the production, including necessary selling expenses. There is therefore a risk of that the recognised amount of provision for diminution in the value of inventory is not adequate, which will result in the Company and its subsidiary's inventory being overstated. Thus, I focused my audit on this matter.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Company and its subsidiary'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 Company and its subsidiary's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiary to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Company and its subsidiary 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 financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 26 February 2020

Alla Public Company Limited and its subsidiary
Statement of financial position

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	8	170,135,929	118,216,211	112,005,551	54,932,167
Current investments	9	135,761,777	203,511,382	110,762,369	203,511,382
Trade and other receivables	7, 10	259,616,930	246,041,177	161,241,330	186,898,221
Inventories	11	216,203,310	200,265,994	181,098,040	165,935,384
Other current assets		15,990,858	13,162,235	14,739,200	11,723,150
Total current assets		797,708,804	781,196,999	579,846,490	623,000,304
Non-current assets					
Restricted bank deposits	12	25,000,000	25,000,000	25,000,000	25,000,000
Investment in subsidiary	13	-	-	251,999,560	251,999,560
Other long-term investments	14	60,082,904	10,082,904	60,082,904	10,082,904
Property, plant and equipment	15	223,982,769	218,783,651	56,674,689	47,319,751
Intangible assets	16	2,925,137	3,429,990	2,861,725	3,396,025
Deferred tax assets	24	11,034,718	9,793,249	8,327,261	7,776,394
Deposits and guarantees		32,500	32,500	30,400	30,400
Total non-current assets		323,058,028	267,122,294	404,976,539	345,605,034
Total assets		1,120,766,832	1,048,319,293	984,823,029	968,605,338

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

Alla Public Company Limited and its subsidiary
Statement of financial position (continued)

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	7, 17	97,902,125	92,966,845	73,812,742	85,183,039
Current portion of liabilities under					
financial lease agreements	18	1,406,001	2,753,073	1,406,001	2,296,097
Income tax payable		17,646,559	9,321,878	11,741,978	6,937,664
Deposit received in advance		43,178,614	55,887,790	30,303,025	48,198,941
Accrued expenses		33,642,350	24,807,539	24,387,834	18,661,424
Provision for warranty		3,094,025	2,093,110	1,324,075	1,106,943
Other current liabilities		9,408,776	6,182,341	4,719,391	2,037,956
Total current liabilities		206,278,450	194,012,576	147,695,046	164,422,064
Non-current liabilities					
Liabilities under financial lease agreements,					
net of current portion	18	842,213	2,441,577	842,213	2,344,944
Provision for long-term employee benefits	19	48,535,250	41,303,964	38,650,997	33,580,798
Total non-current liabilities		49,377,463	43,745,541	39,493,210	35,925,742
Total liabilities		255,655,913	237,758,117	187,188,256	200,347,806

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

Alla Public Company Limited and its subsidiary
Statement of financial position (continued)

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid up					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium		348,486,525	348,486,525	348,486,525	348,486,525
Surplus from restructuring under common control		46,314	46,314	-	-
Retained earnings					
Appropriated - statutory reserve	21	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		186,577,575	132,027,871	119,148,248	89,771,007
Equity attributable to owners of the Company		865,110,414	810,560,710	797,634,773	768,257,532
Non-controlling interest of the subsidiary		505	466	-	-
Total shareholders' equity		865,110,919	810,561,176	797,634,773	768,257,532
Total liabilities and shareholders' equity		1,120,766,832	1,048,319,293	984,823,029	968,605,338

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

Alla Public Company Limited and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenues from contracts with customers	22, 26	855,633,587	668,753,245	622,536,670	496,687,080
Dividend income	7, 13	-	2,694	7,999,987	2,694
Other income		9,741,924	8,683,543	13,662,026	10,971,105
Total revenues		865,375,511	677,439,482	644,198,683	507,660,879
Expenses					
Cost of sales and services		611,980,822	456,392,272	448,792,711	337,626,532
Selling expenses		37,223,347	32,816,123	26,340,872	23,440,165
Administrative expenses		88,745,768	95,468,021	75,554,283	76,619,479
Total expenses		737,949,937	584,676,416	550,687,866	437,686,176
Profit before finance cost and income tax		127,425,574	92,763,066	93,510,817	69,974,703
Finance cost		(217,631)	(383,302)	(204,386)	(335,809)
Profit before income tax expenses		127,207,943	92,379,764	93,306,431	69,638,894
Income tax expenses	24	(25,616,749)	(18,578,701)	(17,548,096)	(14,250,748)
Profit for the year		101,591,194	73,801,063	75,758,335	55,388,146
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)	19	2,467,370	2,653,820	3,000,200	(863,749)
Less: Income tax effect	24	(493,474)	(530,764)	(600,040)	172,750
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,973,896	2,123,056	2,400,160	(690,999)
Other comprehensive income for the year		1,973,896	2,123,056	2,400,160	(690,999)
Total comprehensive income for the year		103,565,090	75,924,119	78,158,495	54,697,147

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

Alla Public Company Limited and its subsidiary
Statement of comprehensive income (continued)
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Net profit attributable to:					
Equity holders of the Company		101,591,141	73,801,035	75,758,335	55,388,146
Non-controlling interests of the subsidiary		53	28	-	-
		101,591,194	73,801,063	75,758,335	55,388,146
Total comprehensive income attributable to:					
Equity holders of the Company		103,565,038	75,924,086	78,158,495	54,697,147
Non-controlling interests of the subsidiary		52	33	-	-
		103,565,090	75,924,119	78,158,495	54,697,147
Earnings per share					
	25				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.17	0.12	0.13	0.09
Weighted average number of ordinary shares		600,000,000	600,000,000	600,000,000	600,000,000

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

Alla Public Company Limited and its subsidiary
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company					Equity	
	Issued and paid-up share capital	Share premium	Surplus from restructuring under common control	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiary
				Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2017							
Profit for the year	300,000,000	348,486,525	46,314	30,000,000	98,103,785	776,636,624	433
Other comprehensive income for the year	-	-	-	-	73,801,035	73,801,035	28
Total comprehensive income for the year	-	-	-	-	2,123,051	2,123,051	5
Dividend paid (Note 20)	-	-	-	-	75,924,086	75,924,086	33
Balance as at 31 December 2018	300,000,000	348,486,525	46,314	30,000,000	(42,000,000)	(42,000,000)	-
Balance as at 31 December 2018	300,000,000	348,486,525	46,314	30,000,000	132,027,871	810,560,710	466
Balance as at 31 December 2018	300,000,000	348,486,525	46,314	30,000,000	132,027,871	810,560,710	466
- previously reported							
Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard (Note 4)	-	-	-	-	(1,015,334)	(1,015,334)	-
Balance as at 31 December 2018 - as restated	300,000,000	348,486,525	46,314	30,000,000	131,012,537	809,545,376	466
Profit for the year	-	-	-	-	101,591,141	101,591,141	53
Other comprehensive income for the year	-	-	-	-	1,973,897	1,973,897	(1)
Total comprehensive income for the year	-	-	-	-	103,565,038	103,565,038	52
Dividend paid (Note 20)	-	-	-	-	(48,000,000)	(48,000,000)	-
Decrease in non-controlling interests of the subsidiary from dividend payment of subsidiary	-	-	-	-	-	-	(13)
Balance as at 31 December 2019	300,000,000	348,486,525	46,314	30,000,000	186,577,575	865,110,414	505

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

Alla Public Company Limited and its subsidiary
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

	Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2017	300,000,000	348,486,525	30,000,000	77,073,860	755,560,385	
Profit for the year	-	-	-	55,388,146	55,388,146	
Other comprehensive income for the year	-	-	-	(690,999)	(690,999)	
Total comprehensive income for the year	-	-	-	54,697,147	54,697,147	
Dividend paid (Note 20)	-	-	-	(42,000,000)	(42,000,000)	
Balance as at 31 December 2018	300,000,000	348,486,525	30,000,000	89,771,007	768,257,532	
Balance as at 31 December 2018 - previously reported	300,000,000	348,486,525	30,000,000	89,771,007	768,257,532	
Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard (Note 4)	-	-	-	(781,254)	(781,254)	
Balance as at 31 December 2018 - as restated	300,000,000	348,486,525	30,000,000	88,989,753	767,476,278	
Profit for the year	-	-	-	75,758,335	75,758,335	
Other comprehensive income for the year	-	-	-	2,400,160	2,400,160	
Total comprehensive income for the year	-	-	-	78,158,495	78,158,495	
Dividend paid (Note 20)	-	-	-	(48,000,000)	(48,000,000)	
Balance as at 31 December 2019	300,000,000	348,486,525	30,000,000	119,148,248	797,634,773	

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

Alla Public Company Limited and its subsidiary
Statement of cash flows
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	127,207,943	92,379,764	93,306,431	69,638,894
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	16,114,034	17,627,319	8,717,686	11,071,981
Bad debts and doubtful debts	-	2,440	-	-
Reduction of inventory value to net realisable value (reversal)	(1,151,422)	4,252,324	(1,451,280)	2,658,254
(Gain) loss on disposal of property, plant and equipment	1,695,943	(1,167,286)	1,812,188	(372,231)
Gain on sales of current investments in trading securities	(763,427)	(250,423)	(763,427)	(250,423)
Dividend income	-	(2,694)	(7,999,987)	(2,694)
Provision for warranty (reversal)	1,153,540	(2,878,652)	297,921	(1,624,985)
Provision for long-term employee benefits	13,733,656	9,638,017	11,640,399	7,651,533
Unrealised gain on changes in value of current investments in trading securities	(1,486,969)	(1,047,990)	(1,487,560)	(1,047,990)
Unrealised (gain) loss on exchange	306,258	(787,924)	270,021	(716,686)
Interest income	(2,978,278)	(2,914,289)	(2,192,671)	(2,371,634)
Interest expenses	<u>217,631</u>	<u>383,302</u>	<u>204,386</u>	<u>335,809</u>
Profit from operating activities before changes in operating assets and liabilities	154,048,909	115,233,908	102,354,107	84,969,828
Operating assets (increase) decrease				
Trade and other receivables	(13,500,006)	(84,755,103)	25,732,279	(69,791,971)
Inventories	(14,785,894)	(50,124,553)	(13,711,376)	(68,241,049)
Other current assets	(2,856,403)	(4,754,235)	(3,015,030)	(6,269,395)
Deposits and guarantees	-	3,600	-	1,200
Operating liabilities increase (decrease)				
Trade and other payables	15,207,109	37,673,879	(5,312,258)	47,693,114
Deposit received in advance	(13,977,316)	30,361,012	(18,872,483)	28,990,304
Other current liabilities	3,226,435	(819,883)	2,681,435	(1,744,946)
Cash paid for long-term employee benefits	<u>(4,035,000)</u>	<u>(4,944,520)</u>	<u>(3,570,000)</u>	<u>(2,864,450)</u>
Cash flows from operating activities	123,327,834	37,874,105	86,286,674	12,742,635
Cash paid for income tax	<u>(18,745,397)</u>	<u>(13,393,367)</u>	<u>(13,700,395)</u>	<u>(11,129,439)</u>
Net cash flows from operating activities	<u>104,582,437</u>	<u>24,480,738</u>	<u>72,586,279</u>	<u>1,613,196</u>

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

Alla Public Company Limited and its subsidiary
Statement of cash flows (continued)
For the year ended 31 December 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
(Increase) decrease in current investments	70,376,730	(90,000,000)	95,188,364	(90,000,000)
Increase in other long-term investments	(50,000,000)	(10,000,000)	(50,000,000)	(10,000,000)
Decrease in restricted bank deposits	-	300,000	-	-
Purchase of property, plant and equipment	(26,975,368)	(34,582,691)	(22,111,951)	(5,105,348)
Purchase of intangible assets	(129,340)	(127,410)	(81,500)	(127,410)
Dividend received	-	2,694	7,999,987	2,694
Cash received from sales of property, plant and equipment	2,693,660	1,365,607	2,150,622	491,775
Interest income	<u>2,525,802</u>	<u>2,814,151</u>	<u>1,928,919</u>	<u>2,271,129</u>
Net cash flows from (used in) investing activities	<u>(1,508,516)</u>	<u>(130,227,649)</u>	<u>35,074,441</u>	<u>(102,467,160)</u>
Cash flows from financing activities				
Cash paid for liabilities under financial lease agreements	(2,946,436)	(4,138,684)	(2,392,827)	(3,214,584)
Cash paid for interest expenses	(217,631)	(383,302)	(204,386)	(335,809)
Dividend paid	<u>(47,990,136)</u>	<u>(41,986,983)</u>	<u>(47,990,123)</u>	<u>(41,986,983)</u>
Net cash flows used in financing activities	<u>(51,154,203)</u>	<u>(46,508,969)</u>	<u>(50,587,336)</u>	<u>(45,537,376)</u>
Net increase (decrease) in cash and cash equivalents	51,919,718	(152,255,880)	57,073,384	(146,391,340)
Cash and cash equivalents at beginning of the year	<u>118,216,211</u>	<u>270,472,091</u>	<u>54,932,167</u>	<u>201,323,507</u>
Cash and cash equivalents at end of the year	<u><u>170,135,929</u></u>	<u><u>118,216,211</u></u>	<u><u>112,005,551</u></u>	<u><u>54,932,167</u></u>

Supplement cash flows information

Non-cash items:

Net increase (decrease) in other accounts payable for
purchase of property, plant and equipment

(1,906,806)	(6,204,814)	(692,317)	321,728
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The accompanying notes are an integral part of the financial statements.

Alla Public Company Limited and its subsidiary
Notes to consolidated financial statements
For the year ended 31 December 2019

1. General information

1.1 Corporate information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Subsidiary	Nature of business	Percentage of shareholding	
		2019	2018
		Percent	Percent
Onvalla Company Limited	Import, distribution of cranes and electronic hoists, industrial doors and loading docks, electronic lift, PVC strip curtains, including relevant parts and other, equipment. Providing installation and after sales - service.	100	100

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

- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

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

3. New financial reporting standards

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

During the year, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company and its subsidiary adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company and its subsidiary elect to apply the following practical expedients.

- Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy;
- Not restate the contracts that were modified before 1 January 2019 but reflect the aggregate effect of all of the modifications that occur before such date when identifying the performance obligations, determining the transactions price and allocating the transaction price to the performance obligations.

The cumulative effect of the change is described in Note 4.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current period, the Company and its subsidiary have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Decrease	Decrease
Impact on retained earnings as at 1 January 2019		
Service-type warranties	1,269	976
Related tax	(254)	(195)
Total	1,015	781

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Trade and other receivables	264,222	(4,605)	259,617
Deferred tax assets	9,997	1,038	11,035
Liabilities			
Deposit received in advance	42,595	583	43,179
Shareholders' equity			
Retained earnings	190,708	(4,150)	186,557

(Unit: Thousand Baht)

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
For the year ended 31 December 2019			
Profit or loss:			
Revenues from contracts with customers	859,553	(3,919)	855,634
Income tax expense	(26,401)	784	(25,617)
Profit for the year	104,726	(3,135)	101,591
Profit attributable to:			
Equity holders of the Company	104,726	(3,135)	101,591
Non-controlling interests of the subsidiary	-	-	-
Earnings per share (Baht):			
Basic earnings per share	0.17	-	0.17

(Unit: Thousand Baht)

Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Trade and other receivables	163,799	(2,558)	161,241
Deferred tax assets	7,734	593	8,327
Liabilities			
Deposit received in advance	29,897	406	30,303
Shareholders' equity			
Retained earnings	121,519	(2,371)	119,148

(Unit: Thousand Baht)

Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
For the year ended 31 December 2019			
Profit or loss:			
Revenues from contracts with customers	624,525	(1,988)	622,537
Income tax expense	(17,946)	398	(17,548)
Profit for the year	77,348	(1,590)	75,758
Earnings per share (Baht):			
Basic earnings per share	0.13	-	0.13

The nature of these adjustments are described below:

Service-type warranties - The Company and its subsidiary have determined that service-type warranties should be recognised as revenue when such services have been rendered. Previously, revenue was recognised in full upon delivery of the goods.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Sales of goods including installment services

A sale of goods including installment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue from installment services is recognised when the customer has accepted testing run goods result after installment.

Revenue from sales is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue when such services have been rendered.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Accrued income” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company’s and its subsidiary’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Company and its subsidiary have received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Deposit received in advance” in the statement of financial position. Contract liabilities are recognised as revenue when the Company and its subsidiary perform under the contract.

Other income

Other income is recognised on an accruals basis.

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

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

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

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

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

5.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investment in the subsidiary is accounted for in the separate financial statements using the cost method.

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

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

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

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

5.6 Property, plant and equipment and depreciation

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

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

Buildings and building improvements	-	5 - 52	years
Machinery, tools and equipment	-	2 - 30	years
Furniture, fixtures and office equipment	-	3 - 10	years
Motor vehicles	-	5 - 10	years

Depreciation is included in determining income.

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

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

5.7 Intangible assets

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

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

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

Computer software	3 - 10	years
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5.8 Provision for warranty

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

5.9 Related party transactions

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

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

5.10 Long-term leases

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

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

5.11 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates

Gains and losses on exchange are included in determining income.

5.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

5.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.15 Provisions

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

5.16 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Reduce cost of inventory to net realisable value

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

Plant and equipment and depreciation

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

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

Deferred tax assets

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

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

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

Provision for warranty

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

7. Related party transactions

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

	Consolidated		Separate		(Unit: Thousand Baht)
	financial statements		financial statements		Pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiary</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Revenues from contracts with customers	-	-	6,754	1,183	Cost plus margin
Dividend income	-	-	8,000	-	As declared rate
Management service and software maintenance income	-	-	5,237	4,137	Mutually agreed price as stipulated in the contract
Freight income	-	-	73	73	Cost plus margin
Cost of sales and services	-	-	12,382	6,799	Cost plus margin
Rental expense	-	-	3,175	1,649	Mutually agreed price as stipulated in the contract

As at 31 December 2019 and 2018, the balances of the accounts between the Company and related party are as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade and other receivables - related party</u>					
(Note 10)					
Subsidiary company		-	-	7,359	1,482
Trade and other receivables - related party		-	-	7,359	1,482
<u>Trade and other payables - related party</u>					
(Note 17)					
Subsidiary company		-	-	3,088	452
Total trade and other payables - related party		-	-	3,088	452

Directors and management's remuneration

During the years ended 31 December 2019 and 2018, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits		21,635	26,740	17,553	20,462
Post-employment benefits		1,508	2,474	760	1,663
Other long-term benefits		29	10	15	50
Total		23,172	29,224	18,328	22,175

8. Cash and cash equivalents

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash		215	215	135	135
Bank deposits		169,921	118,001	111,871	54,797
Total		170,136	118,216	112,006	54,932

As at 31 December 2019, bank deposits carried interests between 0.20 and 1.25 percent per annum (2018: 0.37 and 1.25 percent per annum).

9. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Fixed deposit	-	100,000	-	100,000
Securities held for trading - Debt securities (Note 9.1)	135,762	103,511	110,762	103,511
Debt security held to maturity - BOT bond (Note 9.2)	-	-	-	-
Total	135,762	203,511	110,762	203,511

9.1 Movements in the short-term investments in securities held for trading during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	103,511	103,511
Purchases	50,000	25,000
Sales - net book value	(20,000)	(20,000)
Gain on sales of investments in securities held for trading	763	763
Unrealised gain from change in value of investments	1,488	1,488
Balance as at 31 December 2019	135,762	110,762

9.2 Movements in the short-term investments in debt securities held to maturity during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial	Separate
	statements	financial statements
Balance as at 1 January 2019	-	-
Cash paid for short-term investments in debt security held to maturity during the period - at cost	49,623	24,812
Accreted discount on debt securities	377	188
Proceed from sales of investment	(50,000)	(25,000)
Balance as at 31 December 2019	-	-

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade accounts receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	-	-	117	29
Overdue				
Less than 3 months	-	-	4,951	244
Total trade accounts receivable - related party	-	-	5,068	273
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	63,257	34,460	43,059	27,164
Overdue				
Less than 3 months	47,348	25,190	33,160	13,060
More than 3 months, not over 6 months	-	3,291	-	1,227
More than 6 months, not over 12 months	623	12	487	12
More than 12 months	75	129	75	129
Total trade accounts receivable - unrelated parties	111,303	63,082	76,781	41,592
Total trade accounts receivable	111,303	63,082	81,849	41,865
<u>Accrued income - sale of goods and service</u>				
Aging				
Less than 3 months	118,127	118,451	58,778	81,949
More than 3 months, not over 6 months	14,274	17,435	4,531	16,820
More than 6 months, not over 12 months	1,542	24,463	1,348	23,262
More than 12 months	10,363	2,742	9,275	2,742
Total accrued income - sale of goods and service	144,306	163,091	73,932	124,773
Less: Allowance for doubtful debts	(53)	(53)	(53)	(53)
Accrued income - sale of goods and service - net	144,253	163,038	73,879	124,720
<u>Other receivables</u>				
Other receivables - related party	-	-	2,291	1,209
Other receivables - unrelated parties	4,061	19,921	3,222	19,104
Total other receivables	4,061	19,921	5,513	20,313
Total trade and other receivables - net	259,617	246,041	161,241	186,898

11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Work in process	67,447	52,798	(1,738)	(3,992)	65,709	48,806
Raw materials and others	127,708	120,566	(6,786)	(5,683)	120,922	114,883
Goods in transit	29,572	36,577	-	-	29,572	36,577
Total	<u>224,727</u>	<u>209,941</u>	<u>(8,524)</u>	<u>(9,675)</u>	<u>216,203</u>	<u>200,266</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Work in process	56,693	43,588	(827)	(3,193)	55,866	40,395
Raw materials and others	103,046	93,630	(5,124)	(4,209)	97,922	89,421
Goods in transit	27,310	36,119	-	-	27,310	36,119
Total	<u>187,049</u>	<u>173,337</u>	<u>(5,951)</u>	<u>(7,402)</u>	<u>181,098</u>	<u>165,935</u>

During the current year, the Company and its subsidiary reversed the amount of reduced cost of inventories by Baht 1.15 million (2018: recorded the amount of reduced cost of inventories by Baht 4.25 million) and the Company only by Baht 1.45 million (2018: recorded the amount of reduced cost of inventories by Baht 2.66 million) to reflect the net realisable value, which was included in cost of sales and services.

12. Restricted bank deposits

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

13. Investment in subsidiary

As at 31 December 2019 and 2018, details of investment in subsidiary company in the separate financial statements are summarised below.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(%)	(%)				
Onvalla Co., Ltd.	250,000	250,000	100	100	252,000	252,000	8,000	-
Total					252,000	252,000	8,000	-

14. Other long-term investments

(Unit: Thousand Baht)

		Consolidated and separate financial statements	
	Interest rate (Percent per annum)	<u>2019</u>	<u>2018</u>
<u>Investment in debt security held to maturity</u>			
Corporate bonds due A.D. 2022	5.00	<u>10,000</u>	<u>10,000</u>
Total investment in debt security held to maturity		<u>10,000</u>	<u>10,000</u>
<u>Fixed deposits</u>			
12-month fixed deposits	1.425	30,000	-
17-month fixed deposits	1.85	<u>20,000</u>	<u>-</u>
Total fixed deposits		<u>50,000</u>	<u>-</u>
<u>Other investment</u>			
Preferred stock		<u>83</u>	<u>83</u>
Total other investment		<u>83</u>	<u>83</u>
Total other long-term investment		60,083	10,083

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2018	47,252	108,788	42,708	25,549	55,754	56,947	336,998
Additions	-	12	1,559	1,277	1,032	24,498	28,378
Transferred in/(out)	-	67,281	7,093	813	-	(75,187)	-
Disposals/write-off	-	-	(398)	(1,206)	(1,471)	-	(3,075)
31 December 2018	47,252	176,081	50,962	26,433	55,315	6,258	362,301
Additions	-	43	2,439	593	2,021	19,972	25,068
Transferred in/(out)	-	1,916	3,738	17	-	(5,671)	-
Disposals/write-off	-	(3,990)	(807)	(2,018)	(6,527)	-	(13,342)
31 December 2019	47,252	174,050	56,332	25,025	50,809	20,559	374,027
Accumulated depreciation:							
1 January 2018	-	48,051	28,356	19,056	34,606	-	130,069
Depreciation for the year	-	2,383	4,209	2,640	7,093	-	16,325
Depreciation on disposals/ write-off	-	-	(331)	(1,076)	(1,470)	-	(2,877)
31 December 2018	-	50,434	32,234	20,620	40,229	-	143,517
Depreciation for the year	-	3,671	4,429	2,059	5,321	-	15,480
Depreciation on disposals/ write-off	-	(1,647)	(693)	(1,978)	(4,635)	-	(8,953)
31 December 2019	-	52,458	35,970	20,701	40,915	-	150,044
Net book value:							
31 December 2018	47,252	125,647	18,728	5,813	15,086	6,258	218,784
31 December 2019	47,252	121,592	20,362	4,324	9,894	20,559	223,983
Depreciation for the year							
2018 (Baht 11 million included in cost of sales and services, and the balance in selling and administrative expenses)							16,325
2019 (Baht 11 million included in cost of sales and services, and the balance in selling and administrative expenses)							15,480

(Unit: Thousand Baht)

Separate financial statements

	Land and improvement	Building and improvement	Machinery, tools and equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2018	5,941	50,752	20,001	16,382	42,576	206	135,858
Additions	-	12	1,119	865	1,032	2,399	5,427
Transferred in/(out)	-	-	171	-	-	(171)	-
Disposals/write-off	-	-	(252)	(717)	(1,471)	-	(2,440)
31 December 2018	5,941	50,764	21,039	16,530	42,137	2,434	138,845
Additions	-	-	1,237	326	2,019	17,838	21,420
Transferred in/(out)	-	3	476	-	-	(479)	-
Disposals/write-off	-	(3,990)	(500)	(926)	(5,258)	-	(10,674)
31 December 2019	5,941	46,777	22,252	15,930	38,898	19,793	149,591
Accumulated depreciation:							
1 January 2018	-	32,201	14,845	11,625	25,292	-	83,963
Depreciation for the year	-	1,003	1,621	1,877	5,382	-	9,883
Depreciation on disposals/ write-off	-	-	(213)	(638)	(1,470)	-	(2,321)
31 December 2018	-	33,204	16,253	12,864	29,204	-	91,525
Depreciation for the year	-	805	1,556	1,460	4,281	-	8,102
Depreciation on disposals/ write-off	-	(1,647)	(423)	(889)	(3,752)	-	(6,711)
31 December 2019	-	32,362	17,386	13,435	29,733	-	92,916
Net book value:							
31 December 2018	5,941	17,560	4,786	3,666	12,933	2,434	47,320
31 December 2019	5,941	14,415	4,866	2,495	9,165	19,793	56,675
Depreciation for the year							
2018 (Baht 6 million included in cost of sales and services, and the balance in selling and administrative expenses)							9,883
2019 (Baht 5 million included in cost of sales and services, and the balance in selling and administrative expenses)							8,102

As at 31 December 2019, the Company and its subsidiary had motor vehicles with net book value of Baht 3.98 million (2018: Baht 8.59 million) and the Company only amounting to Baht 3.98 million (2018: Baht 7.07 million) which were acquired under finance lease agreements.

As at 31 December 2019, certain plant and equipment items of the Company and its subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounting to Baht 73.04 million (2018: Baht 63.82 million) and the Company only amounting to Baht 54.96 million (2018: Baht 45.74 million).

As at 31 December 2019, the subsidiary pledged its land and buildings thereon, of which net book value amounting to Baht 142.46 million (2018: Baht 143.37 million), with financial institutions as collateral to secure credit facilities of the Company and its subsidiary.

16. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2019:		
Cost	12,677	11,757
Less: Accumulated amortisation	(9,752)	(8,895)
Net book value	<u>2,925</u>	<u>2,862</u>
31 December 2018:		
Cost	11,475	10,603
Less: Accumulated amortisation	(8,045)	(7,207)
Net book value	<u>3,430</u>	<u>3,396</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	3,430	4,605	3,396	4,458
Additions	129	127	82	127
Amortisation for the year	(634)	(1,302)	(616)	(1,189)
Net book value at end of year	<u>2,925</u>	<u>3,430</u>	<u>2,862</u>	<u>3,396</u>

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade accounts payable - related party	-	-	2,058	426
Trade accounts payable - unrelated parties	82,182	80,745	60,298	76,675
Other payables - related party	-	-	1,030	26
Other payables - unrelated parties	15,720	12,222	10,427	8,056
Total trade and other payables	<u>97,902</u>	<u>92,967</u>	<u>73,813</u>	<u>85,183</u>

18. Liabilities under financial lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities under financial lease agreements	2,375	5,551	2,375	4,984
Less: Deferred interest expenses	(127)	(356)	(127)	(343)
Total	2,248	5,195	2,248	4,641
Less: Portion due within one year	(1,406)	(2,753)	(1,406)	(2,296)
Liabilities under financial lease agreements, net of current portion	<u>842</u>	<u>2,442</u>	<u>842</u>	<u>2,345</u>

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

As at 31 December 2018, liabilities under financial lease agreements were partial guaranteed by their directors. During the second quarter of 2019, such liabilities under financial lease agreements had been fully paid and the guarantee by directors was terminated.

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

(Unit: Thousand Baht)

As at 31 December 2019						
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1 - 5 years	Total	1 year	1 - 5 years	Total
Future minimum lease payments	1,509	866	2,375	1,509	866	2,375
Deferred interest expenses	(103)	(24)	(127)	(103)	(24)	(127)
Present value of future minimum lease payments	1,406	842	2,248	1,406	842	2,248

(Unit: Thousand Baht)

As at 31 December 2018						
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1 - 5 years	Total	1 year	1 - 5 years	Total
Future minimum lease payments	2,979	2,572	5,551	2,510	2,474	4,984
Deferred interest expenses	(226)	(130)	(356)	(214)	(129)	(343)
Present value of future minimum lease payments	2,753	2,442	5,195	2,296	2,345	4,641

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2019 and 2018, which represents compensation payable to employees after they retire and other employee benefits, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Employee retirement benefits	Other long-term employee benefits	Total
As at 1 January 2018	27,405	11,859	39,264
Included in profit or loss:			
Current service cost	4,193	3,444	7,637
Interest cost	528	188	716
Actuarial loss (gain)			
Financial assumptions changes	-	2,389	2,389
Experience adjustments	-	(1,104)	(1,104)
Included in other comprehensive income:			
Actuarial gain			
Financial assumptions changes	(246)	-	(246)
Experience adjustments	(2,408)	-	(2,408)
Benefits paid during the year	(2,739)	(2,205)	(4,944)
As at 31 December 2018	26,733	14,571	41,304
Included in profit or loss:			
Current service cost	2,422	1,294	3,716
Past service cost	6,855	-	6,855
Interest cost	655	271	926
Actuarial loss (gain)			
Demographic assumptions changes	-	(44)	(44)
Financial assumptions changes	-	841	841
Experience adjustments	-	1,439	1,439
Included in other comprehensive income:			
Actuarial loss (gain)			
Demographic assumptions changes	(695)	-	(695)
Financial assumptions changes	(2,519)	-	(2,519)
Experience adjustments	747	-	747
Benefits paid during the year	(2,550)	(1,485)	(4,035)
As at 31 December 2019	31,648	16,887	48,535

(Unit: Thousand Baht)

	Separate financial statements		
	Employee retirement benefits	Other long-term employee benefits	Total
As at 1 January 2018	19,811	8,119	27,930
Included in profit or loss:			
Current service cost	2,601	2,243	4,844
Interest cost	368	119	487
Actuarial loss (gain)			
Financial assumptions changes	-	2,420	2,420
Experience adjustments	-	(99)	(99)
Included in other comprehensive income:			
Actuarial loss (gain)			
Financial assumptions changes	(213)	-	(213)
Experience adjustments	1,076	-	1,076
Benefits paid during the year	(1,124)	(1,740)	(2,864)
As at 31 December 2018	22,519	11,062	33,581
Included in profit or loss:			
Current service cost	1,803	926	2,729
Past service cost	6,182	-	6,182
Interest cost	544	208	752
Actuarial loss (gain)			
Demographic assumptions changes	-	(48)	(48)
Financial assumptions changes	-	650	650
Experience adjustments	-	1,375	1,375
Included in other comprehensive income:			
Actuarial loss (gain)			
Demographic assumptions changes	(575)	-	(575)
Financial assumptions changes	(2,827)	-	(2,827)
Experience adjustments	402	-	402
Benefits paid during the year	(2,550)	(1,020)	(3,570)
As at 31 December 2019	25,498	13,153	38,651

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 6.85 million (The Company only: Baht 6.18 million) as a result. During the second quarter of 2019, the Company and its subsidiary recorded the effect of change by recognising past service costs as expenses in the profit or loss.

The Company and its subsidiary expect to pay Baht 9.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 8.3 million) (2018: Baht 4.1 million, separate financial statements: Baht 3.6 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 12.34 to 13.24 years (2018: 13.49 to 14.48 years) The Company only: 12.34 years (2018: 14.48 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.12 - 1.28	2.05 - 2.38	1.12 - 1.23	2.08
Salary increase rate	4.00	4.50 - 7.00	4.00	7.00
Employee turnover rate (depending on age)	0 - 18.00	0 - 19.00	0 - 18.00	0 - 19.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

As at 31 December 2019				
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,445)	1,542	(1,110)	1,185
Salary increase rate	990	(935)	760	(717)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1,818)	2,077	(1,391)	1,586

(Unit: Thousand Baht)

As at 31 December 2018				
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,236)	1,318	(985)	1,051
Salary increase rate	849	(802)	687	(648)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1,529)	1,742	(1,192)	1,360

20. Dividend paid

On 24 April 2018, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment for the operating results of the year 2017 to the Company's shareholders at the rate of Baht 0.07 per share, totaling Baht 42 million. The Company paid dividends to its shareholders on 18 May 2018.

On 23 April 2019, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment for the operating results of the year 2018 to the Company's shareholders at the rate of Baht 0.08 per share, totaling Baht 48 million. The Company paid dividends to its shareholders on 17 May 2019.

21. Statutory reserve

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

22. Revenue from contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Type of goods or service:				
Crane and hoist	643,028	485,414	422,920	321,469
Loading dock and equipment	169,336	182,929	157,892	174,980
Warehouse management system and equipment	43,107	56	41,607	56
Training center service	163	354	118	182
Total revenue from contracts with customers - recognised at a point in time	<u>855,634</u>	<u>668,753</u>	<u>622,537</u>	<u>496,687</u>

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Raw materials used	441,189	325,748	330,844	232,420
Changes in inventories of work in process	(15,491)	(18,832)	(14,259)	(12,801)
Salaries, wages and other employee benefits	205,902	197,604	154,835	145,781
Depreciation and amortisation expenses	16,114	17,627	8,718	11,072
Subcontractor expenses	17,667	7,700	14,397	6,008
Freight and import expense	14,936	12,311	10,571	9,887
Transportation expenses	9,039	10,151	7,339	7,952
Utilities expenses	5,036	5,441	3,210	3,663
Commission expenses	9,375	8,006	6,446	5,900
Reduce cost of inventory value (reversal)	(1,151)	4,252	(1,451)	2,658
Provision for warranty (reversal)	1,154	(2,879)	298	(1,624)
Repair and maintenance expenses	3,431	3,629	2,486	2,582
Professional fee	5,634	5,666	4,361	4,582
Rental expenses	1,278	711	4,133	2,154

24. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge for the year	26,738	19,487	18,144	15,170
Adjustment in respect of current income tax of previous year	360	-	360	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,481)	(908)	(956)	(919)
Income tax expenses reported in profit or loss	25,617	18,579	17,548	14,251

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial (gain) loss	(493)	(531)	(600)	173

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	127,208	92,380	93,306	69,639
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	25,442	18,476	18,661	13,928
Adjustment in respect of current income tax of previous year	360	-	360	-
Effects of:				
Non-deductible expenses	594	615	578	401
Additional expense deductions allowed	(661)	(370)	(451)	(78)
Income not subject to tax	-	-	(1,600)	-
Related transactions	(118)	(142)	-	-
Total	(185)	103	(1,473)	323
Income tax expenses reported in profit or loss	25,617	18,579	17,548	14,251

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Allowance for doubtful accounts	11	11	11	11
Allowance for diminution in value of inventories	1,705	1,935	1,190	1,480
Provision for long-term employee benefits	9,707	8,261	7,730	6,716
Provision for warranty	619	418	265	221
Others	117	-	81	-
Total	<u>12,159</u>	<u>10,625</u>	<u>9,277</u>	<u>8,428</u>
Deferred tax liabilities				
Unrealised gain on held for trade investments	950	652	950	652
Accumulated depreciation - building	174	180	-	-
Total	<u>1,124</u>	<u>832</u>	<u>950</u>	<u>652</u>
Deferred tax assets - net	<u><u>11,035</u></u>	<u><u>9,793</u></u>	<u><u>8,327</u></u>	<u><u>7,776</u></u>

25. Earnings per share

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

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

	Weighted average number					
	Profit for the year		of ordinary shares		Earnings per share	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<u>Consolidated financial statements</u>						
Basic earnings per share						
Profit attributable to equity holders of the Company	101,591	73,801	600,000	600,000	0.17	0.12
<u>Separate financial statements</u>						
Basic earnings per share						
Profit attributable to equity holders of the Company	75,758	55,388	600,000	600,000	0.13	0.09

26. Segment information

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

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

1. Sales and relevant service.
2. Service.

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

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

Transfer prices between operating segments are concluded on commercial terms and based agreed upon between the operating segments as described in Note 7 to the financial statements.

Inter-segment revenues are eliminated on consolidation.

The following table presents revenue and profit and total assets information regarding the Company and its subsidiary's operating segments as at and for the years ended 31 December 2019 and 2018:

(Unit: Thousand Baht)

Consolidated financial statements

For the years ended 31 December

	Sale and relevant service income		Service income		Total segments		Eliminated transactions		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from contracts with customers										
Related party	14,096	8,501	4,877	707	18,973	9,208	(18,973)	(9,208)	-	-
External customers	697,441	528,212	158,193	140,541	855,634	668,753	-	-	855,634	668,753
	<u>711,537</u>	<u>536,713</u>	<u>163,070</u>	<u>141,248</u>	<u>874,607</u>	<u>677,961</u>	<u>(18,973)</u>	<u>(9,208)</u>	<u>855,634</u>	<u>668,753</u>
Gross profit margin					242,989	212,914	664	(553)	243,653	212,361
Other income					26,227	13,424	(16,485)	(4,738)	9,742	8,686
Selling expenses					(37,223)	(32,816)	-	-	(37,223)	(32,816)
Administrative expenses					(97,158)	(101,469)	8,412	6,001	(88,746)	(95,468)
Finance cost					(218)	(383)	-	-	(218)	(383)
Income tax expenses					(25,617)	(18,579)	-	-	(25,617)	(18,579)
Profit for the year					<u>109,000</u>	<u>73,091</u>	<u>(7,409)</u>	<u>710</u>	<u>101,591</u>	<u>73,801</u>
Segment total assets									1,120,767	1,048,319
Additions to non-current assets other than deferred tax assets									54,694	20,376

Geographic information

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

Major customers

In 2019, the Company and its subsidiary had no major customer with revenue of 10 percent or more than of its consolidated revenue.

In 2018, the Company and its subsidiary had revenue from 1 major customer in amount of Baht 106.53 million and the Company only of Baht 106.53 million.

27. Provident fund

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary, the Company and its subsidiary contribute to the fund monthly at the same rate as its employees but not more than 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 by the Company and its subsidiary amounting to Baht 2.96 million (2018: Baht 3.24 million) and the Company only amounting to Baht 2.37 million (2018: Baht 2.71 million) were recognised as expenses.

28. Commitments and contingent liabilities

As at 31 December 2019, the Company and its subsidiary had commitments and contingent liabilities as follows:

28.1 Capital commitments

As at 31 December 2019, the Company and its subsidiary had capital commitments of Baht 0.20 million (2018: Baht 1.57 million), the Company only amounting to Baht 0.20 million (2018: Baht 0.19 million), relating to office and factory renovation of the Company.

28.2 Operating lease and service commitments

The Company and its subsidiary have entered into several lease and service agreements in respect of the lease of space, computer software maintenance, security service, consultant fee and other services. The terms of the agreements are generally between 1 and 5 years.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable within:				
Less than 1 year	0.17	2.26	2.99	0.93
1 to 5 years	1.29	0.56	0.74	0.22

28.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of Baht 58.20 million (2018: Baht 52.21 million), the Company only of Baht 45.20 million (2018: Baht 41.32 million), issued by banks on behalf of the Company and its subsidiary to guarantee contractors work.

28.4 Credit facilities

The Company and its subsidiary have unused credit facilities of bank overdraft and other credits of approximately Baht 563 million which are guaranteed by land and building thereon of its subsidiary and pledge by bank deposits of the Company.

28.5 Litigation

In December 2019, a company sued the Company for breach of a contract for construction and renovation of office building and factory at Chachoengsao, claiming damages of Baht 20.59 million, together with interest thereon at the rate of 7.5 percent per annum, calculated from due date for payment of such damages until the payment is settled. On 17 February 2020, the Company submitted its testimony and filed a counterclaim against that company for damages of Baht 42.75 million.

At present, the case is still being considered by the Court of First Instance. After consideration, the Company's management believes that the Company is not in breach of the contract as claimed by that company and it would not be liable to any damages. Therefore, the Company did not set aside a provision for contingent liabilities arising from such litigation in its accounts as at 31 December 2019.

29. Fair value hierarchy

As at 31 December 2019 and 2018, the Company and its subsidiary had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

As at 31 December 2019				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments - fund				
Debt instruments	-	135,762	-	135,762
Asset for which fair value are disclosed				
Investment in debt security held to maturity	-	10,308	-	10,308
Derivatives				
Foreign currency forward contract	-	22	-	22

(Unit: Thousand Baht)

As at 31 December 2018				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments - fund				
Debt instruments	-	103,511	-	103,511
Asset for which fair value are disclosed				
Investment in debt security held to maturity	-	10,186	-	10,186
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	140	-	140

(Unit: Thousand Baht)

As at 31 December 2019

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments - fund				
Debt instruments	-	110,762	-	110,762
Asset for which fair value are disclosed				
Investment in debt security held to maturity	-	10,308	-	10,308
Derivatives				
Foreign currency forward contract	-	22	-	22

(Unit: Thousand Baht)

As at 31 December 2018

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Held for trade investments - fund				
Debt instruments	-	103,511	-	103,511
Asset for which fair value are disclosed				
Investment in debt security held to maturity	-	10,186	-	10,186
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contract	-	63	-	63

30. Financial instruments

30.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

(Unit: Million Baht)

As at 31 December 2019

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(Unit: Million Baht)

As at 31 December 2018

	Consolidated financial statements					Separate financial statements				
	Fixed interest rates			Effective interest rate		Fixed interest rates			Effective interest rate	
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets										
Cash and cash equivalents	30.4	-	37.5	50.3	118.2	30.1	-	22.7	2.2	55.0
Current investments	100.0	-	-	103.5	203.5	100.0	-	-	103.5	203.5
Trade and other receivables	-	-	-	246.0	246.0	-	-	-	186.9	186.9
Other long-term investments	-	10.0	-	0.1	10.1	-	10.0	-	0.1	10.1
	130.4	10.0	37.5	399.9	577.8	130.1	10.0	22.7	292.7	455.5
Financial liabilities										
Trade and other payables	-	-	-	93.0	93.0	-	-	-	85.2	-
Liabilities under financial lease agreement	4.7	-	-	0.5	5.2	4.2	-	-	0.5	4.7
	4.7	-	-	93.5	98.2	4.2	-	-	85.7	89.9

Foreign currency risk

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

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

	As at 31 December 2019				
	Consolidated		Separate		Average exchange rate as at 31 December 2019 (Baht per one foreign currency unit)
	financial statements		financial statements		
Currency	Assets	Liabilities	Assets	Liabilities	
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	
EUR	38	1,411	37	1,341	33.7311
USD	64	189	64	134	30.1540
CNY	-	50	-	50	4.3147

As at 31 December 2018					
Currency	Consolidated		Separate		Average exchange rate as at 31 December 2018 (Baht per one foreign currency unit)
	financial statements		financial statements		
	Assets	Liabilities	Assets	Liabilities	
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	
EUR	12	1,635	11	1,598	37.1252
USD	41	53	41	51	32.4498
SGD	-	6	-	3	23.6943
CNY	-	75	-	75	4.7237

As at 31 December 2019 and 2018, the Company and its subsidiary had outstanding forward exchange contract with maturities less than one year as follows:

As at 31 December 2019				
Consolidated financial statements				
Foreign currency	Bought amount	Amount paid by Baht per contract	Contractual maturity date	Contractual exchange rate of bought amount
	(Thousand)	(Thousand Baht)		(Baht per one foreign currency unit)
Euro	184	6,260	4 - 29 June 2020	33.80 - 33.87

As at 31 December 2018

Consolidated financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate of bought amount (Baht per one foreign currency unit)
Euro	529	19,943	2 April - 2 July 2019	37.69 - 38.31

As at 31 December 2019

Separate financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate of bought amount (Baht per one foreign currency unit)
Euro	184	6,260	4 - 29 June 2020	33.80 - 33.87

As at 31 December 2018

Separate financial statements

Foreign currency	Bought amount (Thousand)	Amount paid by Baht per contract (Thousand Baht)	Contractual maturity date	Contractual exchange rate of bought amount (Baht per one foreign currency unit)
Euro	278	10,470	14 June - 2 July 2019	37.69 - 37.74

The net fair value of the outstanding derivatives as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
	Gain	Loss	Gain	Loss
Derivatives				
Forward exchange contracts	22	(140)	22	(63)

30.2 Fair values of financial instruments

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

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, fixed deposit which mature within one year, trade and other receivables, trade and other payables and liabilities under finance lease agreements, their carrying amounts in the statement of financial position approximate their fair value.
- b) Current investments in securities held for trading debt securities are stated at market fair value.
- c) Investments in debt security held to maturity are disclosed at market fair value.

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

31. Capital management

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

As at 31 December 2019, the Company and its subsidiary's debt-to-equity ratio was 0.30:1 (2018: 0.29:1) and the Company only was 0.23:1 (2018: 0.26:1).

32. Event after the reporting period

On 26 February 2020, the Board of Directors' Meeting of the Company passed a resolution to approve the dividend payment for the operating results of the year 2019 at the rate of Baht 0.10 per share, totaling Baht 60 million. The schedule of dividend payment is in May 2020. However, such dividend payment is subject to the approval of the Annual General Meeting of the Shareholders, which to be held on 28 April 2020.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.



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