



THE CRANE

บริษัท ชูไค จำกัด (มหาชน)  
CHU KAI PUBLIC COMPANY LIMITED

รายงานประจำปี 2557  
ANNUAL REPORT 2014





## Contents

	<b>Our Vision</b>
<b>Vision / Mission</b> .....	<b>1</b>
<b>Importance Financial information</b> .....	<b>2</b>
<b>Message from Chairman of the Board of Directors</b> .....	<b>3</b>
<b>Message from Chief Executive Officer</b> .....	<b>4</b>
<b>Audit Committee's Report</b> .....	<b>6</b>
<b>General information and other important information</b> .....	<b>8</b>
<b>Policy and overall image of business operation</b> .....	<b>10</b>
<b>Type of Business Operation</b> .....	<b>13</b>
<b>Risk Factors</b> .....	<b>17</b>
<b>Shareholders Structure</b> .....	<b>19</b>
<b>Management Structure</b> .....	<b>20</b>
<b>Corporate Governance</b> .....	<b>30</b>
<b>Corporate social responsibilities</b> .....	<b>39</b>
<b>Internal Control and risk management</b> .....	<b>40</b>
<b>Dividend Policy</b> .....	<b>41</b>
<b>Related Party Transactions</b> .....	<b>42</b>
<b>Report of Board of Directors' Responsibilities</b> .....	<b>46</b>
<b>Details about directors, executives, authorized persons and secretary of the company</b> .....	<b>47</b>
<b>Details about directors of subsidiary companies</b> .....	<b>53</b>
<b>Financial Status and Operating Results Analysis</b> .....	<b>54</b>
<b>Auditor's Report &amp; Financial Report</b> .....	<b>56</b>



## Vision

To be the leading logistic service operator on lifting and transporting machinery and equipment in Southeast Asia with highest standard of services and readiness for the maximum benefit and satisfaction of our customers.



## Mission

- To raise and maintain our standard of services to meet and satisfy with customers demand and worth for business
- Generate value added to the organization by providing standard services in line with the nature of customers' works.
- Deploying state-of-the-art machinery technologies from abroad to operate in Thailand.
- Add international standard of services accepted by the customers and general public.
- Perseverance to building higher security working standard.
- Develop living quality and enhance potentiality of employees working in the organization



## Importance Financial Information

Unit : Million Baht

	2012	+ / -	2013	+ / -	2014	+ / -
	Consolidate	(%)	Consolidate	(%)	Consolidate	(%)
<b>Balance Sheet</b>						
Current Assets	471.27	+ 57.14	791.85	+ 68.02	584.27	-26.21
Total Assets	2,803.91	+38.39	3,094.97	+10.38	2,726.23	-11.91
Current Liabilities	1,033.86	+39.14	1,128.19	+9.12	552.82	-51.00
Total Liabilities	1,686.47	+53.11	1,912.98	+13.43	1,313.22	-31.35
Total Shareholders' Equity	1,117.44	+ 16.48	1,181.99	+ 5.78	1,413.01	+19.55
<b>Statements of Income</b>						
Revenue from sales	724.19	+ 46.83	807.41	+ 11.49	402.20	-50.19
Revenue from rental and transportation services	552.30	+ 19.24	606.60	+ 9.83	665.48	+9.71
Total Revenue	1,276.49	+ 33.47	1,414.01	+ 10.77	1,067.68	-24.49
Gross profit	383.14	+ 26.35	354.46	-7.49	345.61	-2.50
EBITDA	421.29	+ 50.78	377.53	-10.39	542.32	+43.65
Net Profit	164.32	+ 66.45	72.59	-55.82	236.38	+225.64
<b>Financial Ratio Analysis</b>						
Current ratio (times)						
Debts to Equity (times)	0.46		0.70		1.06	
Debt Service Coverage Ratio (times)	1.51		1.62		0.93	
Return on Equity (%)	5.92		7.99		0.77	
Gross Profit Margin (%)	15.82		6.31		18.22	
Net Profit Margin (%)	30.02		25.27		32.37	
	12.46		5.08		19.00	



## Message from Chairman of the Board of Directors

### Dear All Shareholders

Following the year 2013, Thai economic condition continuously slowed down in 2014, with an economic growth rate or GDP of only 0.7 percent. This is because of internal political crisis which led to a military coup in May 2014, causing a slowdown in investment both from public and private sectors. In addition, during the last six months of 2014, global economic was affected by the plunge of fuel prices, the end of QE measures by US, and terrorist attack. These things had effects Thailand in terms of monetary market, fund market, and exports. Business administration became more difficult and required high caution, resulting in lower company's income. However, the managing directors closely cooperated with chief executive officers and set up a strategy to reduce investment interest expense. This was done through selling non-performing assets and repaying debts to the bank and financial institutions to reduce interest burden and increase the company's profits to be more than that of 2013.

We, in the name of the Board of Directors, would like to express our great thanks to all shareholders, customers, financial institutes, executives, staff, and any related parties for kindly supporting the company's operation. We promise to closely co-ordinate with the management team in setting up strategies for the company to defeat the obstacles and become more competitive under good corporate governance. This includes the development of the company's business potential to achieve targets and sustainable growth in order to provide benefits to every party involved.

.....  
(Assist. Prof. Dr. Piboon Limprapat)

Chairman of the Board of Directors



## Message from Chief Executive Officer

### Dear All Shareholders

In 2014, Thai economic was directly affected by political crisis, which began at the end of 2013 and led to parliament dissolution and military coup. Although Thai politics became more stable since the middle of 2014, the economic drive has not yet resumed its full operation. Public investment projects slowed down as well as spending from private sector and citizens in general became low. The economic slowly revived, resulting in fairly low business expansion of only 0.7 percent.

Regarding the company's performance in 2014, the sales income decreased by 24 percent. This was directly affected by the slowdown of public infrastructure project investment. The services income which emphasizes on heavy industry e.g. petrochemical, fuel continually grows. The ratio of sales and services income is 38:62. The company is able to make profits from using the machines to greatly cover the depreciation expense. At the beginning of 2014, the company sold non-performing lands and used the money to reduce loan burden and interest expense. This provided the company with higher net profit of 226 percent compared to 2013. Also in August 2014, the company moved registered stocks from MAI stock exchange to the Stock Exchange of Thailand (SET) so as to increase the potential and be prepared for the more flexible growth in the future.

In 2015, the company announced the direction for the next 3 years to be the period of creating business's "sustainability". The company will not only emphasize on the income growth and operation profits but will also extend to focus more on marketing, services, and human resource. Relating to marketing, corporate image and branding will be strengthened through being an agent for Zoomlion, leasing and transporting machines under the brand THE CRANE. The company is a leader in heavy industry services with the advantages of having the biggest machines in the country and long experience. Not only services, we also provide lifting solution for the customer to lift/move their machines effectively with a reasonable price. In terms of services and human resource, the company will develop our services to be excellent with world class standard. The company's personnel will keep developing their knowledge and skills to be ready for working in a more competitive environment both domestically and internationally after entering AEC at the end of 2015.

In addition, the company will strengthen machine leasing and transporting services by grouping customers to be able to respond and provide services more closely. For example, there will be more fundamental jobs using small crawler cranes from both public and private sectors, while goods transportation requiring cranes and container lift trucks will also expand at Laem Chabang port. Regarding Zoomlion agency business, the company has reorganized and established Zoomlion Business Unit to be the one stop service for both sales and customer service. Also, the number of sales and customer service staff has increased to be ready for market competition and opportunities from public infrastructure investment and further market expansion.

The company is committed to create business sustainable growth. This will be achieved by developing heavy machines, personnel and operation system management as well as strengthening the administration in all aspects. The



company will also build good relationship with trade partners related to supply chain to seek an opportunity to expand the business both domestically and internationally. This includes extending our roles to be more responsible for society and people involved. The company will manage risk factors from both inside and outside the country with high caution in order to handle rapid changes that might affect the company's business.

.....  
( Mr. Jessada Promjart )

Chief Executive Officer



## Audit Committee's Report

### Report of the Audit Committee

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

In preceding year, the Audit Committee had performed its duty according to the scope of responsibilities assigned by the Board of Directors. In 2014, there were total 9 Meetings. In the Meetings, the management, the Audit Committee and the Certified Public Accountant had explained related issued which is summarized as follows:-

1. Review to ensure correct and sufficient financial report

To review interim financial statements and for 2014 of the company in jointly with the auditor including disclosure of material information and acknowledge notice of the auditor to propose to the Board of Directors for approval by exchanging idea with the auditor, management and internal audit to ensure that the preparation and disclosure of information in such financial report is correct, complete and credible.

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

To review to ensure suitable and efficient internal control system in jointly with outsourced the auditor, such as, report on internal control efficiency assessment for 2014 and consider audit plan including to acknowledge result of audit and suggestion of internal control department by proposing to the management of the company to consider, improve and correct as deemed appropriate as the case may be including to continuously follow such improvement.

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

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

4. Review the company to comply with related laws

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

5. The Audit Committee had, in the Meeting, considered, selected and proposed to the Board of Directors of the company to further consider and approve in the Annual General Meeting of Shareholder year 2015, to appoint the licensed auditor, namely, Mr. Prawit Viwanthananut, Certified Public Account No. 4917 or Mr. Banjong Pichayaprasart, Certified Public Account No.7147, or Mr. Therdthong Thepmangkorn, Certified Public Account No. 3787 or Mr. Kraisit Silapamongkonkul, Certified Public Account No. 9429 or any other auditors of PV Audit Co., Ltd. was appointed as the auditors of the company and proposed the remuneration for the audition for 2015



6. Consider the disclosure of related item and conflicted item

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

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

.....  
(Mr. Vacharin Duangdara)

Chairman of the Audit Committee





## Other references

Securities registrar : Thailand Securities Depository Company Limited  
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Auditor : PV Audit Company Limited  
14<sup>th</sup> Floor, Vongvanich Building B 100/19 Rama 9 Road,  
Huay Kwang District, Bangkok 10310  
Telephone: 02-645-0080

Legal Consultant : Mr. Pholkrit Kritsanasuwan  
85/1 Soi Prachauthit 54 Yak 1, Bangmod,  
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## Policy and overall image of business operation

Chu Kai Co., Ltd. (“CRANE” or “the company”) and its subsidiaries were established by Mr. Tongchai Praerangsi in 1990 to operate heavy mechanic machines and spares business, including rental heavy machines for lifting, assembling, installing and moving materials or large or heavy equipments. The company was incorporated under the title The Crane Service Co., Ltd. (“TCS”), but later of the extension of many industries, the demand of mechanic machines increased, the company has established The Crane Rayong Co., Ltd. (“TCR”) and The Crane Heavy life Co., Ltd. (“TCH”) to support its business, particularly in industrial areas.

In addition, in 1997, CRANE group established Chu Kai Co., Ltd. as its business to import second-hand heavy mechanics machines from outside countries to distribute to customers and to provide repair service and spares distribution to CRANE group and general customers. Later, the company’s group has restructured shareholders and its organization. In 2004, Chu Kai Co.,Ltd held the company’s shares for 99.99 percent including The Crane Lhaemchabung Co., Ltd. (“TCL”), The Crane Rayong Co., Ltd. (“TCR”) and The Crane Heavy lift Co., Ltd. (“TCH”), while in 2006, Chu Kai Co., Ltd. held 99.99 percent of shares in The Crane Service Co., Ltd. (“TCS”). Moreover, the company has operated new business structure in Chu Kai group to distribute and repair heavy mechanic machines while its subsidiaries provide rental and transportation services.

### Background, changes and important developments of the company

- 1990      The company established The Crane Service Co., Ltd. (“TCS”) where its office situates on Bangna-Trad Road KM.3, with THB 200 million of registered capital, purposing to provide second-hand heavy mechanic services such as, cranes, forklift trucks and trailer trucks and to provide material or equipment transportation by crane, forklift truck, trailers, truck and other mechanic machines. Presently, TCS owns THB 100 million of registered capital and paid-up capital.
- 1992      The company established The Crane Lhaemchabung Co.,Ltd where its office situates in Sriracha District of Cholburi, with THB 2 million of registered capital, to support expansion of business in Lhaemchabung port of Cholburi. Presently, TCL owns THB 25 million of registered capital and paid-up capital.
- 1994      The company established The Crane Rayong Co.,Ltd (“TCR”) where its office situates in Bankai District of Rayong, with THB 2 million of registered capital, to extend its business in Rayong Province due to a lot of customers groups in Map Ta Phut Industrial Estate and to support customs, who are the main target customers of the company, in petroleum business, refining business, metal manufacturing factories and port business. Presently, TCR owns THB 150 of registered capital and paid-up capital.



- 1996 The company established The Crane Heavylift Co., Ltd. where its office situates in Rangsit area, with THB 10 million of registered capital, to provide rental service and transportation around Pathum Thani, Ayutthaya, Saraburi and other province in the south. Presently, the company owns THB 25 million of registered capital and paid-up capital.
- 1997 CRANE has been established with paid-up capital of Baht 1.00 million on Bangna-Trad Road Km. 7 to import from overseas or purchase domestically used cranes and resell to its subsidiaries (TCS, TCL, TCR, and TCH) and other clients. CRANE shall repair and modify the used cranes before reselling to the customers. Moreover, CRANE was the hub of the repair services of used cranes and the sales of spare parts to its subsidiaries (TCS, TCL, TCR and TCH) and other clients. Its subsidiaries shall mainly provide machinery rental services for lifting, assembling and installing as well as transportation services only.
- 1999 CRANE has increase its paid-up capital from Baht 1.00 million to Baht 50.00 million by issued new common shares to the existing shareholders.
- 2002 CRANE has increased its paid-up capital from Baht 50.00 million to Baht 100.00 million.
- May 2004 The company's group has restructured groups of shareholders which Chu Kai Co., Ltd. held shared of its subsidiaries: TCL, TCR and TCH in a ratio at 99.99 percent of their ordinary shares, an acquisition of shares from Mr. Tongchai Praerangsi's group acquired in the fixing value.
- Nov. 2004 CRANE has increased its paid-up capital from Baht 100.00 million to Baht 200.00 million.
- June 2005 CRANE has transformed into Public Company Limited
- Oct. 2006 The company agreed to held 99.99 percent of TCS's ordinary shares from Mr. Tongchai Praerangsi in the fixing value.
- Nov. 2006 CRANE has been granted the loan in the amount of Baht 280.00 million to purchase land on Bangna-Trad Km. 22 for 34-1-41 Rais from Today Transport Co., Ltd. ("TDT") for its future expansion. This loan is used for debt restructuring between TCS and TDT as well.
- Nov. 2006 CRANE has increase its paid-up capital from Baht 200.00 million to Baht 350.00 million by offer to private placement for 50.00 million shares (par value of Baht 1.00 per share) at the price of Baht 2.00 per share, and offer to Mr. Thongchai Praerangsi for 100 million shares (par value of Baht 1.00 per share) at the price of Baht 1.00 per share. The proceed has been used for working capital and invested in TCS at the proportion of 99.99 percent.
- Mar. 2007 CRANE has increase its registered capital to Baht 450.00 million (450,000,000 share at the par value of Baht 1.00 per share) for initial public offering to be listed in MAI.
- Feb. 2008 CRANE was approved for Initial Public Offering (IPO) and and Registered CRANE's ordinary shares in was a listed company in the Market for Alternative Investment (mai)
- Feb.2011 The company was appointed as distributor for ZOOMLION CRANE as the exclusive distributor from ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD., which



is the leader of crane manufacturing company in the People's Republic of China, including after-sale service and spare parts distributions.

- May 2012 Increased registered capital to Baht 506.25 million (total 506,250,000 shares, each share cost baht 1.00) to support dividend payment.
- June 2012 The Crane Heavy Lift Co.,Ltd. had terminated land lease contract and moved its office to Bangna-Trad Road Km. 7
- Jul. 2012 The Company imported used cranes of capacity 600 ton.
- Jan. 2013 The Company imported used crane capacity 1,250 ton from Federal Republic of Germany to support the expansion of large crane rental service under the name of The Crane Rayong Company Limited.
- May 2013 Increased registered capital from formerly Baht506.25 million to new registered capital Baht578.57 million by issuing 72,321,375 new ordinary shares (at par value Baht1.00 per share) to support dividend payment.
- Apr.2014 TCR increased registered capital from THB 25 million to THB 150 million of paid-up capital by offering and issuances shares to existing shareholders at THB 100 par value each.
- May 2014 The company increased registered capital from THB 578.57million to THB 626.78 million by issuance shares for 48,214,186shares (at THB 1 par value each) to support dividend.
- Aug.7,2014 The company moved from MAI stock market to Stock Exchange of Thailand (SET)

#### **Achievements in 2014**

- Award of Outstanding Individual Contribution 2014 from Zoomlion Heavy Industry Science and Technology Co.,Ltd.
- Award of Safety Recognition for the great achievement of Zero Accident from PTT Global PLC. Branch 11 (Olefins 3)
- Award of Safety Recognition for the great achievement of PTTGC 11 Zero Lost Time Accident in Year 2014 from PTT Global PLC. Branch 11 (Olefins 3)
- Award of Safety Recognition for the Successful Completion of the Turnaround and Event Project 2014 from Star Petroleum Refining PLC.



## Type of Business Operation

Chu Kai Co., Ltd. (“CRANE” or “the company”) and its subsidiaries have operated new heavy mechanics machines from ZOOMLION brand of the People’s Republic of China. CRANE has distributed already used heavy mechanic machines for lifting, assembling, installing and moving machines, materials or large equipments by distributed or rental heavy machines, which are cranes, forklift trucks, container lifting trucks and main lifts truck for construction, including repair service and spares of heavy mechanic machines distribution.

The distribution and service business have been operated by the company while the transportation and transportation services by its subsidiaries which are The Crane Service Co., Ltd. (“TCS”), The Crane Laem Chabang Co., Ltd. (“TCL”) and The Crane Rayong Co., Ltd. (“TCR”) type of business services into 3 groups, as follows:-

1. Selling heavy machine as operated by the company is classified into:-

- ▶ Selling of new heavy machine in the type of crane, of ZOOMLION BRAND from People’s Republic of China as the company was appointed as the exclusive distributor in Thailand. Since 2011 from Zoomlion Heavy Industry Science and Technology Co., Ltd.
- ▶ Selling reconditioned heavy machine in case of the customer required to purchase the machine due to long term continuous use, of which, investment to purchase and hold ownership thereof would be more worth than renting. In addition, the company also provided service to sell the machines.

2. Service business is classified as:-

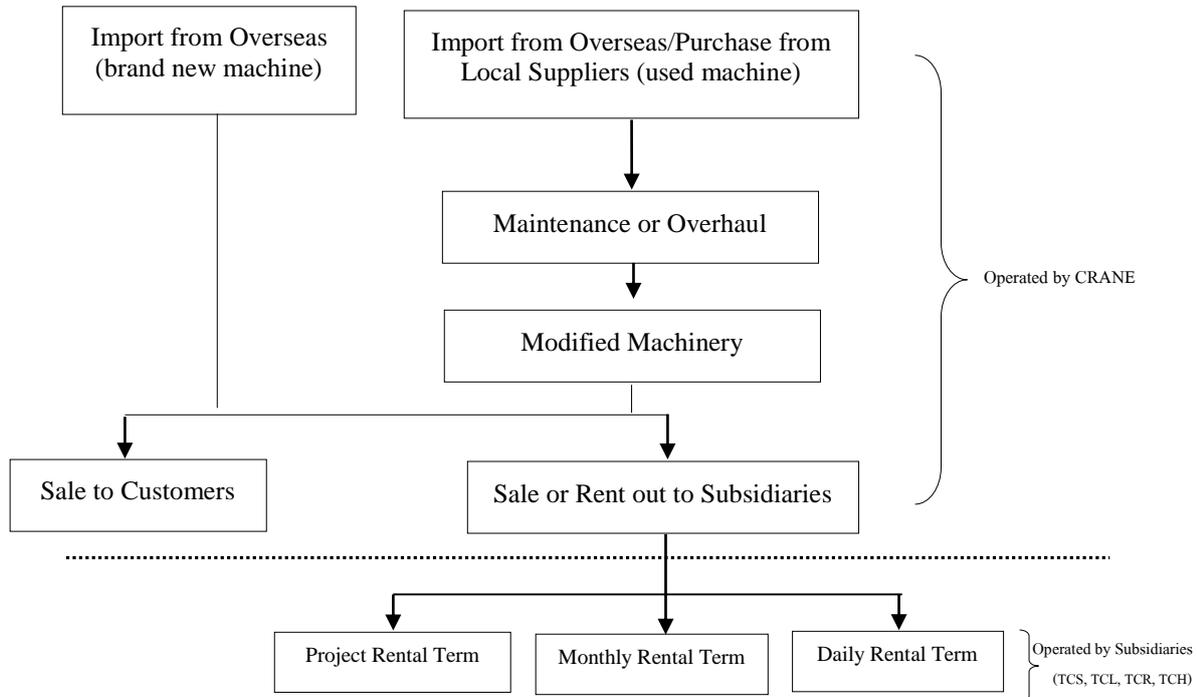
Service to move, lift, assemble and install machine, large material or equipment by using crane, forklift, top loader and other machines including transportation service by prime mover and semi-trailer or several types of trucks both on project lump sum basis or monthly service or daily service. These businesses were operated by 4 affiliated companies, e.g. TCR, TCL, TCH and TCS whereby all those companies had heavy machines to support the customers’ demands, as classified into 3 major types, as follows:-

- ▶ Crane, the heavy machine used in construction of large and small industrial sector and both for private sector and projects of the government sectors including the business of port, refinery plant, power plant and petrochemical industry by mean of lifting, assembling or installing machine of large size, high and heavy article and small but high article including general articles. Most crane of the company was the used cranes in good conditions imported from Japan, i.e. KATO, TADANO, P&H, KOBELCO, SUMITOMI, IHI, HITACHI while cranes imported from Germany and Holland were DEMAG, GOTTWALD, LIEBHERR, etc
  - ▶ Forklift was mediums size machine used to lift the products at industrial factories and in the port to lift, move the imported or exported products. Most forklift of the company was in good conditions imported from Japan, such as, TOYOTA, KOMATSU, MITSUBISHI, TCM and PPM, BOSS, HYSTER and YALE from Europe and America.
  - ▶ The fleets specially used for transportation purpose, i.e. PRIME MOVER, FLAT BED AND LOW BED TRAILER. Those fleets were mainly used to transport machines of the company to the customer’s premise.
3. Service to repair and sell spare parts, service providing to the minor companies and general Customers whereby the company potentiality is based on full equipped factory and lot of skilled and high experience mechanics.



Moreover, the company could support almost all kinds of spare parts both within and outside the country by emphasizing on repair work for group of companies and for customer who purchased the machine from the company.

**The overview of operating procedures of the company and its subsidiaries.**



**Business Goal**

The company and its subsidiaries, as leaders of lifting and material and large equipment transportation service for industrial factories and big projects, objects to apply its proficiency, long experience and readiness in heavy mechanic machines, employees and international standard operation in accordance with ISO 9001:2008 and BS OHSAS 18001:2007 certified from TUV Rheinland Cert GmbH, Germany in elevating its services equaling to rival companies which are the leading companies in the foreign market. This is to extend its service into outside countries under full-options service or turnkey strategy which is composed of design, transportation, categorization of machines and coordination with related units, both public and private sectors so that customers will receive convenience and be able to control under the time limit. In terms of the extension of CRANE’s business, it will start from proposing rental heavy mechanic machines service to construction projects in our neighbor countries such as Myanmar and Loa.

In addition, as the company runs its industrial business for a long time having professional and skillful teams, the company aims to distribute machines or another word is to expand its business of Zoomlion machines around the country, including locating distribution and after-sales service centers in regions and promoting employees, who are responsible for these machines, for more acceptances.

**Services and Distribution Channel**

Our service shall provide to both sub contractors and direct end users in the proportion of 80 and 20 percent of rental and transportation service respectively.

**Revenue Structure**

Type of Products	Operated by	Percent of shares held by the company	2012		2013		2014	
			MB	Percent	MB	Percent	MB	Percent
Rental and Transportation Services								
Rental Service	subsidiaries	99.99	486.43	36.88	552.02	38.65	600.10	48.23
Transportation Service	subsidiaries	99.99	34.81	2.64	25.91	1.81	44.19	3.55
Selling of heavy machinery								
Selling of new heavy machinery	CRANE		642.47	48.71	758.51	53.11	327.44	26.32
Sell Modified machinery	CRANE		80.36	6.09	45.01	3.15	74.76	6.01
Machinery repaired and parts sold	CRANE		32.42	2.46	32.56	2.28	21.19	1.70
<b>Total revenues from sales and services</b>			<b>1,276.49</b>	<b>96.78</b>	<b>1,414.01</b>	<b>99.00</b>	<b>1,067.68</b>	<b>85.81</b>
Other Income			42.47	3.22	14.17	1.00	23.96	1.93
<b>Profit from land sales (Pre-tax deduction)</b>			-	-	-	-	152.55	12.26
<b>Total Revenues</b>			<b>1,318.96</b>	<b>100.00</b>	<b>1,428.18</b>	<b>100.00</b>	<b>1,244.19</b>	<b>100.00</b>

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

**Main Customers**

The Company main customers can be divided into three main groups as of the following;

1. Factory industry (accounted for 38 percent of total customers) such as refinery plants, petrochemical plants, power plants, hot-rolled mills, and cold-rolled mills.
2. Construction industry (accounted for 56 percent of total customers) such as construction of infrastructure, foundation, factory building, Government's projects as well as machinery and related systems installation from those constructions.
3. Import – Export Industry (accounted for 6 percent of total customers) such as sea ports area, warehouse and container depots.

**Machinery Acquisition**

Machinery acquisition for the company's business mainly acquires from brand new ZOOMLION manufacturer which the company is Thailand's exclusive distributor. The company shall directly purchase from the manufacturer in Peoples' Republic of China at reasonable price. For the used heavy machines from abroad, the company



shall manage through more than 80 companies who supplied and sold used machines in Japan and European countries. The company imports these used machinery by average 95 percent of total machines imported per year from Japan, German, the Netherlands and England; the remaining portion is purchased within Thailand from auction companies and end users. However, if there is shortage of used machinery, the company may purchase brand new machinery.

### **Industrial Situation and Competition**

1. Competitiveness in factory industry is considered low. Although there are a number of small and medium size companies in the rental services market; but only a few companies are capable to provide lifting, assembling and installing services for valuable and complicated equipment that required high standard of safety system of operation. The company values the need and expectation of customers and is continually selected to serve customers in this industry.
2. Competitiveness in installing and transportation for construction industry is moderate. Most of project in this construction industry is long-term project that required continually supply of machinery on rental basis. There are only a few machinery rental suppliers who have sufficient machinery to supply for this kind of project.
3. Competitiveness in Import – Export industry is low. There are high demands in this industry while the supply is quite low. Most of container depots have some limited circumstance in their daily business operations, for example required stand by and maintenance period of their machines as well as number and availability of machinery for continually operation. In order to reduce their cost of machinery investment, and cost of related operations, most of container depots and customer in import and export industry decided to rent container handlers from outsource. The company is the leading supplier in rental services of container handlers with high experience of operators, mechanics and related personnel available immediately whenever required by customers.



## Risk Factor

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

1. Risk from relying on the specialist:

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

The company thus had measure to mitigate such risk, namely, to motivate the employees to work with the company for long term by paying good remuneration; promote position advancement; provide appropriate welfare, i.e. providing lodgment, good student scholarship for the employees' children, arrange training program to give knowledge about machine to the employees within the organization including also to upgrade technicians' skill by sending them to attend related training program in People's Republic of China. Moreover, the company also employed specialist from abroad who had knowledge and ability to work with the company. In this regard, the company also had policy to set up Training Center aiming to train interesting persons how to repairing, controlling and operating machine in order to produce qualified personnel for the organizations.

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

Most of the Company cranes is used cranes with average of useful life between 3 to 19 years so there shall have risk regarding to the condition of cranes. There is more chance of the malfunction of used cranes is higher than the brand new cranes. To minimize the risk, CRANE has purchased only used cranes from well-known distributors as well as set up a preventive maintenance by high experienced technicians and skillful personnel in order to maintain all cranes in good conditions and extend their operation life. In this regard, the company was able to supply existing Zoomlion cranes for immediate substitution

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

The company as the exclusive distributor of Zoomlion, is appointed from Zoomlion Heavy Industry Science and Technology Co., Ltd., in 2011-2014, the company gain revenues from Zoomlion machines for 35-55 percent of revenues from sales and services. If Zoomlion terminates the contract, the company will loss revenues from this, resulting in a decrease of profit. However, the company is a good trade partners and distributor of Zoomlion. Regarding to the company's works, CRANE was capable to achieve its marketing and sales during 2011-2013, with a growing rate at 24 percent per year; therefore, Zoomlion relies on the company and agreed to expand payment duration to 180 days. Besides, CRANE directors closely keep in touch with Zoomlion and exchange sales promotion and marketing ideas all the time in order to be confident that the coordination between the two partners is going well.



4. Risk regarding to exchange rate :

Almost acquired New heavy machine and used cranes are imported from overseas; therefore the payment shall be made regarding to seller's currency which is three main currencies (Japanese Yen , EURO Dollars and United States Dollar) under the L/C term. for the used machine and the company was granted commercial term 180 days from Zoomlion manufacturer without financial risk prevention. Therefore, the company had risk of profit (loss) from currency exchange. Should it is significantly changed between the sale-purchase date and the date of actual payment, to reduce such risk, the company shall execute currencies exchange forward contract according to the amount to be paid the financial institute should the exchange rate in the payment period is seriously fluctuated. In this regard, in 2014, the company sustained gain from currency exchange Baht 9.63 million, of which, as at 31 December 2014 the company has liabilities in Yen approximately Yen 3.18 million.

5. Risk regarding to lawsuit :

Under the Company's normal business operation, CRANE and its subsidiaries shall expose to risk from lawsuit such as risk regarding to loan guarantee for clients, risk from delay registration, or risk from accident claim suit. As at 31 December 2014, the company and affiliates were sued against business operation in 2 cases, valued approx. Baht 67.86 million which all the provision has been booked. In order to reduce risk from the accident, CRANE and its subsidiaries have set up the policy in not conducting buyback guarantee inform registration transfer restriction, and safety standard in every step including buying insurances for every project.



## Shareholders Structure

Major shareholders as stated on the shareholder's book on 2<sup>nd</sup> March 2015 are as follows;

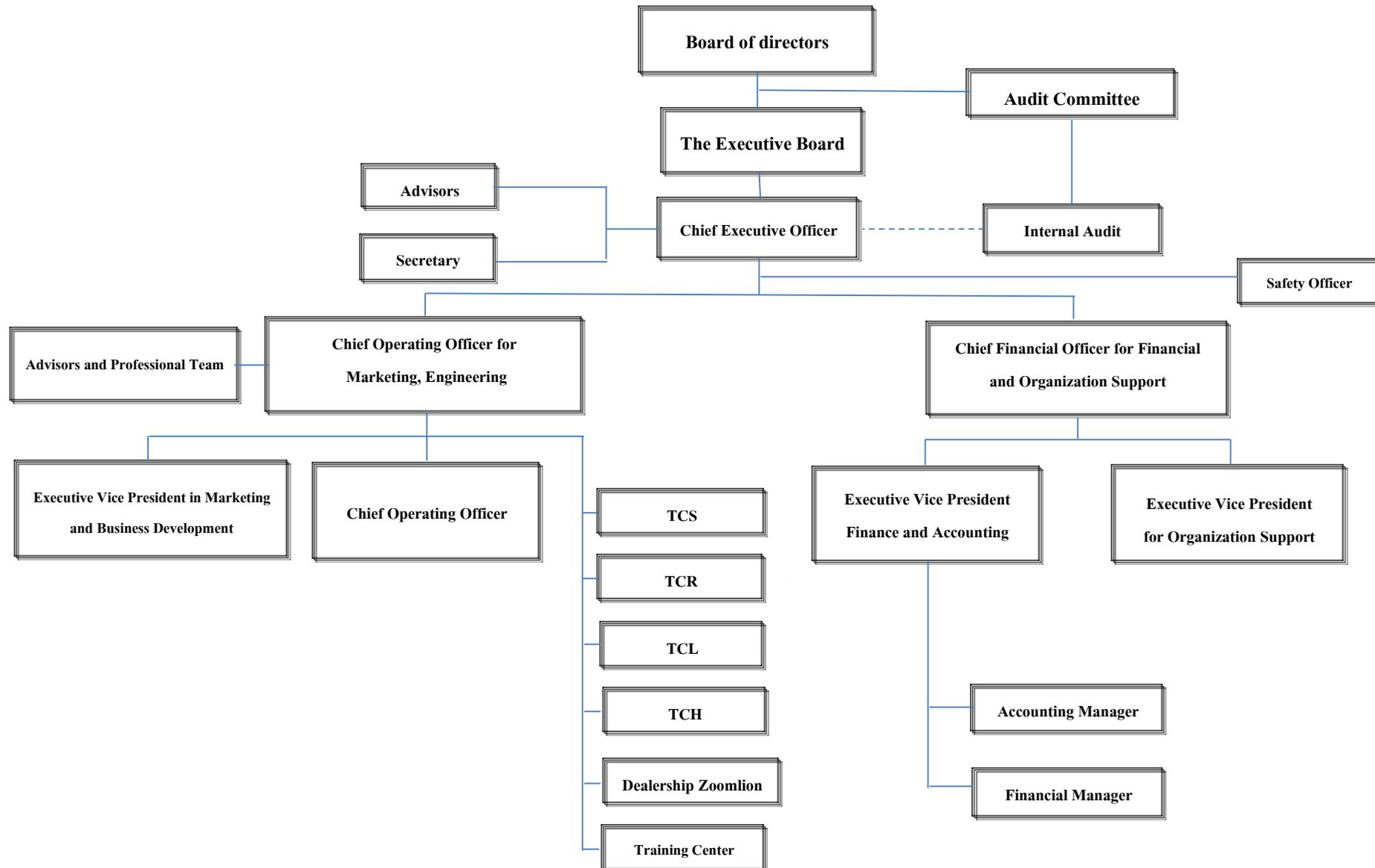
	Name	Number of Shares	%
1.	Mr. Thongchai Praerangsi's Group <sup>1</sup>	385,344,576	61.48
2.	Mr. Sorat Wanichwarakij	23,245,307	3.71
3.	Mr. Chairat Kowitmongkhol	11,114,942	1.77
4.	Mrs. Sirirat Jarusombuti	10,932,450	1.74
5.	Mr. Suthat Hiranyaphinan	7,746,075	1.24
6.	Thai NVDR Co.,Ltd.	6,623,279	1.06
7.	Mr.Nattaphop Rattanasuwanthavee	5,485,241	0.88
8.	Mr. Wisut Puwatwaratorn	5,047,488	0.81
9.	Ms. Kritaporn Jarusombat	4,416,666	0.74
10.	Mr. Nanthapan Mahattanatan	4,407,000	0.70
11.	Others (3,743 persons with share less than 0.70)	162,220,496	25.87
	<b>Total</b>	<b>626,783,520</b>	<b>100.00</b>

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

Mr. Thongchai Praerangsi	215,962,500	Shares
Ms. Junjira Praerangsi	27,857,141	Shares
Ms. Unchisa Praerangsi	27,857,141	Shares
Ms. Janejira Praerangsi	25,690,474	Shares
Mr. wanchana Praerangsi	25,690,474	Shares
Ms. Wanida Darachai	25,279,349	Shares
Ms. Jiraluck Praerangsi	25,276,189	Shares
Ms. Nateeporn Duangsawasdi	11,731,308	Shares
	<u>385,344,576</u>	

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

## Management Structure





## Management Structure

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

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

### **Board of Directors**

Board of Directors in regard to the Memorandum of Affidavit on 5 January 2015 is consisted of :

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

Remark : 1. Mr.Jessada Promjart was appointed by the Board of Directors No. 6/2014 on 13 August 2014 to assume the position of Chief Executive Officer since 1 September 2014.

2. Ms.Nateeporn Duangsawasdi resigned on Octobert 31<sup>st</sup>, 2014

3. Ms.Jiraporn Praerangsi change her name to Ms.Unchisa Praesangsri on 19 February 2015

### Authorized Directors

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

### Authorized of the Company's Board of Directors

The Board of Directors have set powers, duties, and responsibilities to manage the business of the Company to comply with the law and the Company's objectives, Articles of Association as well as the resolution of the shareholders' meeting. However, the Board of Directors may authorize any other directors or other persons to perform any action on behalf of the Board of Directors' Powers, Duties, and Responsibilities.

**Power, Duties, and Responsibilities of the Board of Directors**

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

**The Audit Committee**

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

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

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

\*\* He is resigned as effected on 1 September 2014

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



### **Powers, Duties, and Responsibilities of Audit Committee**

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

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

### **Executive Board**

The Executive Board of the company total 7 persons as follows:-

No.	Name	Position
1.	Mr. Thongchai Praerangsi	Executive Chairman
2.	Mr. Jessada Promjart	Executive Vice Chairman
3.	Mr. Chamnan Ngampojanavong	Executive Director
4.	Mr. Lert Nitheranont	Executive Director
5.	Ms. Wanida Darachai	Executive Director
6.	Ms. Junjira Praerangsi	Executive Director
7.	Ms. Unchisa Praerangsi	Executive Director



### **Powers, Duties, and Responsibilities of Executive Management**

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

Powers, Duties, and Responsibilities of Executive Board are;

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

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

**Management**

The Company has 6 management as of the following;

No.	Name	Position
1.	Mr. Jessada Promjarti	Chief Executive Officer
2.	Mr. Thongchai Praerangsi	Advisors
3.	Mr. Chamnan Ngampojanavong	Chief Financial Officer for Finance and Support /Acting Executive Vice President for Financial and Accounting
4.	Mr. Lert Nitheranont	Chief Operating Officer of Marketing and Engineering / Acting Executive Vice President of Engineering/ Acting Managing Director of The Crane Service Co., Ltd.
5.	Ms. Wanida Darachai	Executive Vice President for Organization Support / Acting Manager of Public Relation and Investors Relations/ Acting Manager of Managing Support
6	Ms.Unchisa Praerangsri	Executive Vice President of Marketing and Business Development/ Acting Manager of Marketing and Business Development

**Powers, Duties, and Responsibilities of Chief Executive Officer**

- 1) To make decision on the important matters. To establish missions, purposes, directions, and policies in doing business. To supervise and control the whole business operations, customers' relationship, and take responsibility to the Board of Directors.
- 2) To hire, appoint, and reshuffle all the employees as necessary and appropriated. To determine remuneration and terminate all the employees as appropriated.
- 3) To act as the Company's representative and authorized person to public concerning related business operation and beneficial to the Company.
- 4) To determine the credit term such as credit balance, term payment, buying and selling agreement, rental agreement, leasing agreement, and amend the credit term.
- 5) To approve any accrued expenses and advance payment according to company's authorization manual.
- 6) To review the fund raising of the Company and propose to the Board of Directors.
- 7) To appointed any necessary advisory services.
- 8) To manage any related normal business operation of the Company.
- 9) To approve department operation plans and approve the request from any department.
- 10) To delegate any important and necessary operation under Chief Executive Offer's consideration in accordance with laws and the Company's regulations.
- 11) To manage any operations appointed by the Board of Directors.

The approval of transactions and the assigned authorities of Chief Executive Officer will not be made to any transaction which cause possible conflict of interest between Chief Executive Officer or related persons (as defined by



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

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

### **Company Secretary**

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

### **Scope of authorities, duties and responsibilities of company secretary**

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

- 1) To honestly and carefully comply with policy of the Board of Directors.
- 2) To provide suggestion to the Board of Directors to ensure the compliance with Good Governance Principle and to review result of such compliance.
- 3) To act as the coordinator on investor relations for the organization, to act as representative of the company in building good relation by communicating all data and disclosure of important information to the shareholders, analyst and general public.
- 4) Prepare and keep record of directors register, summon for Board of Directors' Meeting, Minutes of Meeting, annual report of the company, summon for Shareholders' Meeting and annual report of the Shareholders' Meeting.
- 5) Keep the report of interests of directors or executives.
- 6) Hold Board of Directors' Meeting including Board of Executives' Meeting, take care and prepare invitation letter for the meeting, meeting agenda including supporting documents for consideration in several agendas and deliver to the directors in advance at least 7 days before the meeting to provide them sufficient time to review all information before attending the meeting.
- 7) Hold Shareholders' Meeting, take care and prepare invitation for the Meeting, agenda, annual report, financial statements, power of attorney including all related documents attached to each agenda and deliver to all shareholders in advance in order to provide them sufficient time to review those information before attending the Meeting including



to deliver invitation letter and all attached documents to Department of Business Development and advertise on newspaper as prescribed by law.

- 8) Oversee to ensure correct performance according to the law on the Shareholders' Meeting date, such as, signature of the participants, authorization, quorum including voting in several agendas.
- 9) Assist the director to comply with law and regulation of SET.
- 10) Follow up the compliance with Memorandum of Association and Articles of Association of the company.
- 11) Act as coordinator to keep the shareholders register book.
- 12) Perform other duties as assigned by the Board of Directors time to time.

### **Selection of Board Members and Executives**

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

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

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

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

- 1) Independent Directors shall not hold more than 5 percent of voting shares in the Company.
- 2) Independent Directors shall not involve in management and be the Company's employee or advisor who receives monthly remuneration and shall not have power to control the Company, its subsidiaries, and its associated as well as



- persons who may create a conflict of interest, in the sense that it may obstruct at least one year prior to be appointed as Independent Director.
- 3) Independent Directors must not be directly or indirectly related to the Company, its subsidiaries, and its associates, or major shareholders, or conflict of interest persons, in the sense that it may obstruct independent assessment at least one year prior to be appointed as Independent Director.
  - 4) Independent Directors is not a close relative with Management, major shareholders of the Company, its subsidiaries, and its associates or conflict of interest persons and is not represent any directors, managements, or major shareholders' interest.
  - 5) Independent Director has knowledge, experienced and provided independent opinion without the controlling of any persons.

### **Directors and Management's Remuneration**

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

**Board of Directors' remuneration:** The Annual General Meeting of Shareholders year 2014 on Tuesday 29 April, 2014 was unanimously approved directors' remuneration as follows;

#### **Monthly Remuneration for each position;**

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

#### **Meeting Allowance for each director per each attendance;**

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

#### **Directors' Bonus**

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

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

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

**Remuneration for director and executive****Financial remuneration**

Board of Directors	2013		2014		Type
	persons	Amount (Baht)	persons	Amount (Baht)	
Directors	12	3,312,000.00	11	4,810,000.00	Meeting Allowance and monthly remuneration
Executive Directors and Management	7	24,796,662.18	8	29,692,338.54	Salaries, Bonus, and Allowance

Remark Ms. Nateeporn Duangsawasdi Resigned as effected on 1 October 2014.

**Remuneration for individual director**

unit: Baht

No.	Name	2013		2014	
		Meeting Allowance and Monthly Remuneration	Directors Bonus	Meeting Allowance and Monthly Remuneration	Directors Bonus
1.	Assist.Prof.Dr.Piboon Limprapat	576,000	96,000	600,000	240,000
2.	Mr. Vacharin Duangdara	440,000	80,000	530,000	180,000
3.	Mr. Surin Premamornkit	310,000	70,000	430,000	200,000
4.	Mrs. Werawan Boonkwan	320,000	80,000	420,000	200,000
5.	Mr. Jessada Promjart <sup>1</sup>	310,000	70,000	300,000	180,000
6.	Mr. Thongchai Praerangsi	70,000	70,000	70,000	140,000
7.	Mr. Chamnan Ngampojanavong	80,000	80,000	100,000	200,000
8.	Mr. Somsak Sivapaiboon	60,000	-	-	-
9.	Ms. Nateeporn Duangsawasdi	80,000	80,000	70,000	140,000
10.	Ms. Wanida Darachai	80,000	80,000	100,000	200,000
11.	Ms. Unchisa Praerangsi	80,000	80,000	80,000	160,000
12.	Ms. Junjira Praerangsi	60,000	60,000	90,000	180,000
	<b>Total</b>	<b>2,466,000</b>	<b>846,000</b>	<b>2,790,000</b>	<b>2,020,000</b>

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

**Other Benefits**

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

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



## Corporate Governance

The Board of Directors jointly determined corporate governance guidelines according to the principles of Good Corporate Governance prescribed by SET as its important contents are summarized as follows:-

### 1. Right of the shareholders

The company realized to the proprietary right to control the company through the appointment of Board of Directors to act on behalf of the shareholders and entitled to make decision related all important changes of the company. The Board of Directors therefore promoted the shareholders to exercise their rights according to the initial rights of the shareholders, namely, to purchase, sell or transfer share, and to receive profit sharing, to receive sufficient data and information about business and to know rules and procedures to attend the Meeting and to obtain data sufficiently for consideration in each agenda before the Meeting including also to have opportunity to inquire any question in the Meeting. In addition, the company also realized to the importance of right of all shareholders and would not conduct any action which was infringement nor curtailment against the shareholders' rights.

The company thus determined Annual General Meeting of Shareholders within not exceeding 4 months commencing from the end of accounting period, and in case of special agenda was required in the matter impacting benefit of the shareholders related to any laws, mandatory regulations which must be approved by the shareholders, the company may subsequently summon for Extraordinary Shareholders' Meeting.

In Shareholders' Meeting, the company emphasized on the right of shareholders. The company therefore determined the Meeting day which was not falling on long weekend days, not too early nor too late of the day and at the place of convenience communication. In addition, the company also delivered Invitation Letter which contained details of agendas and comments of the directors to consider reason and necessity of the Meeting, positive and negative impact in each agenda, Power of Attorney in 3 manners as prescribed by law and name list of at least 1 independent director and suggestion for authorization to enable the shareholders to authorize this independent director or other person to attend the Meeting on his/her behalf including also map of meeting place to the shareholders more than 10 days before the date of meeting to fully inform the shareholders and also publicized on newspaper not less than 3 consecutive days at least 3 days before the Meeting date in order to summon the Shareholders' Meeting in advance and deliver Invitation Letter via the registrar not less than 21 days before the date of meeting.

### Shareholder : Right and Equality of Shareholders

The Company values and treats all shareholder fairly such as regularly informing the Company's performance directly to shareholders via the Stock Exchange of Thailand. The company complied with Articles of Association of the Company, namely, to deliver Invitation Letter summoning to attend the Meeting and all information supporting the Meeting according to the agendas to all Shareholders before the Meeting day 7 days in advance, of which, the company had delivered to the shareholders for their consideration more than 10 days in advance and correctly recorded Minutes of Meeting for inspection of the shareholders. In addition, the company had proposed 1 independent director from the shareholders attending the Meeting to act as the attorney in case of the shareholder is unable to attend the Meeting. Actually, the company held Ordinary Shareholders' Meeting once a year. Should there was any important agenda required



the Meeting to consider, the company would summon Extraordinary Shareholders' Meeting to consider and approve onwards.

### **Delivery of Invitation Letter to attend Shareholders' Meeting**

In holding the Shareholders' Meeting, the company has emphasized on the right of shareholders. The company started to deliver Invitation Letter with details of all agendas and comment of the Board, details of the matters to be considered its reason and necessity in each agenda, Power of Attorney and name of at least 1 independent director along with suggestion about authorization to enable the shareholders, at their discretion, to authorize their proxies to attend the Meeting on their behalf including also location map of Meeting place to the Shareholders more than 10 days before the date of the meeting, and publicized on local newspaper not less than 3 consecutive days and before the date of the meeting not less than 3 days in order to summon the Shareholders' Meeting in advance, and delivered Invitation Letter through the registrar 21 days before the date of the meeting.

### **The Date of Shareholders' Meeting and Procedures**

The company had tried to continuously improve the General Shareholders' Meeting management procedures to become suitable based on the rules to enable all shareholders to know and equally exercise their rights including the right to express their comments and suggestions that benefited the company.

In registration to attend the Meeting, the company provided opportunity to the shareholders to register in advance and at least 2 hours before the Meeting and continuously until completion of the Meeting. In addition, the Company also facilitated all convenience to the shareholders by providing sufficient and suitable number of computer and related officer, using barcode in registration processes for convenience of the shareholders and printing of Voting Card in each agenda for the shareholders.

The company provided officers to facilitate convenience to the shareholders in obtaining IT message and answer all questions. Moreover, the company also prepared sufficient food and beverage and provided gift that suitable to the attending shareholders.

The company proposed that in case of any shareholder was unable to personally attend the Meeting could authorize at least 1 independent director to be a proxy to attend the Annual General Meeting of Shareholders on his behalf.

Before commencement of the Meeting, the company had displayed video to introduce the company profile and achievements during the preceding year for acknowledgement of the shareholders before the Meeting. At all commencements of the Meeting, the company security would explain voting method and vote counting by clear demonstrating vote counting and vote conclusion in all processes in the Meeting room. In addition, the company also allowed any shareholder who was unable to attend the Meeting to authorize other person or Chairman of Audit Committee who was an independent director as proxy to attend the Meeting on his behalf. During the Meeting, the company allocated sufficient Meeting time and offer all shareholders equal right to audit operation of the company, to inquire or express comment and suggestion in the Meeting whereby all related directors especially Chairman of Audit Committee, other Committees and Managing Directors including Senior Management in Financial and Accounting, Internal Audit, Legal Consultant and Auditor, all had presented in the Meeting to answer all inquiries in the Meeting. The company's secretary proceeded the Meeting according to the agendas and did not increase any agenda without notifying the shareholder in advance. Total period of each Meeting was approx. 3 hours.

**The important agendas were as follows;**

- **Report of company operating result:** The company declared details about result of business operation of the Company related to income, expense, profit and summary of operating result in bar chart.
- **Appointment of Board of Directors:** The company allowed the shareholders to select individual director as the company had provided details of history and also all shareholders to inquired all questions before voting. In this regard, the existing shareholders would provided all complete details about their attendance history in Board of Directors' Meeting.
- **Appointment of the auditor:** The company provided details about name of the auditor, accounting office and relation to the company.
- **Profit sharing:** The company provided details about the allocation of profit and reserves, dividend amount which were in accordance with dividend payment policy of the company and the date closing account book to determine right for dividend payment.
- **Director's remuneration:** The company provided details about the proposed remuneration amount according to the policy and condition of directors' remuneration which was compared among other companies in the same industry including compare with other company who earned similar or nearly income and net profits.

In voting, the shareholder was able to use voting card with barcode for quick and efficient vote counting. The company collected voting card only in case any shareholders objected nor suspended voting. In case of the agenda related to election of director, in order to comply with good practice in Shareholders' Meeting, the company collected voting cards from all attending shareholders and voting was based on individual vote which was transparent and correct according to the law and Article of Association of the company. The company also disclosed result of voting in each agenda of the shareholders who agreed, disagreed, objected or suspended voting immediately.

**After the date of Shareholders' Meeting**

All inquiries and important comments were correctly and completely recorded in the Minutes of Meeting and summarized by resolution and votes for verification of the shareholders as publicized on company' website not less than 14 days after the Meeting on [www.chukai.co.th](http://www.chukai.co.th)

**2. Equitable treatments of Shareholders**

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

1. The company proposed at least 1 independent director as option for authorization of the shareholder in making Power of Attorney to exercise his right to attend the Meeting and vote in each agenda on his behalf whereby in the Annual General Meeting of Shareholders 2015, the company proposed Mr. Vatcharin Duangdara, the Chairman of the Audit Committee.
2. The Board of Directors proceeded the Meeting according the agendas as notified in the Invitation Letter for the Meeting and did not increase any agendas without advance notice to all shareholders in order to provide sufficient time for the shareholders to study related information in advance.



3. The company provided voting card for all agendas by using barcode system to record and publicize voting result including also provided facilitators to collect voting card in the Meeting room. The cards were collected both of those agreed and disagreed votes except in case of the election of the board of directors whereby voting cards would be collected in all cases, i.e. agreed, disagreed and suspended votes and after the Meeting, the card collector would collect voting card for all agendas.
4. The Board of Directors had assigned the company's secretary to correctly and completely produce and record Minutes of Meeting and publicize thereof to all shareholders via investor relation website and the company also delivered those Minutes to SET after completion of the Meeting not exceeding 14 days.
5. The company had policy and strictly complied with internal data management by disclosing only to those related persons. Report of publication of internal data was allowed to do only by the authorized person. In this regard, all managements and directors of the company had well realized to their duties and responsibilities toward internal data and did not use thereof for personal benefit nor for security trading. Moreover, the company determined the management to report change of security holding to SEC pursuant to Section 59 of Securities and Exchange Act, B.E. 2535.
6. To prevent conflict of interest, the Board of Directors had carefully managed upon there was any items which would be conflict of interest by determining the policy and method to prevent the management and related party to use internal data for their private benefits, as follows:-

### **Report on conflict of interest**

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

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

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



**Internal Information Control**

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

**3. Roles of the stakeholder**

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

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



Occupation Health & Safety from TUV Rheinland. In addition, the company committed to comply with related laws and rules.

For complaint and report of any clue related to legal offense, correctness of financial report, defective internal audit or breach against business ethics of the management and employee, can be made by mail to the Chairman of the Board of Director who is independent director at Chu Kai Public Company Limited address no. 42/62 Moo 14, Bangna-Trad Road Km. 7, Bang Kaew Sub-district, Bangplee District, Samutprakan Province 10540 or at [boardoffice@chukai.co.th](mailto:boardoffice@chukai.co.th) and all information of the reporter would be kept confidential.

#### **4. Disclosure for transparency**

##### **Corporate Governance**

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

##### **Report of Board of Director**

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

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

##### **Relationship of the investor**

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



## 5. Board of Directors' responsibilities

### Leadership and vision

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

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

### Business Ethics

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

### Authority balance of non-management director

In 2014, the company had altogether 10 directors as consisted of:-

- |                                    |                 |
|------------------------------------|-----------------|
| ● Directors who are the management | Total 6 persons |
| ● Independent directors            | Total 4 persons |

Therefore the company thus had directors who were outsiders and non-management total 4 person or 40 % of total Board of Directors which was more than one-half of the whole directors. The stakeholders therefore felt confidence that the directors would be able to independently perform their duties as representative of the shareholders, of which, this could balance and repeatedly check management of the directors.

### Integrated or separated position director

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

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

In each Board of Directors' Meeting, the Chairman had sufficiently allocated time for the Directors to carefully summarize important problem. In addition, Chairman and Board of Directors had invited the auditor to attend the Board



of Directors Meeting in order to provide additional information and record Minutes of Meeting in written, to compile the Minutes duly approved by the Board for verification of other related parties.

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

In 2014, the Board of Directors had held altogether 10 Meetings, each at approx. 3 hours. In each Meeting, other related persons were invited to provide additional information. The Audit Committee had held 9 Meetings, being normal agenda 5 Meetings and Meeting between Audit Committee and Auditor 4 Meetings details of attendance in Board of Directors' Meeting in 2014 are as follows:-

Details of attendance in Board of Directors' Meeting in 2014

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

### Sub-committee

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

The Executive Board duly consisted of 6 Executives Board of Directors whereby the authorities and powers of the Executives Board of Directors was in accordance with details in clause 8 of management structure. The Executives Board



of Directors would hold their Meeting in jointly with the managements regularly at least once a month and may be specially held in emergency agenda.

## Remuneration for director and management

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

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

In 2014, the company had paid remuneration to the directors and managements total Baht 29.69 Million

## Internal control and internal audit

1. **Internal control and internal audit:** The Company had emphasized on the internal control both in management and operation levels. To enhance its efficiency, the company thus determined duties, authorities of the management in written with control the use of company's property for greatest benefit and divided duties among the operator, the follower and to control and separately assess to make balance and suitably audit each other. In addition, the company provided internal control about financial aspect as the company provided financial report system to propose to the responsible management. Moreover, PV Audit Co., Ltd., who was the company's auditor had also assessed and reviewed internal control system of the company in examining annual account and there was no any weakness nor significant failure were reported in the comment toward financial statement and issued unconditional auditor's report.

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

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



## Corporate Social responsibilities

### 1. Fair business operation

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

### 2. Fair treatment to the labor

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

### 3. Responsibilities to the consumer

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

### 4. CSR

In 2014, the company arranged CSR projects as follows:

- ♦ Education Development : The company arranged the 13<sup>th</sup> scholarship program for children of its employees.
- ♦ The company encouraged the participation between the community and employees, while the company and its subsidiaries arranged "Sanfanbangpan Namjaihainogn" project at Khanongpratai School, Khanongpratai Sub-District, Pak Chong District, Nakhon Ratchasima, by donating instruction media such as projectors, computers, sport equipments and stationaeries. Furthermore, CRANE participated in planting trees surrounding the school and gave aid packages and financial aids to elders who reside in the said sub-district.



## Internal Control and Risk Management

In the Board of Directors' Meeting No. 2/2015 dated 26 February 2015, there were 3 members of Audit Committee attending the Meeting, an evaluation in respect of the Company's internal control was made by the Board of Directors as follows;

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

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

### Internal Audit Chief

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



## Dividend Policy

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

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



## Related Party Transaction

### Rules and procedures for approving connected transactions

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

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

### Policy or the Tendency of Future Related Transactions

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

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





Related Companies / Related Persons	Relationship	Transaction	Consolidated Financial Statement	Necessity and Reasonableness
			2014	
Mr. Thongchai Praerangsi	Directors / Major Shareholders	Acquisition of land in Bangna-Trad Rd. Km. 7 Land Title Deed No. 85546, Land No. 137, Total areas: 0-1-50 rais  - Beginning Balances - Increasing - Decreasing - Balance of Payment	0.00 4.35 <u>4.35</u> <u>0.00</u>	The company has policies to gather all lands in Bangna-Trad Road Km.7. After unite the land, the company has 11 lands with total area 4-3—rais and the company aims to expand or develop the land in the future.  <b>Audit Committee</b> reviewed the transaction and approved as it will return profit and be usable for the company in the future.
Mr.wanchana praerangsri	Shareholder	Sales of land in Bangna-Trad Rd. Km. 7 Land Titel Deed No. 85513, 85514, Land No.100, 101 Total areas: 0-3-00 rais  - Beginning Balances - Increasing - Decreasing - Balance of Payment	0.00 5.00 <u>5.00</u> <u>0.00</u>	The company has policies to gather all lands in Bangna-Trad Road Km.7. After unite the land, the company has 11 lands with total area 4-3—rais and the company aims to expand or develop the land in the future.  <b>Audit Committee</b> reviewed the transaction and approved as it will return profit and be usable for the company in the future
Crane Daeng Co., Ltd.	Shareholder (Ms. Jiraluck Praerangsri)	Rental, repair cost, purchase of machine and spare part, the balance was shown as total trade with The Crane group of companies  <b>Account receivables</b> -Beginning balance -Increasing -Decreasing -Ending balance  <b>Account payables</b> -Beginning balance -Increasing -Decreasing -Ending balance	1.15 4.50 <u>4.34</u> <u>1.31</u>  0.00 1.22 <u>0.50</u> <u>0.72</u>	Service charge and selling price of those above items were subject to the marketing price and used the same rule as those general customers. In this regard, Ms.Jiraluck Praerangsri has entered as director of such company on 17 January 2013  <b>Audit Committee</b> had considered the above items and deemed appropriate as normal items in business operation.



Related Companies / Related Persons	Relationship	Transaction	Consolidated Financial Statement	Necessity and Reasonableness
			2014	
20 Auction Co.,Ltd	Shareholder (Ms. Jiralak Praerangsi)	<p>Rental fee, repairmen fee, machine purchasing cost and spares costs, the balance declares the total amount of trade with companies in CRANE's group.</p> <p><u>Trading Debtors:-</u></p> <p>- Beginning Balances 0.00</p> <p>- Increasing 0.57</p> <p>- Decreasing <u>0.18</u></p> <p>- Balance of Payment <u>0.39</u></p> <p><u>Commercial Creditors:-</u></p> <p>- Beginning Balances 0.00</p> <p>- Increasing 0.00</p> <p>- Decreasing <u>0.00</u></p> <p>- Balance of Payment <u>0.00</u></p>		<p>This transaction includes service fees and selling price depending on market price and using general criteria such as general customers, thus Ms. Jiralak Praerangsi has been appointed to be a director of the company as at 3 July 2014.</p> <p><b>Audit Committee</b> of the company reviewed the above transaction and resolved as appropriate.</p>



## Report of Board of Directors' Responsibilities

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

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

The Board of Directors have opined that the financial statements for the year 2014 of Chu Kai Public Company Limited and subsidiaries being consolidated, in which the Audit Committee, the Company's management and independent auditor have all reviewed, have been prepared in accordance with Generally Accepted Accounting Principle and present fairly financial position of the Company.

.....  
(Assist. Prof. Dr. Piboon Limprapat)

Chairman of the Board of Directors



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

Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Assist. Prof. Dr. Piboon Limprapat ♦ Chairman of the Board of Directors ♦ Independent Director	74	♦ Ph.D. University of Illinois M.A. (ECON.)University of Philippines, ♦ Bachelor of Economics, Thammasart University  <b>duly passed training program</b> ♦ The role of Chairman (RCM) year 2001 (IOD) ♦ Director Certification Program (DCP) year 2002 (IOD) ♦ Audit Committee Program (ACP) year 2004 (IOD) ♦ Role of Committee in Determining Remuneration Policy year 2009 (IOD)	-	-	2013 - present  2009- present  2007 - present  2005 - 2014  2004 - present	♦ Director, PhD Program North Bangkok University ♦ Chairman of the Board of Directors of Chu Kai Public Company Limited ♦ Director, Chairman of Audit Committee and Chairman of Recruitment and Remuneration Committee N.C. Housing Public Co., Ltd. ♦ Director of Ladprao Language School ♦ Director and Vice President of Asian Medical and Agriculture Laboratory and Research Center Co., Ltd. ♦ Director of Ladprao Hospital
Mr. Vacharin Doungdara ♦ Chairman of the Audit Committee ♦ Independent Director	55	♦ Bachelor of Law, Thammasat University ♦ Barrister of Law, The institute of Legal Education ♦ EX-MBA, Kasetsart University  <b>Duly passed training program</b> ♦ Director Accreditation Program (DAP) year 2004 (IOD) ♦ Director Certification Program (DCP) year 2006 (IOD)	-	-	Present          Experiences 1981 - 2014	(1) Legal Advisor/ Lawyer (2) Chairman of Audit Committee of Chu Kai PCL. (3) Independent Director of Permsin Steel Works PCL. (4) Member of Audit Committee of Crown Tech Advance PCL.  (1) Working in legal-security field, banks and many financial institutes (2) Former advisor/ specialist in recover fund and agricultural development, a commissioner of politic development and social civil participation



Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Surin Premamornkit ♦ Audit Committee ♦ Independent Director	66	<ul style="list-style-type: none"> <li>♦ Bachelor Degree of Finance and Banking, Thammasart University,</li> <li><b><u>Duly passed training program</u></b></li> <li>♦ Risk Management Committee Program(RMP) ,The Thai Institute of Directors(IOD)</li> <li>♦ Director0 Accreditation Program (DAP) Class 59 (IOD)</li> <li>♦ Director Certification Program (DCP) Class 147 (IOD)</li> <li>♦ Audit Committee Class 39 (IOD )</li> <li>♦ Role of Compensation Committee (RCC) Class 14 (IOD)</li> <li>♦ Finance Executive 8 (Finex'8) The Thai Institute of Banking and Finance Association</li> <li>♦ Syndicated Loans The Euro Money Institute Hong Kong</li> <li>♦ BOURSE GAME ASIA Singapore</li> </ul>	-	-	2009 - present  2008 - present  1999 - 2008  2008 - 2008  2006 - 2008  2005 - 2006  1999 - 2005	<ul style="list-style-type: none"> <li>♦ Audit Committee and Independent Director Chu Kai Public Company Limited</li> <li>♦ Audit Committee and Independent Director Sriwichai Wetwivat Co., Ltd.</li> <li>♦ Senior Executive Vice President, Business Corporation 2, Bank Thai Public Co., Ltd.</li> <li>♦ Director BT Business Consulting Co.,Ltd.</li> <li>♦ Director BT Securities Co., Ltd.</li> <li>♦ Director BT Asset Management Co., Ltd.</li> <li>♦ Director BT Insurance Co., Ltd</li> </ul>



Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Jessada Promjart ♦ Chief Executive Officer ♦ Authorized Director	53	<ul style="list-style-type: none"> <li>♦ Master's degree (Accounting) Thammasat University</li> <li>♦ Bachelor's degree (Accounting) Thammasat University</li> </ul> <p><b><u>Duly passed training program</u></b></p> <ul style="list-style-type: none"> <li>♦ Director Certification Program (DCP) year 2004 (IOD)</li> <li>♦ Company Secretary Program (CSP) year 2004 (IOD)</li> <li>♦ Anti-corruption strategic management course for senior executives SanyaDharmasakti anti- corruption institute office of the National Anti-Corruption Commission(Class 1) year 2009</li> <li>♦ TLCA Executive Development Program (EDP Class 9) year 2011</li> <li>♦ Advanced Certificate Course in Public Administration and Law for Executives of King Prajadhipok's Institute (Class 12) year 2013</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Sep.2014 - Present</li> <li>Dec.2009- Aug.2014</li> <li>Jan - Nov. 2009</li> <li>Mar.2008-Aug.2014</li> <li>Mar.2008-Present</li> <li>2006 - Feb. 2008</li> <li>2004 - Feb. 2008</li> <li>2003 - 2004</li> <li>2000 - 2007</li> <li>1998 - 2000</li> </ul>	<ul style="list-style-type: none"> <li>♦ Chief Executive Office Chu Kai PLC.</li> <li>♦ Executive Vice President and Chief Financial Officer MCOT Public Company Limited</li> <li>♦ Assistant Managing Director Piyavate Hospital Public Company Limited</li> <li>♦ Audit Committee and Independent Committee Chu Kai Public Company Limited</li> <li>♦ Director D-Land Development Co., Ltd.</li> <li>♦ Director Media Studio Co., Ltd. M&amp;D Entertainment Co., Ltd. MOM International Co., Ltd.</li> <li>♦ Director and Secretary to the Board of Director Media of Medias Public Company Limited</li> <li>♦ Director and Audit Committee Media of Medias Public Company Limited</li> <li>♦ Manager to Office of the President BBTV Co., Ltd.</li> <li>♦ General Manager Chu Kai Company Limited</li> </ul>



Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mrs. Werawan Boonkwan ♦ Audit Committee ♦ Independent Director	45	♦ Master's degree (Finance & International Business), University of Wisconsin, USA. ♦ Bachelor's degree (Accounting) Chulalongkorn University  <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2006 (IOD) ♦ Director Certification Program (DCP) year 2008 (IOD)	-	-	2013 - present  2013 – present  2007-present  2006- present  2002 - 2007  2000 - 2002  1999 – 2000	♦ Director and Audit Committee, Sahamitr Pressure Container PCL ♦ CFO / Director BBB & V Co.,Ltd. ♦ Managing Director Korawit Learning Consultant, BCG. ♦ Director and Audit Committee Chu Kai PLC ♦ CFO Business Consultant & Advisory Co., Ltd. ♦ General Manager A Thai Market Co., Ltd. ♦ Analyst-Asset Management Bangkok Capital Aluance Co., Ltd.
Mr. Thongchai Praerangsi ♦ Advisor ♦ Authorized Directors	62	♦ Certificate, Nida Business School  <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2006 (IOD)	34.46	Ms. Jiraluck, Ms. Jiraporn and Ms. Junjira Praerangs i's father	Sep.2014-present  2012 – Aug.2014  2005 - 2012  2006 - present  1996 - present  19947 - present  1992 - present	♦ Advisor Chu Kai PCL ♦ Acting Chief Executive Officer and Director Chu Kai PCL ♦ Chief Executive Officer and Director Chu Kai PCL ♦ Director The Crane Services Co., Ltd. ♦ Director The Crane Heavy Lift Co.,Ltd. ♦ Director The Crane Rayong Co., Ltd. ♦ Director The Crane Laem Chabang Co., Ltd.



Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Mr. Chamnan Ngampojanavong ♦ Chief Financial Officer ♦ Authorized Directors	54	♦ Master's degree (Management) Kasetsart University ♦ Bachelor's degree (Capital Accounting) Chulalongkorn University  <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2008 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	-	-	2008- present  Oct. 2008-present  1993 - 2008  1990 – 1993  1985 - 1990	♦ Chief Financial Officer and Director Chu Kai PCL ♦ Director The Crane Laem Chabang Co., Ltd. The Crane Rayong Co., Ltd. The Crane Heavy Lift Co.,Ltd. ♦ Senior President Medium and Small Enterprises Bank Thai PCL ♦ Finance & Accounting Manager Pulthip Housing Co., Ltd. ♦ Primary Manager – Credit Management Department Siam Commercial Bank PCL
Ms. Wanida Darachai ♦ Executive Vice President ♦ Authorized Directors ♦ Company Secretary	47	♦ Bachelor of Arts Ramkhamhaeng University  <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2005 (IOD) ♦ Director Certification Program (DCP) year 2008 (IOD) ♦ Company Secretary Program (CSP) year 2005 (IOD)	4.03	-	2004 - present  2006 -present  2001 - present	♦ Executive Vice President and Director Chu Kai PCL ♦ Director The Crane Services Co., Ltd. ♦ Director The Crane Laem Chabang Co., Ltd. The Crane Heavy Lift Co., Ltd. The Crane Rayong Co., Ltd.
Ms. Unchisa Praerangsi ♦ Executive Vice President ♦ Authorized Directors	33	♦ Bachelor's degree, Marketing Assumption University  <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2006 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	4.44	Mr. Thongchai Praerangsi's daughter	2012 - present  2008 - 2012  2006 – present	♦ Director Chu Kai PCL ♦ Managing Director The Crane Laem Chabang Co., Ltd. ♦ Director The Crane Laem Chabang Co., Ltd.



Name-Surname Position	Age Years	Education / Training	Shares Holding (%)	Relationship to other executives	Working Experiences	
					Duration	Positions and Places
Ms. Junjira Praerangsi ♦ Authorized Directors	34	♦ Master Degree, In Organization Change and Development Hawaii Pacific University <b><u>Duly passed training program</u></b> ♦ Director Accreditation Program (DAP) year 2006 (IOD) ♦ Director Certification Program (DCP) Class 167 / 2012 (IOD)	4.44	Mr. Thongchai Praerangsi's daughter	2013 – present  2013 – present  2006 - 2013	♦ Director Chu Kai PCL  ♦ Managing Director The Crane Laem Chabang Co., Ltd.  ♦ Director The Crane Rayong Co., Ltd.
Mr. Lert Nitheranont ♦ Chief Operating Officer	53	♦ Master Degree, In International Program University of Southern California. ♦ Bachelor Degree of Engineering Program University of Pennsylvania	-	-	2012 - present  1988 - present	♦ Chief Operating Officer Chu Kai Public Company Limited  ♦ Executive Director Royal Concord Intertrade Co., Ltd.
Miss Wilai Nakwila ♦ Accounting Manager	43	♦ Bachelor Degree, Accounting Program Ramkhamhaeng Universit	-	-	2012 – present  2007 – 2012  1997 - 2007	♦ Asst Accounting Manager Chu Kai Public Co., Ltd.  ♦ Accounting-Financial Division Manager The Crane Heavy Lift Co.,Ltd.  ♦ Accounting-Financial Chief The Crane Heavy Lift Co., Ltd.
Mrs. Pajaree Srisuwan ♦ Financial Manager	52	♦ Bachelor Degree Accounting Program Ramkhamhaeng University	-	-	2014 – present  2012 - 2014  2008 - 2012	♦ Financial Manager Chu kai Public Co.,Ltd.  ♦ Asst. Financial Manager Chu kai Public Co.,Ltd.  ♦ Office Manager Wattanasiri Metal Work Co.,Ltd.

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

## Details about directors of subsidiary companies

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

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



## Financial Statements and Operating Result Analysis

### Statement of Comprehensive Income

The political crisis started in 2013, continued in 2014 and became more serious with military coup on 22 May 2014. Even though political condition began to be stable after that, economic drive has not been able to fully operate. Public spending dramatically slowed down and had effects on economic in general. This made the company's total income lower than 2013 by almost 25 percent, which was from the decrease in Zoomlion sales according to the slowdown of public investment. The services income that focused on heavy industries such as fuel, petrochemical and electricity, which require a long-term construction plan and constant maintenance, continued to grow by almost 10 percent. Subsequently, the ratio between sales and services income was 38:62.

In 2014, net profit totaled Baht 236.4 million, rising Baht 163.8 million or 225.6 percent compared to Baht 72.6 million in 2013. Net profit from business operation was Baht 114.4 million, while that of land selling was Baht 122.0 million. Considering net profit from business operation, it increased by 41.8 or 57.4 percent compared to 2013, resulting from exchange rate profit and decreased financial expenses.

### Statement of Financial Status

#### Assets

In 2014, total assets were Baht 2,762.2 million, decreasing from the same period in the previous year (Baht 3,095.0 million) by Baht 368.8 million. This was due to the decrease in immovable properties for investment after being sold and goods in stock that were sold gradually. At the same time, machines and vehicles for rent as well as trade debtors were increased.

#### Liabilities

As of 31 December 2014, total loans were Baht 1,313.22 million, decreasing Baht 599.76 million or 31.35 percent compared to Baht 1,912.98 million in 2013. They were mainly from the decrease in trade creditor list and other creditors from Baht 749.43 million in 2013 to only Baht 84.42 million in 2014. The decrease was Baht 665.01 million or 88.74 percent.

#### Shareholders' Equity

As of 31 December 2014, shareholders' equity totaled Baht 1,413.02 million, up from Baht 1,181.99 million in 2013 for Baht 231.03 million or 19.5 percent. An increase of shareholders' equity was contributed by an increase of accumulative profit according to higher net profit from the company's performance in 2014 and dividend payout as ordinary shares.

**Liquidity**

The liquidity increased from 0.70 in 2013 to be 1.06 in 2014. In 2014, cash flow from operating activities was Baht -72.6 million, due to repaying to trade creditors. Non-performing lands were sold for Baht 500.00 million before deducting expenses, resulting in cash flow from investment activities of Baht 301.45 million. Also, cash flow spent for fund raising was Baht 215.58 million. Debt to equity ratio decreased from 1.62 in 2013 to 0.93 in 2014. However, at the end of accounting period, net cash was equal to circulating fund in the business which is Baht 17.28 million. In 2015, it is expected that cash flow from operating activities will be higher from sales and leasing and transporting services. The strategies are maintaining the existing client base, expanding client base both domestically and internationally as well as to that of the competitors. Also, new cranes imported from People's Republic of China will be mainly focused on due to lower cost comparing to the used cranes imported from Japan and Europe. Customer service and stock management will be developed to be more effective. Regarding long-term loans, the pay-off time will be considered to be in line with the ability to repay loans in order to maintain stability in the company's liquidity.



# AUDITOR'S REPORT & FINANCIAL REPORT

## AUDITOR'S REPORT

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

I have audited the accompanying consolidated financial statements of Chukai Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the accompanying separate financial statements of Chukai Public Company Limited which comprise the separate statement of financial position as at December 31, 2014, and the separate statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Chukai Public Company Limited and its subsidiaries as at December 31, 2014, and their financial performance and cash flows for the year then ended, and the separate financial position of Chukai Public Company Limited as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Kraisit Silapamongkonkul  
Certified Public Accountant  
Registration Number 9429

PV Audit Co., Ltd.  
Bangkok, February 26, 2015

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Assets</b>	3				
Current assets					
Cash and cash equivalents	5	17,277,668.23	4,005,185.48	15,106,218.04	99,383.94
Trade and other receivables	4, 6	209,666,977.06	178,654,771.53	162,475,838.91	118,457,215.47
Short-term loans to related party	4	-	-	22,000,000.00	113,500,000.00
Inventories	7	332,828,148.54	559,376,675.35	334,117,720.14	560,666,246.95
Other current assets		24,499,540.37	49,814,443.09	8,825,779.07	34,691,436.33
Total current assets		584,272,334.20	791,851,075.45	542,525,556.16	827,414,282.69
Non-current assets					
Restricted bank deposits	9	504,258.71	495,501.42	275,716.49	269,708.73
Investments in subsidiaries	4, 10	-	-	299,991,430.00	174,991,430.00
Investment property	11	1,784,769.65	322,862,444.88	-	321,053,512.00
Property, plant and equipment	12	2,072,315,724.15	1,928,365,698.81	895,259,728.15	923,864,342.62
Deferred tax assets	13	3,646,405.56	5,121,430.99	-	-
Other non-current assets	4	63,707,105.27	46,275,074.09	28,525,799.93	16,250,715.77
Total non-current assets		2,141,958,263.34	2,303,120,150.19	1,224,052,674.57	1,436,429,709.12
<b>Total assets</b>		<b>2,726,230,597.54</b>	<b>3,094,971,225.64</b>	<b>1,766,578,230.73</b>	<b>2,263,843,991.81</b>

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Liabilities and shareholders' equity</b>	3				
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	68,156,167.94	20,786,206.21	65,301,465.48	12,019,072.03
Trade and other payables	4, 15	84,420,114.98	749,430,359.68	28,234,474.60	690,530,776.22
Current portion of long-term debts	16	287,375,329.57	256,504,116.76	100,537,969.53	105,862,178.36
Liability under repurchase agreement	19	88,850,121.89	82,839,030.52	-	-
Short-term loans from related parties	4	-	-	158,050,000.00	146,150,000.00
Accrued income tax	27	1,000,809.68	178,892.83	-	-
Other current liabilities		23,020,272.14	18,455,739.03	10,460,339.66	7,516,379.02
<b>Total current liabilities</b>		<b>552,822,816.20</b>	<b>1,128,194,345.03</b>	<b>362,584,249.27</b>	<b>962,078,405.63</b>
Non-current liabilities					
Long-term loans from financial institutions	17	222,574,000.00	218,072,000.00	214,824,000.00	207,322,000.00
Long-term liabilities under finance leases	18	449,794,666.56	504,982,112.86	36,576,476.90	71,694,522.72
Deferred tax liabilities	13	59,340,306.88	36,705,804.56	29,679,858.26	15,186,159.94
Employee benefit obligations	20	16,124,654.69	12,879,143.89	8,019,316.31	7,144,134.62
Other non-current liabilities	4	12,558,610.34	12,145,157.15	2,204,890.10	2,283,731.95
<b>Total non-current liabilities</b>		<b>760,392,238.47</b>	<b>784,784,218.46</b>	<b>291,304,541.57</b>	<b>303,630,549.23</b>
<b>Total liabilities</b>		<b>1,313,215,054.67</b>	<b>1,912,978,563.49</b>	<b>653,888,790.84</b>	<b>1,265,708,954.86</b>

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Shareholders' equity</b>	3				
Share capital	21				
Authorized share capital - 626,784,419 ordinary shares in year 2014 and 578,571,375 ordinary shares in year 2013, Baht 1 par value		626,784,419.00	578,571,375.00	626,784,419.00	578,571,375.00
Issued and paid-up share capital - 626,783,520 ordinary shares in year 2014 and 578,570,233 ordinary shares in year 2013, fully paid-up		626,783,520.00	578,570,233.00	626,783,520.00	578,570,233.00
Premium on ordinary shares	22	209,553,500.00	209,553,500.00	209,553,500.00	209,553,500.00
Surplus arising from business combination under common control	2	39,195,609.23	39,195,609.23	-	-
Retained earnings					
Appropriated - legal reserve	23	31,524,151.37	25,528,529.66	31,524,151.37	25,528,529.66
Unappropriated	21	505,958,762.27	329,144,790.26	244,828,268.52	184,482,774.29
<b>Total shareholders' equity</b>		<b>1,413,015,542.87</b>	<b>1,181,992,662.15</b>	<b>1,112,689,439.89</b>	<b>998,135,036.95</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,726,230,597.54</b>	<b>3,094,971,225.64</b>	<b>1,766,578,230.73</b>	<b>2,263,843,991.81</b>

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
	3				
<b>Revenue from sales and services</b>	4	<b>1,067,683,682.69</b>	<b>1,414,009,450.13</b>	<b>543,646,975.00</b>	<b>946,233,475.13</b>
Cost of sales and services	4, 24	(722,073,623.94)	(1,059,553,595.33)	(460,635,603.46)	(799,375,602.31)
<b>Gross profit</b>		<b>345,610,058.75</b>	<b>354,455,854.80</b>	<b>83,011,371.54</b>	<b>146,857,872.82</b>
Other income	4, 11	176,511,866.49	14,172,883.18	186,404,670.22	33,645,693.41
Dividend income from subsidiaries	4, 21	-	-	-	49,999,180.00
Selling and service expenses	4, 24	(47,592,858.05)	(52,654,598.55)	(21,436,367.47)	(23,494,926.93)
Administrative expenses	4, 24	(125,283,406.91)	(145,419,410.22)	(80,202,006.85)	(102,432,123.28)
Finance costs	4, 25	(52,318,116.42)	(71,796,494.03)	(15,404,399.10)	(34,295,651.57)
Profit before income tax		296,927,543.86	98,758,235.18	152,373,268.34	70,280,044.45
Tax expense	13, 27	(60,546,631.89)	(26,166,863.74)	(32,460,834.15)	(9,933,799.64)
<b>Profit for the year</b>		<b>236,380,911.97</b>	<b>72,591,371.44</b>	<b>119,912,434.19</b>	<b>60,346,244.81</b>
Other comprehensive income (loss)		-	-	-	-
<b>Total comprehensive income</b>		<b>236,380,911.97</b>	<b>72,591,371.44</b>	<b>119,912,434.19</b>	<b>60,346,244.81</b>
<b>Basic earnings per share</b>	3				
Profit attributable to equity holders of the Company		0.377	0.116	0.191	0.096
Weighted average number of ordinary shares (Shares)		626,783,520	626,783,520	626,783,520	626,783,520



## CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEAR ENDED DECEMBER 31, 2014

		Baht					
		Consolidated financial statements					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus arising from business combination under common control	Retained earnings		Total
					Appropriated	Unappropriated	
<b>Beginning balance as at January 1, 2013</b>		<b>506,249,953.00</b>	<b>209,553,500.00</b>	<b>39,195,609.23</b>	<b>22,511,217.42</b>	<b>339,927,869.23</b>	<b>1,117,438,148.88</b>
Changes in shareholders' equity							
Total comprehensive income		-	-	-	-	72,591,371.44	72,591,371.44
Legal reserve	23	-	-	-	3,017,312.24	(3,017,312.24)	-
Increase in ordinary shares	21	72,320,280.00	-	-	-	-	72,320,280.00
Dividend payment	21	-	-	-	-	(80,357,138.17)	(80,357,138.17)
<b>Ending balance as at December 31, 2013</b>		<b>578,570,233.00</b>	<b>209,553,500.00</b>	<b>39,195,609.23</b>	<b>25,528,529.66</b>	<b>329,144,790.26</b>	<b>1,181,992,662.15</b>
Changes in shareholders' equity							
Total comprehensive income		-	-	-	-	236,380,911.97	236,380,911.97
Legal reserve	23	-	-	-	5,995,621.71	(5,995,621.71)	-
Increase in ordinary shares	21	48,213,287.00	-	-	-	-	48,213,287.00
Dividend payment	21	-	-	-	-	(53,571,318.25)	(53,571,318.25)
<b>Ending balance as at December 31, 2014</b>		<b>626,783,520.00</b>	<b>209,553,500.00</b>	<b>39,195,609.23</b>	<b>31,524,151.37</b>	<b>505,958,762.27</b>	<b>1,413,015,542.87</b>

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Baht				
		Separate financial statements				
Note		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
				Appropriated	Unappropriated	
	<b>Beginning balance as at January 1, 2013</b>	<b>506,249,953.00</b>	<b>209,553,500.00</b>	<b>22,511,217.42</b>	<b>207,510,979.89</b>	<b>945,825,650.31</b>
	Changes in shareholders' equity					
	Total comprehensive income	-	-	-	60,346,244.81	60,346,244.81
23	Legal reserve	-	-	3,017,312.24	- 3,017,312.24	-
21	Increase in ordinary shares	72,320,280.00	-	-	-	72,320,280.00
21	Dividend payment	-	-	-	(80,357,138.17)	(80,357,138.17)
	<b>Ending balance as at December 31, 2013</b>	<b>578,570,233.00</b>	<b>209,553,500.00</b>	<b>25,528,529.66</b>	<b>184,482,774.29</b>	<b>998,135,036.95</b>
	Changes in shareholders' equity					
	Total comprehensive income	-	-	-	119,912,434.19	119,912,434.19
23	Legal reserve	-	-	5,995,621.71	(5,995,621.71)	-
21	Increase in ordinary shares	48,213,287.00	-	-	-	48,213,287.00
21	Dividend payment	-	-	-	(53,571,318.25)	(53,571,318.25)
	<b>Ending balance as at December 31, 2014</b>	<b>626,783,520.00</b>	<b>209,553,500.00</b>	<b>31,524,151.37</b>	<b>244,828,268.52</b>	<b>1,112,689,439.89</b>

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before income tax	296,927,543.86	98,758,235.18	152,373,268.34	70,280,044.45
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities				
Depreciation	217,570,285.24	200,961,809.64	76,906,743.22	78,293,029.88
Doubtful accounts (reversal)	(2,145,168.41)	3,814,111.29	1,064,669.26	48,150.00
Reversal of loss from obsolete stock	(154,777.80)	(623,672.53)	(154,777.80)	(623,672.53)
Loss from impairment of assets and written-off assets	3,244,601.61	4.00	108,203.32	-
Gain on sales of assets	(159,516,072.27)	(1,168,959.27)	(157,619,625.55)	(950,919.00)
Fine	6,011,091.37	6,011,091.37	-	-
Unrealized (gain) loss on exchange rate	(8,341.20)	28,967,023.25	-	28,967,023.25
Dividend income from subsidiaries	-	-	-	(49,999,180.00)
Interest income	(84,813.10)	(672,511.82)	(3,364,659.47)	(6,829,877.51)
Interest expenses	51,907,341.42	71,792,959.03	14,993,624.10	34,295,651.57
Employee benefit obligations	5,471,231.88	5,858,550.84	2,298,995.67	2,859,171.04
Profit from operating activities before change in operating assets and liabilities	419,222,922.60	413,698,640.98	86,606,441.09	156,339,421.15
Change in operating assets (increase) decrease				
Trade and other receivables	(28,672,119.92)	(22,892,535.01)	(50,018,522.02)	(10,062,183.94)
Inventories	223,945,305.90	(276,425,130.98)	237,330,300.31	(293,741,232.90)
Other current assets	25,132,963.81	(21,911,363.01)	25,865,718.35	(17,121,622.32)
Restricted bank deposits	(8,757.29)	18,593,780.09	(6,007.76)	2,284,298.33
Other non-current assets	2,832,695.59	(113,313.74)	(6,165,000.00)	(2,273,796.76)
Change in operating liabilities increase (decrease)				
Trade and other payables	(666,028,209.95)	414,837,916.70	(662,661,977.91)	386,754,649.62
Liability under repurchase agreement paid	-	(18,954,272.85)	-	-
Other current liabilities	4,564,533.11	(1,987,507.63)	2,943,960.64	144,192.05
Employee benefit obligations paid	(2,225,721.08)	(345,342.54)	(1,423,813.98)	(140,000.00)
Other non-current liabilities	413,453.19	2,140,235.94	(78,841.85)	1,598,118.75
Cash generated (paid) from operations	(20,822,934.04)	506,641,107.95	(367,607,743.13)	223,781,843.98

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Interest received	71,895.90	680,235.55	8,299,888.79	1,925,110.49
Cash receipt from income tax refund	5,966,541.26	3,908,843.14	-	-
Income tax paid	(57,811,835.61)	(35,702,240.06)	(24,077,219.99)	(5,459,820.68)
<b>Net cash provided by (used in) operating activities</b>	<b>(72,596,332.49)</b>	<b>475,527,946.58</b>	<b>(383,385,074.33)</b>	<b>220,247,133.79</b>
<b>Cash flows from investing activities</b>				
Dividend received from subsidiaries	-	-	-	49,999,180.00
(Increase) decrease in short-term loans to related party	-	-	91,500,000.00	(64,500,000.00)
Increase in investment in subsidiary	-	-	(125,000,000.00)	-
Purchases of property, plant and equipment	(186,340,657.43)	(125,850,662.24)	(51,565,587.26)	(57,701,192.37)
Cash receipt from sales of assets	487,786,726.85	6,447,593.47	484,568,748.35	6,030,000.00
<b>Net cash provided by (used in) investing activities</b>	<b>301,446,069.42</b>	<b>(119,403,068.77)</b>	<b>399,503,161.09</b>	<b>(66,172,012.37)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	47,369,961.73	(82,716,531.13)	53,282,393.45	(70,797,804.77)
Cash receipt from short-term loans from related parties	-	80,000,000.00	61,150,000.00	160,650,000.00
Repayment for short-term loans from related parties	-	(80,000,000.00)	(49,250,000.00)	(129,500,000.00)
Cash receipt from sale and leaseback agreement and finance lease agreement	-	49,500,000.00	-	27,000,000.00
Repayment for liabilities under finance leases	(201,805,964.31)	(205,886,598.91)	(45,910,083.88)	(50,439,424.94)
Cash receipt from long-term loans from financial institutions	251,500,000.00	55,437,252.95	251,500,000.00	40,437,252.95
Repayment for long-term loans from financial institutions	(254,268,139.35)	(94,691,216.64)	(250,382,000.00)	(89,133,216.64)
Interest paid	(53,015,128.66)	(74,342,496.07)	(16,143,578.64)	(34,426,988.61)
Dividend payment	(5,357,983.59)	(8,036,764.50)	(5,357,983.59)	(8,036,764.50)
<b>Net cash used in financing activities</b>	<b>(215,577,254.18)</b>	<b>(360,736,354.30)</b>	<b>(1,111,252.66)</b>	<b>(154,246,946.51)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>13,272,482.75</b>	<b>(4,611,476.49)</b>	<b>15,006,834.10</b>	<b>(171,825.09)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,005,185.48</b>	<b>8,616,661.97</b>	<b>99,383.94</b>	<b>271,209.03</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>17,277,668.23</b>	<b>4,005,185.48</b>	<b>15,106,218.04</b>	<b>99,383.94</b>



**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

Additional details of non-cash items

1. The Company and subsidiaries had transferred their machinery and equipment for rent to inventories at net book value in the amount of Baht 18.19 million (year 2013: Baht 21.40 million) in the separate financial statements and in the amount of Baht 38.25 million (year 2013: Baht 37.53 million) in the consolidated financial statements.
2. The Company and subsidiaries purchased the machinery and equipment for rent and vehicles at cost in the amount of Baht 14.66 million (year 2013: Baht 0.56 million) in the separate financial statements and in the amount of Baht 207.33 million (year 2013: Baht 380.75 million) in the consolidated financial statements by cash payment in the amount of Baht 2.81 million (year 2013: Baht 0.14 million) in the separate financial statements and in the amount of Baht 22.57 million (year 2013: Baht 67.63 million) in the consolidated financial statements and by entering into a finance lease agreement for the remainder.
3. The Company paid stock dividend in the amount of Baht 48.21 million (year 2013: Baht 72.32 million) (see Note 21).



**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. GENERAL INFORMATION**

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

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

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

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

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

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

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

**BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

Subsidiaries	Located in	Business type	Percentage of holding	
			2014	2013
The Crane Lamechabang Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Rayong Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Heavy Lift Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Service Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%

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

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

Subsidiaries are an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

**Adoption of New Thai Financial Reporting Standards**

FAP has issued Notifications, mandating the use of new and revised Conceptual Framework for Financial Reporting (revised 2014), Thai Accounting Standards (“TAS”), TFRS, Thai Standard Interpretations (“TSIC”) and Thai Financial Reporting Interpretations (“TFRIC”) as follows:

- a) Conceptual Framework for Financial Reporting (revised 2014) which is immediately effective for the year 2014.
- b) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements



TAS/TFRS/TSIC/TFRIC	Topic
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share – Based Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets-Web Site Costs



TAS/TFRS/TSIC/TFRIC	Topic
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

The management of the Group has assessed the effects of these Conceptual Framework for Financial Reporting (revised 2014) and TFRS and believes that they do not have any significant impact on the financial statements.

#### **New and revised Thai Financial Reporting Standards not yet effective**

The Group has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2015 as follows:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period



TAS/TFRS/TSIC/TFRIC	Topic
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property



TAS/TFRS/TSIC/TFRIC	Topic
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities



TAS/TFRS/TSIC/TFRIC	Topic
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

b) TFRS which is effective for the financial statements for the period beginning on or after January 1, 2016 as follow:

TFRS	Topic
TFRS 4 (revised 2014)	Insurance Contracts

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The measurement bases used in preparing the financial statements

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

**Revenues**

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

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

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

**Revenue from rental**

Revenue from rental is recognized to the statement of comprehensive income by the straight-line method over the term of the agreement.

**Interest income**

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

**Dividends income**

Dividends incomes are recognized when the right to receive the dividends is established.

**Other income**

Other income is recognized on an accrual basis.

**Expenses****Operating leases**

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

**Finance costs**

Interest expenses and similar costs are charged to the statement of comprehensive income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.

**Employee benefits****Short-term benefits**

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.



#### Post-employment benefits – defined contribution plan

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

#### Post-employment benefits – defined benefit plan

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Group recognizes actuarial gains (losses) in the profit or loss in the period in which they arise.

#### Termination benefits

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

### **Income tax**

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

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

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

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available



that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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

#### **Cash and cash equivalents**

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

#### **Trade and other receivables**

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

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

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

#### **Inventories**

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

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

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

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

#### **Investments in subsidiaries**

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

#### **Investment property**



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

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

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

**Depreciation**

Depreciation is computed by the straight-line method based on the estimated useful lives of building of 30 years.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

**Property, plant and equipment**

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

**Depreciation**

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

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

Depreciation is included in determining income and no depreciation is provided on land, part of land improvement and construction in progress and assets in transit.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits to be used during more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in the statement of comprehensive income.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

The machinery and equipment for lease had an objective to lease and sell. Therefore, the machinery and equipment which did not sell, then the assets go to service were recorded in “Property, plant and equipment” and were depreciated over its useful life as above recorded in “Cost of services” until there are sales will stop the depreciation and will be reclassified to be “Inventories” if



sold out and will recognize the cost of sales at the net book value (cost less accumulated depreciation) on the disposed date to the statement of comprehensive income in the period in which they are incurred.

### **Finance lease**

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

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

### **Impairment of assets**

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

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income unless it reverses a previous revaluation credited to shareholders' equity, in which case it is charged to shareholders' equity.

#### Calculation of recoverable amount

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

#### Reversals of impairment

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

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

### **Foreign currencies**

#### Foreign currency transactions

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



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

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

Gain or loss on conversion is included in the statement of comprehensive income.

### Dividends

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

### Basic earnings per share

Basic earnings per share for the years ended December 31, 2014 and 2013 is calculated by dividing profit for the years attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the year, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as disclosed in the Note 21 to the financial statements. The basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

For the years ended December 31, 2014 and 2013 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Profit for the year (Baht)	236,380,911.97	72,591,371.44	119,912,434.19	60,346,244.81
<b>Weighted average number of ordinary shares (shares)</b>				
Issued ordinary shares at January 1	578,570,233	578,570,233	578,570,233	578,570,233
The stock dividend	48,213,287	48,213,287	48,213,287	48,213,287
Weighted average number of ordinary shares (shares)	626,783,520	626,783,520	626,783,520	626,783,520
Basic earnings per share (Baht)	0.377	0.116	0.191	0.096

### Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected



future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgments and estimates are as follows:

#### Commercial disputes and litigation

The Group has contingent liabilities as a result of commercial disputes and litigation. The management has used judgment to assess of the results of the commercial disputes and litigation and believes that no loss will result. Therefore no provision is recorded as at the statement of financial position date. However, actual results could differ from the estimates.

#### 4. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities and other transactions occurred with those related parties were as follows:

Significant transactions with related parties for the years ended December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
The Crane Lamechabang Co., Ltd.				
Revenue from sales and services	-	-	48,524,011.88	61,988,848.65
Interest income	-	-	28,489.73	-
Other income	-	-	4,748,400.00	8,265,960.17
Dividend income	-	-	-	9,999,800.00
Purchase of goods	-	-	2,520,000.00	5,683,045.73
Cost of sales and services	-	-	2,604,202.79	996,189.64
Selling and service expenses	-	-	596,970.51	604,649.20
Administrative expenses	-	-	1,763.20	10,922.68
Interest expenses	-	-	-	57,732.87



	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
The Crane Rayong Co., Ltd.				
Revenue from sales and services	-	-	55,576,610.28	44,340,276.66
Interest income	-	-	3,258,017.10	5,072,438.23
Other income	-	-	4,220,000.00	5,627,489.64
Dividend income	-	-	-	29,999,400.00
Purchase of goods	-	-	7,020,000.00	137,681.60
Cost of sales and services	-	-	425,745.86	38,500.00
Selling and service expenses	-	-	90,768.00	-
Administrative expenses	-	-	-	150,840.29
The Crane Heavy Lift Co., Ltd.				
Revenue from sales and services	-	-	251,715.00	1,208,565.00
Other income	-	-	600,000.00	677,400.00
Dividend income	-	-	-	9,999,980.00
Purchase of goods	-	-	10,260,000.00	6,481,682.24
Cost of sales and services	-	-	-	4,970.00
Interest expenses	-	-	620,732.98	669,245.23
The Crane Service Co., Ltd.				
Revenue from sales and services	-	-	25,016,978.72	19,060,836.73
Other income	-	-	4,200,000.00	6,653,049.74
Purchase of goods	-	-	17,820,000.00	37,304,400.00
Cost of sales and services	-	-	1,600,519.71	2,289,251.19
Selling and service expenses	-	-	174,940.54	400,928.56
Administrative expenses	-	-	428,932.06	493,849.88
Interest expenses	-	-	2,084,783.66	2,516,706.99
<b>Related company</b>				
Crane Daeng Co., Ltd.				
Revenue from sales and services	6,443,860.94	4,221,372.91	470,205.00	244,170.00
Purchase of equipment	270,000.00	-	-	-
Cost of sales and services	1,908,249.69	1,177,341.39	-	44,500.00



	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Related company</b>				
20 Auction Co., Ltd.				
Revenue from sales and services	211,039.56	-	12,240.00	-
Selling and service expenses	27,900.00	-	3,300.00	-
<b>Related persons (director / shareholders)</b>				
Purchase of land	4,350,000.00	-	4,350,000.00	-
Sale of land	9,000,000.00	-	9,000,000.00	-

**Key management personnel compensation**

Key management personnel compensation for the years ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term benefits	47,882,930.65	40,097,566.58	47,415,663.69	39,630,509.49
Post-employment benefits	1,790,907.81	3,493,089.13	1,790,907.81	3,493,089.13
Total	49,673,838.46	43,590,655.71	49,206,571.50	43,123,598.62

The significant balances of assets and liabilities with related parties as at December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
The Crane Lamechabang Co., Ltd.				
Accrued interest income	-	-	12,945.21	-
Deposit	-	-	95,700.00	95,700.00
The Crane Rayong Co., Ltd.				
Accrued interest income	-	-	124,263.70	5,072,438.23



	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
The Crane Heavy Lift Co., Ltd.				
Accrued interest expenses	-	-	212,075.41	104,835.62
The Crane Service Co., Ltd.				
Other receivable	-	-	2,333,149.76	2,333,149.76
Accrued interest expenses	-	-	768,928.78	938,690.60
Investments in subsidiaries (see Note 10)	-	-	299,991,430.00	174,991,430.00
<b>Related persons (director / shareholders)</b>				
Receivable from sales of assets	5,000,000.00	5,000,000.00	-	-
Accrued expenses	6,200,000.00	6,200,000.00	-	-
Other payable	570,245.00	570,245.00	-	-

**Trade receivables – related parties**

Trade receivables – related parties as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
The Crane Lamechabang Co., Ltd.	-	-	51,854,771.94	11,551,120.90
The Crane Rayong Co., Ltd.	-	-	75,895,500.89	67,977,540.06
The Crane Heavy Lift Co., Ltd.	-	-	50,000.00	8,700.00
The Crane Service Co., Ltd.	-	-	7,133,723.61	4,254,672.63
Crane Daeng Co., Ltd.	1,661,137.39	1,308,965.88	-	-
20 Auction Co., Ltd.	386,925.29	-	13,096.80	-
<b>Total</b>	<b>2,048,062.68</b>	<b>1,308,965.88</b>	<b>134,947,093.24</b>	<b>83,792,033.59</b>

**Trade payables – related parties**

Trade payables – related parties as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
The Crane Lamechabang Co., Ltd.	-	-	1,564,824.63	1,728,640.52
The Crane Rayong Co., Ltd.	-	-	534,948.80	182,934.91
The Crane Heavy Lift Co., Ltd.	-	-	-	3,007,817.90
The Crane Service Co., Ltd.	-	-	648,541.94	2,956,074.97
Crane Daeng Co., Ltd.	1,483,480.67	715,725.29	-	4,815.00
<b>Total</b>	<b>1,483,480.67</b>	<b>715,725.29</b>	<b>2,748,315.37</b>	<b>7,880,283.30</b>

**Short-term loans to related parties**

Short-term loans to related parties as at December 31, 2014 and 2013 consisted of:

	Baht	
	Separate	
	financial statements	
	2014	2013
The Crane Lamechabang Co., Ltd.	7,000,000.00	-
The Crane Rayong Co., Ltd.	15,000,000.00	113,500,000.00
<b>Total</b>	<b>22,000,000.00</b>	<b>113,500,000.00</b>

Movements of short-term loans to related parties for the years ended December 31, 2014 and 2013 were as follows:

	Baht	
	Separate	
	financial statements	
	2014	2013
Balance at the beginning	113,500,000.00	49,000,000.00
Increase	46,500,000.00	91,000,000.00
Decrease	(138,000,000.00)	(26,500,000.00)
<b>Balance at the end</b>	<b>22,000,000.00</b>	<b>113,500,000.00</b>



The Company had short-term loans to The Crane Lamechabang Co., Ltd. and The Crane Rayong Co., Ltd. (“subsidiaries”) by issuing promissory notes, due at call with interest charged at the rate referred to minimum overdraft rate (MOR) and unsecured.

#### Short-term loans from related parties

Short-term loans from related parties as at December 31, 2014 and 2013 consisted of:

	Baht	
	Separate	
	financial statements	
	2014	2013
The Crane Heavy Lift Co., Ltd.	44,150,000.00	25,950,000.00
The Crane Service Co., Ltd.	113,900,000.00	120,200,000.00
Total	158,050,000.00	146,150,000.00

Movements of short-term loans from related parties for the years ended December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance at the beginning	-	-	146,150,000.00	115,000,000.00
Increase	-	80,000,000.00	61,150,000.00	160,650,000.00
Decrease	-	(80,000,000.00)	(49,250,000.00)	(129,500,000.00)
Balance at the end	-	-	158,050,000.00	146,150,000.00

The Company borrowed short-term loans from The Crane Heavy Lift Co., Ltd. and The Crane Service Co., Ltd. (“subsidiaries”) by issuing short-term promissory notes with interest charged at the rate referred to fixed deposit of commercial bank and unsecured.

#### Co-guarantee for liabilities with related parties

As at December 31, 2014, the Group had co-guarantee liabilities with related parties as follows:

##### The Company

The Company had co-guarantee for liabilities under finance leases of subsidiaries at book value in the amount of Baht 580.24 million (see Note 29).



The Company had co-guarantee for bank overdrafts and loans from financial institutions of subsidiaries in the amount of Baht 38 million (see Notes 14 and 17).

The Company had co-guarantee for bank guarantees from financial institutions of subsidiaries in the amount of Baht 2 million.

### Subsidiaries

The Subsidiaries had co-guarantee for liabilities under finance leases of the Company at book value in the amount of Baht 13.50 million (see Note 29).

The Subsidiaries had co-guarantee for liabilities under finance leases of other subsidiaries at book value in the amount of Baht 2.36 million (see Note 29).

### Related persons (director / shareholders)

Related persons had co-guarantee for liabilities under finance leases of the Group at book value in the amount of Baht 393.77 million.

Related persons had co-guarantee for bank overdrafts and loans from financial institutions of the Group (see Notes 14 and 17).

### Nature of relationship

Name	Country	Relation	Type of relation
The Crane Lamechabang Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Rayong Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Heavy Lift Co., Ltd.	Thailand	Subsidiary	Direct holding
The Crane Service Co., Ltd.	Thailand	Subsidiary	Direct holding
Crane Daeng Co., Ltd.	Thailand	Related company	Management and/or shareholders of the same family
20 Auction Co., Ltd.	Thailand	Related company	Management and/or shareholders of the same family

### Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase - sale of machinery and equipment for rent and goods	Market price
Purchase - sale of land	Appraised value of the independent appraisal
Rendering of rent and transportation services	Market price minus discount 20% - 35%
Rendering of repair services	Market price
Services and administrative expenses	Market price
Interest income and expense	Referred to the bank's interest rate.

The discount mentioned above occurred from the difference by nature of service provided in the section of staff who control the machinery and equipment for rent.



## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	147,586.72	176,599.72	5,085.00	22,255.00
Cash at banks	17,130,081.51	3,828,585.76	15,101,133.04	77,128.94
<b>Total</b>	<b>17,277,668.23</b>	<b>4,005,185.48</b>	<b>15,106,218.04</b>	<b>99,383.94</b>

## 6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade receivables				
Other parties	198,266,169.08	161,753,608.51	27,795,540.12	29,380,196.50
Related parties	2,048,062.68	1,308,965.88	134,947,093.24	83,792,033.59
<b>Total</b>	<b>200,314,231.76</b>	<b>163,062,574.39</b>	<b>162,742,633.36</b>	<b>113,172,230.09</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(26,735,476.14)</b>	<b>(29,409,609.76)</b>	<b>(1,134,920.11)</b>	<b>(22,100.85)</b>
Trade receivables - net	173,578,755.62	133,652,964.63	161,607,713.25	113,150,129.24
Accrued income	28,849,864.95	38,538,432.40	137,208.91	5,072,438.23
Advance payments	1,427,540.57	1,171,274.46	3,372.00	73,448.00
Others	6,325,949.14	7,670,760.27	727,544.75	209,350.00
<b>Total</b>	<b>36,603,354.66</b>	<b>47,380,467.13</b>	<b>868,125.66</b>	<b>5,355,236.23</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(515,133.22)</b>	<b>(2,378,660.23)</b>	<b>-</b>	<b>(48,150.00)</b>
Other receivables - net	36,088,221.44	45,001,806.90	868,125.66	5,307,086.23
<b>Trade and other receivables - net</b>	<b>209,666,977.06</b>	<b>178,654,771.53</b>	<b>162,475,838.91</b>	<b>118,457,215.47</b>



As at December 31, 2014 and 2013, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Trade receivables - other parties</b>				
Current	99,264,176.12	43,966,098.69	4,506,299.65	1,862,169.16
Overdue				
Not over 3 months	66,919,962.57	78,099,713.19	20,859,051.16	21,505,829.16
Over 3 months up to 6 months	4,838,117.49	10,601,342.52	565,543.07	4,813,097.30
Over 6 months up to 12 months	1,845,956.02	3,911,160.57	1,842,545.39	1,177,000.03
Over 12 months	25,397,956.88	25,175,293.54	22,100.85	22,100.85
Total	<u>198,266,169.08</u>	<u>161,753,608.51</u>	<u>27,795,540.12</u>	<u>29,380,196.50</u>
<b>Trade receivables - related parties</b>				
Current	1,677,829.09	980,910.88	13,662,465.54	17,097,355.51
Overdue				
Not over 3 months	370,233.59	328,055.00	26,462,558.84	20,053,113.81
Over 3 months up to 6 months	-	-	12,987,513.22	12,422,025.57
Over 6 months up to 12 months	-	-	72,726,983.42	22,084,266.77
Over 12 months	-	-	9,107,572.22	12,135,271.93
Total	<u>2,048,062.68</u>	<u>1,308,965.88</u>	<u>134,947,093.24</u>	<u>83,792,033.59</u>

Movements of allowance for doubtful accounts for the years ended December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Beginning balance	31,788,269.99	29,021,253.22	70,250.85	22,100.85
<b>Add (less):</b> Doubtful accounts (reversal)	(2,705,267.23)	3,658,646.98	1,064,669.26	48,150.00
<b>Less:</b> Written-off bad debts	(1,832,393.40)	(891,630.21)	-	-
Ending balance	<u>27,250,609.36</u>	<u>31,788,269.99</u>	<u>1,134,920.11</u>	<u>70,250.85</u>



## 7. INVENTORIES

Inventories as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cranes	231,483,508.05	443,488,138.88	232,671,509.65	444,677,710.48
Forklifts	21,079,881.27	21,079,881.27	21,079,881.27	21,079,881.27
Excavator	55,852,682.22	67,439,618.53	55,852,682.22	67,439,618.53
Spare parts and component	16,878,888.75	16,947,960.96	16,980,458.75	17,047,960.96
Goods in process	9,344,188.25	12,386,853.51	9,344,188.25	12,386,853.51
<b>Total</b>	<b>334,639,148.54</b>	<b>561,342,453.15</b>	<b>335,928,720.14</b>	<b>562,632,024.75</b>
<b>Less: Allowance for devaluation of inventories</b>	<b>(1,811,000.00)</b>	<b>(1,965,777.80)</b>	<b>(1,811,000.00)</b>	<b>(1,965,777.80)</b>
<b>Inventories - net</b>	<b>332,828,148.54</b>	<b>559,376,675.35</b>	<b>334,117,720.14</b>	<b>560,666,246.95</b>

Movements of allowance for devaluation of inventories for the years ended December 31, 2014 and 2013 were as follows:

	Baht	
	Consolidated and separate financial statements	
	2014	2013
Beginning balance	1,965,777.80	3,213,122.86
<b>Less: Reversal of loss from obsolete stock</b>	<b>(154,777.80)</b>	<b>(623,672.53)</b>
<b>Less: Transfer out - equipment (see Note 12)</b>	<b>-</b>	<b>(623,672.53)</b>
<b>Ending balance</b>	<b>1,811,000.00</b>	<b>1,965,777.80</b>

**8. RECEIVABLE UNDER REPURCHASE AGREEMENT**

Receivable under repurchase agreement as at December 31, 2014 and 2013 consisted of:

	Baht	
	Consolidated financial statements	
	2014	2013
Receivable under repurchase agreement	45,820,560.75	45,820,560.75
<b>Less:</b> Allowance for doubtful accounts	(45,820,560.75)	(45,820,560.75)
Receivable under repurchase agreement - net	-	-

The Crane Service Company Limited (“subsidiary”) putting up collateral against a finance lease agreement for repurchase assets if the customer does not perform according to the agreement for its accounts receivable as the debt payment was defaulted upon with the payable (see Note 19).

**9. RESTRICTED BANK DEPOSITS**

Restricted bank deposits as at December 31, 2014 and 2013 consisted of:

	Baht				Guarantee
	Consolidated		Separate		
	financial statements		financial statements		
Cash at banks	2014	2013	2014	2013	
Fixed deposits	504,258.71	495,501.42	275,716.49	269,708.73	Letters of guarantee electricity / collateral from contract

**10. INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries stated by the cost method, as at December 31, 2014 and 2013 consisted of:

Subsidiaries	Baht					
	Holding (%)		Paid-up share capital		Cost	
	2014	2013	2014	2013	2014	2013
The Crane Lamechabang Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,300.00	24,999,300.00
The Crane Rayong Co., Ltd.	100	100	150,000,000.00	25,000,000.00	149,999,200.00	24,999,200.00
The Crane Heavy Lift Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,930.00	24,999,930.00
The Crane Service Co., Ltd.	100	100	100,000,000.00	100,000,000.00	99,993,000.00	99,993,000.00
Total					299,991,430.00	174,991,430.00



In the year 2014, the Company invested in ordinary shares of the increased share capital of subsidiary in amount of Baht 125 million (see Note 21).

## 11. INVESTMENT PROPERTY

Investment property as at December 31, 2014 and 2013 consisted of:

	Note	Baht		
		Consolidated financial statements		
		Land	Land and commercial buildings	Total
<b>Cost</b>				
At January 1, 2013		316,612,277.00	3,563,066.00	320,175,343.00
Purchases / transfer in		-	-	-
Transfer in - land	12	4,441,235.00	-	4,441,235.00
Disposals / transfer out		-	-	-
At December 31, 2013		321,053,512.00	3,563,066.00	324,616,578.00
Purchases / transfer in		-	-	-
Disposals / transfer out		(321,053,512.00)	-	(321,053,512.00)
At December 31, 2014		-	3,563,066.00	3,563,066.00
<b>Accumulated depreciation</b>				
At January 1, 2013		-	1,729,969.89	1,729,969.89
Depreciation		-	24,163.23	24,163.23
Disposals / transfer out		-	-	-
At December 31, 2013		-	1,754,133.12	1,754,133.12
Depreciation		-	24,163.23	24,163.23
Disposals / transfer out		-	-	-
At December 31, 2014		-	1,778,296.35	1,778,296.35
<b>Net book value</b>				
At December 31, 2013		321,053,512.00	1,808,932.88	322,862,444.88
At December 31, 2014		-	1,784,769.65	1,784,769.65



	Note	Baht	
		Separate financial statements	
		Land	
At January 1, 2013		316,612,277.00	
Purchases / transfer in		-	
Transfer in - land	12	4,441,235.00	
Disposals / transfer out		-	
At December 31, 2013		321,053,512.00	
Purchases / transfer in		-	
Disposals / transfer out		(321,053,512.00)	
At December 31, 2014		-	

	Millions Baht	
	Consolidated financial statements	
	2014	2013
Depreciation for the years ended December 31, were included in administrative expenses	0.02	0.02

As at December 31, 2014, the subsidiary has pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts from financial institutions (see Note 14).

As at December 31, 2014				
		The rate of lease per month		
Parties	Period	(Millions Baht)	Note	
Property lease agreement (lessor)				
The Crane Lamechabang Co., Ltd.	Another person	1 year	0.01	-

On January 15, 2014, the Company entered into a sale agreement of land with other company in the amount of Baht 500 million.



## 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2014 and 2013 consisted of:

	Baht								
	Consolidated financial statements								
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Construction in progress and assets in transit	Total
<b>Cost</b>									
At January 1, 2013	207,999,824.16	30,340,702.48	153,989,074.55	18,324,035.85	25,287,036.32	41,644,706.94	2,197,845,801.41	20,806,914.79	2,696,238,096.50
Purchases / transfer in	37,926,773.00	17,227,057.56	666,950.00	169,980.79	6,327,278.31	3,902,414.79	405,717,171.43	35,111,393.85	507,049,019.73
Transfer out / adjust	-	-	936,000.00	2,918,420.00	-	-	-	(3,854,420.00)	-
Transfer out - investment property (see Note 11)	(4,441,235.00)	-	-	-	-	-	-	-	(4,441,235.00)
Disposals / transfer out	(5,079,080.00)	-	-	(170,000.00)	(350,160.58)	(601,682.24)	(94,629,443.87)	-	(100,830,366.69)
At December 31, 2013	236,406,282.16	47,567,760.04	155,592,024.55	21,242,436.64	31,264,154.05	44,945,439.49	2,508,933,528.97	52,063,888.64	3,098,015,514.54
Purchases / transfer in	22,129,904.63	-	1,102,713.27	2,894,044.26	1,229,521.03	23,659,841.11	310,020,398.84	43,983,819.08	405,020,242.22
Transfer out / adjust	-	-	-	919,800.00	-	-	-	(919,800.00)	-
Disposals / transfer out	(5,000,000.00)	-	(133,248.23)	(97,000.00)	(1,628,687.31)	(14,292,297.09)	(75,623,521.39)	-	(96,774,754.02)
At December 31, 2014	253,536,186.79	47,567,760.04	156,561,489.59	24,959,280.90	30,864,987.77	54,312,983.51	2,743,330,406.42	95,127,907.72	3,406,261,002.74
<b>Accumulated depreciation</b>									
At January 1, 2013	-	8,489,073.19	62,302,399.21	16,392,300.11	20,692,945.72	26,085,396.78	872,730,904.18	-	1,006,693,019.19
Depreciation	-	4,508,691.20	4,104,512.77	1,581,874.15	2,280,499.72	3,269,013.58	185,193,054.99	-	200,937,646.41
Disposals / transfer out	-	-	-	(31,219.01)	(289,385.37)	(601,680.24)	(41,830,134.90)	-	(42,752,419.52)
At December 31, 2013	-	12,997,764.39	66,406,911.98	17,942,955.25	22,684,060.07	28,752,730.12	1,016,093,824.27	-	1,164,878,246.08
Depreciation	-	6,943,054.79	4,119,203.82	1,579,212.15	2,297,929.60	5,094,202.80	197,512,518.85	-	217,546,122.01
Disposals / transfer out	-	-	(25,631.32)	(96,996.00)	(1,605,043.93)	(12,098,136.39)	(41,024,851.51)	-	(54,850,659.15)
At December 31, 2014	-	19,940,819.18	70,500,484.48	19,425,171.40	23,376,945.74	21,748,796.53	1,172,581,491.61	-	1,327,573,708.94



	Baht								
	Consolidated financial statements								
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Construction in progress and assets in transit	Total
<b>Impairment of assets</b>									
At January 1, 2013	-	-	-	-	-	-	4,147,897.12	-	4,147,897.12
Transfer in / adjust	-	-	-	-	623,672.53	-	-	-	623,672.53
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2013	-	-	-	-	623,672.53	-	4,147,897.12	-	4,771,569.65
Transfer in / adjust	-	-	-	-	-	-	1,600,000.00	-	1,600,000.00
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2014	-	-	-	-	623,672.53	-	5,747,897.12	-	6,371,569.65
<b>Net book value</b>									
At December 31, 2013	236,406,282.16	34,569,995.65	89,185,112.57	3,299,481.39	7,956,421.45	16,192,709.37	1,488,691,807.58	52,063,888.64	1,928,365,698.81
At December 31, 2014	253,536,186.79	27,626,940.86	86,061,005.11	5,534,109.50	6,864,369.50	32,564,186.98	1,565,001,017.69	95,127,907.72	2,072,315,724.15



	Baht								
	Separate financial statements								
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Construction in progress and assets in transit	Total
<b>Cost</b>									
At January 1, 2013	186,514,615.37	22,580,122.65	89,733,190.56	4,192,997.30	10,400,844.29	17,980,756.12	893,085,558.53	18,502,822.54	1,242,990,907.36
Purchases / transfer in	37,926,773.00	6,008,910.56	-	305,980.79	2,199,153.32	560,747.66	10,539,940.63	33,938,953.85	91,480,459.81
Transfer out / adjust	-	-	936,000.00	-	-	-	-	(936,000.00)	-
Transfer out - investment property (see Note 11)	(4,441,235.00)	-	-	-	-	-	-	-	(4,441,235.00)
Disposals / transfer out	(5,079,080.00)	-	-	-	-	(120,000.00)	(42,743,335.89)	-	(47,942,415.89)
At December 31, 2013	214,921,073.37	28,589,033.21	90,669,190.56	4,498,978.09	12,599,997.61	18,421,503.78	860,882,163.27	51,505,776.39	1,282,087,716.28
Purchases / transfer in	22,129,904.63	-	1,102,713.27	38,782.25	552,332.41	14,660,613.01	28,800,202.87	5,206,981.58	72,491,530.02
Transfer out / adjust	-	-	-	-	-	-	-	-	-
Disposals / transfer out	(5,000,000.00)	-	(133,248.23)	-	(720,773.94)	(6,063,241.38)	(34,913,364.27)	-	(46,830,627.82)
At December 31, 2014	232,050,978.00	28,589,033.21	91,638,655.60	4,537,760.34	12,431,556.08	27,018,875.41	854,769,001.87	56,712,757.97	1,307,748,618.48
<b>Accumulated depreciation</b>									
At January 1, 2013	-	8,181,911.56	21,630,766.47	3,861,250.25	8,359,025.22	9,400,868.10	248,113,430.86	-	299,547,252.46
Depreciation	-	4,214,934.31	2,752,037.82	154,717.33	816,660.37	1,459,197.07	68,895,482.98	-	78,293,029.88
Disposals / transfer out	-	-	-	-	-	(119,999.00)	(21,340,478.73)	-	(21,460,477.73)
At December 31, 2013	-	12,396,845.87	24,382,804.29	4,015,967.58	9,175,685.59	10,740,066.17	295,668,435.11	-	356,379,804.61
Depreciation	-	4,448,697.20	2,762,500.33	160,733.33	807,450.26	2,712,450.22	66,014,911.88	-	76,906,743.22
Disposals / transfer out	-	-	(25,631.32)	-	(700,268.82)	(5,187,488.20)	(16,727,838.21)	-	(22,641,226.55)
At December 31, 2014	-	16,845,543.07	27,119,673.30	4,176,700.91	9,282,867.03	8,265,028.19	344,955,508.78	-	410,645,321.28



	Baht								
	Separate financial statements								
	Land	Land improvements	Buildings	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment for rent	Construction in progress and assets in transit	Total
<b>Impairment of assets</b>									
At January 1, 2013	-	-	-	-	-	-	1,219,896.52	-	1,219,896.52
Transfer in	-	-	-	-	623,672.53	-	-	-	623,672.53
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2013	-	-	-	-	623,672.53	-	1,219,896.52	-	1,843,569.05
Transfer in	-	-	-	-	-	-	-	-	-
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2014	-	-	-	-	623,672.53	-	1,219,896.52	-	1,843,569.05
<b>Net book value</b>									
At December 31, 2013	214,921,073.37	16,192,187.34	66,286,386.27	483,010.51	2,800,639.49	7,681,437.61	563,993,831.64	51,505,776.39	923,864,342.62
At December 31, 2014	232,050,978.00	11,743,490.14	64,518,982.30	361,059.43	2,525,016.52	18,753,847.22	508,593,596.57	56,712,757.97	895,259,728.15



	Millions Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Depreciation for the years ended December 31, were included in				
- Cost of services	201.19	189.25	67.79	70.66
- Selling and administrative expenses	16.35	11.69	9.12	7.63
Total	217.54	200.94	76.91	78.29
As at December 31, Book value of equipment before less accumulated depreciation which have been fully depreciated and still in use.	457.21	416.30	47.76	43.80
Transferred machinery and equipment for rent to inventories at net book value and recognized as cost of sales when disposed the assets for the years ended December 31,	38.25	37.53	18.19	21.40
Transferred inventories to machinery and equipment for rent for the years ended December 31,	7.56	10.04	7.56	10.54
The Company included interest from loan, as a part of machinery and equipment for rent for the years ended December 31, (see Note 25)	1.05	2.44	1.05	0.98
As at December 31, the net book value of assets under finance lease agreements (see Note 18)				
- machinery and equipment for rent	968.93	875.27	125.22	127.27
- vehicles	29.91	12.39	17.91	5.96
Total	998.84	887.66	143.13	133.23

As at December 31, 2014 and 2013, the Group have pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions (see Notes 14 and 17).



As at December 31, 2014					
The rate of					
lease per month					
	Parties	Period	(Millions Baht)	Note	
Property lease agreement (lessee)					
	The Crane Lamechabang Co., Ltd.	The Company	3 years	0.10	-
	The Crane Service Co., Ltd.	The Company	1 year	0.05	-
	The Crane Heavy Lift Co., Ltd.	The Company	3 years	0.05	-

### 13. DEFERRED TAX

Deferred tax as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	3,646,405.56	5,121,430.99	-	-
Deferred tax liabilities	(59,340,306.88)	(36,705,804.56)	(29,679,858.26)	(15,186,159.94)



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

		Baht				
		Consolidated financial statements				
		January 1, 2013	Profit (loss)	December 31, 2013	Profit (loss)	December 31, 2014
<b>Deferred tax assets</b>						
Trade and other receivables		5,149,988.15	752,055.54	5,902,043.69	(609,486.64)	5,292,557.05
Inventories		642,624.57	(249,469.01)	393,155.56	(30,955.56)	362,200.00
Investment property		2,260,569.76	-	2,260,569.76	(2,260,569.76)	-
Property, plant and equipment		243,979.30	99,787.64	343,766.94	295,053.15	638,820.09
Provision		8,607,446.79	(1,485,994.63)	7,121,452.16	1,851,320.43	8,972,772.59
Tax loss carry forward		11,026,425.57	(908,665.76)	10,117,759.81	(10,117,759.81)	-
<b>Total</b>		<b>27,931,034.14</b>	<b>(1,792,286.22)</b>	<b>26,138,747.92</b>	<b>(10,872,398.19)</b>	<b>15,266,349.73</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment		(45,090,900.89)	(12,632,220.60)	(57,723,121.49)	(13,237,129.56)	(70,960,251.05)
		Baht				
		Separate financial statements				
		January 1, 2013	Profit (loss)	December 31, 2013	Profit (loss)	December 31, 2014
<b>Deferred tax assets</b>						
Trade and other receivables		550,000.00	-	550,000.00	211,692.65	761,692.65
Inventories		642,624.57	(249,469.01)	393,155.56	(30,955.56)	362,200.00
Investment property		2,260,569.76	-	2,260,569.76	(2,260,569.76)	-
Property, plant and equipment		243,979.30	99,787.64	343,766.94	(24,946.85)	318,820.09
Provision		884,992.72	543,834.21	1,428,826.93	175,036.33	1,603,863.26
Tax loss carry forward		11,026,425.57	(3,715,629.89)	7,310,795.68	(7,310,795.68)	-
<b>Total</b>		<b>15,608,591.92</b>	<b>(3,321,477.05)</b>	<b>12,287,114.87</b>	<b>(9,240,538.87)</b>	<b>3,046,576.00</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment		(20,860,952.22)	(6,612,322.59)	(27,473,274.81)	(5,253,159.45)	(32,726,434.26)

**14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts and short-term loans from financial institutions as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Bank overdrafts	9,384,487.94	9,786,206.21	6,529,785.48	1,019,072.03
Promissory notes	15,000,000.00	11,000,000.00	15,000,000.00	11,000,000.00
Trust receipts	43,771,680.00	-	43,771,680.00	-
<b>Total</b>	<b>68,156,167.94</b>	<b>20,786,206.21</b>	<b>65,301,465.48</b>	<b>12,019,072.03</b>

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2014	2013	
<b>The Company</b>				
Bank	Bank overdrafts	35.00	35.00	MOR
Bank	Promissory notes	45.00	65.00	MLR
Bank	Trust receipt / Letter of credit	150.00	220.00	MLR
Bank	Forward foreign currency	70.52	64.52	
<b>Subsidiaries</b>				
Bank	Bank overdrafts	23.00	23.00	MOR

Lender	Type of credit	Credit lines (Millions Euro)	
		2014	2013
<b>The Company</b>			
Bank	Letter of credit	3.48	-

The Group have pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions. Moreover, the loans are also guarantee by the Group's directors. The Company had co-guarantee for liabilities of subsidiaries (see Notes 4 and 12).

**15. TRADE AND OTHER PAYABLES**

Trade and other payables as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables				
Other parties	22,570,426.17	676,242,923.76	4,163,518.71	656,104,177.32
Related parties	1,483,480.67	715,725.29	2,748,315.37	7,880,283.30
Total	24,053,906.84	676,958,649.05	6,911,834.08	663,984,460.62
Accrued expenses	55,633,779.95	56,410,644.96	20,197,302.75	24,576,352.46
Payables from purchases of assets	1,885,505.37	12,961,716.41	969,754.00	884,344.12
Others	2,846,922.82	3,099,349.26	155,583.77	1,085,619.02
Total	60,366,208.14	72,471,710.63	21,322,640.52	26,546,315.60
Grand total	84,420,114.98	749,430,359.68	28,234,474.60	690,530,776.22

**16. CURRENT PORTION OF LONG-TERM DEBTS**

Current portion of long-term debts as at December 31, 2014 and 2013 consisted of:

	Note	Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Loans from financial institutions	17	57,888,000.00	65,158,139.35	54,888,000.00	61,272,000.00
Liabilities under finance leases	18	229,487,329.57	191,345,977.41	45,649,969.53	44,590,178.36
Total		287,375,329.57	256,504,116.76	100,537,969.53	105,862,178.36



## 17. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Loans from financial institutions	280,462,000.00	283,230,139.35	269,712,000.00	268,594,000.00
<b>Less:</b> Current portion of long-term debts	(57,888,000.00)	(65,158,139.35)	(54,888,000.00)	(61,272,000.00)
Long-term loans from financial institutions	222,574,000.00	218,072,000.00	214,824,000.00	207,322,000.00

Movements of loans from financial institutions for the years ended December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance at the beginning	283,230,139.35	322,484,103.04	268,594,000.00	317,289,963.69
Increase	251,500,000.00	55,437,252.95	251,500,000.00	40,437,252.95
Decrease	(254,268,139.35)	(94,691,216.64)	(250,382,000.00)	(89,133,216.64)
Balance at the end	280,462,000.00	283,230,139.35	269,712,000.00	268,594,000.00



The details of the loans were summarized as follows:

Credit line	Lender	Millions Baht				Period	Referred Interest Rate	Repayment
		Credit line		Principal				
		2014	2013	2014	2013			
<b>The Company</b>								
1	Bank	-	35.00	-	7.70	Aug. 2009 - Aug. 2015	MLR	Monthly principal repayment totaling 72 installments, Baht 0.60 million each
2	Bank	30.00	30.00	22.96	26.80	Feb. 2012 - Feb. 2021	MLR	Monthly principal repayment totaling 108 installments, Baht 0.32 million each
3	Bank	-	150.00	-	126.96	Sep. 2012 - Jun. 2019	MLR	Monthly principal repayment totaling 78 installments, 1-77 installments, Baht 1.92 million each and 78 installment, Baht 2.16 million
4	Bank	-	130.90	-	102.53	Dec. 2012 - Dec. 2017	MLR	Monthly principal repayment totaling 54 installments, Baht 2.18 million each
5	Bank	7.00	7.00	5.09	4.60	Jan. 2014 - Jan. 2021	MLR	Monthly principal repayment totaling 84 installments, Baht 0.08 million each
6	Bank	250.00	-	241.66	-	Oct. 2014 - Oct. 2019	MLR	Monthly principal repayment totaling 60 installments, Baht 4.17 million each
				<u>269.71</u>	<u>268.59</u>			
<b>Subsidiaries</b>								
7	Bank	-	5.00	-	0.89	Dec. 2009 - Nov. 2014	MLR	Monthly principal repayment totaling 60 installments, Baht 0.08 million each
8	Bank	15.00	15.00	10.75	13.75	Jul. 2013 - Jul. 2018	MLR	Monthly principal repayment totaling 60 installments, Baht 0.25 million each
				<u>10.75</u>	<u>14.64</u>			
				<u>280.46</u>	<u>283.23</u>			

The Group had pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against loans from financial institutions with the full personal guarantee of the directors of the Group. Moreover, the Company had co-guarantee for loan from financial institution of subsidiaries (see Notes 4 and 12).



## 18. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2014 and 2013 consisted of:

Baht												
2014							2013					
Year	Consolidated financial statements			Separate financial statements			Consolidated financial statements			Separate financial statements		
	Present value	Deferred interest	Minimum	Present value	Deferred interest	Minimum	Present value	Deferred interest	Minimum	Present value	Deferred interest	Minimum
			lease payment			lease payment			lease payment			
Finance leases												
1	224,327,951.50	35,829,424.22	260,157,375.72	40,490,591.46	2,836,436.16	43,327,027.62	184,846,918.79	40,979,347.33	225,826,266.12	38,091,119.74	5,099,422.00	43,190,541.74
2 - 5	434,673,363.30	33,854,425.93	468,527,789.23	21,455,173.64	817,659.26	22,272,832.90	484,701,430.20	49,386,115.59	534,087,545.79	51,413,840.06	2,733,391.95	54,147,232.01
	659,001,314.80	69,683,850.15	728,685,164.95	61,945,765.10	3,654,095.42	65,599,860.52	669,548,348.99	90,365,462.92	759,913,811.91	89,504,959.80	7,832,813.95	97,337,773.75
Sale and leaseback agreement												
1	5,159,378.07	1,256,248.05	6,415,626.12	5,159,378.07	1,256,248.05	6,415,626.12	6,499,058.62	1,621,256.67	8,120,315.29	6,499,058.62	1,621,256.67	8,120,315.29
2 - 5	15,121,303.26	1,452,396.21	16,573,699.47	15,121,303.26	1,452,396.21	16,573,699.47	20,280,682.66	2,708,644.26	22,989,326.92	20,280,682.66	2,708,644.26	22,989,326.92
	20,280,681.33	2,708,644.26	22,989,325.59	20,280,681.33	2,708,644.26	22,989,325.59	26,779,741.28	4,329,900.93	31,109,642.21	26,779,741.28	4,329,900.93	31,109,642.21
Total												
1	229,487,329.57	37,085,671.27	266,573,000.84	45,649,969.53	4,092,684.21	49,742,653.74	191,345,977.41	42,600,604.00	233,946,581.41	44,590,178.36	6,720,678.67	51,310,857.03
2 - 5	449,794,666.56	35,306,823.14	485,101,489.70	36,576,476.90	2,270,055.47	38,846,532.37	504,982,112.86	52,094,759.85	557,076,872.71	71,694,522.72	5,442,036.21	77,136,558.93
	679,281,996.13	72,392,494.41	751,674,490.54	82,226,446.43	6,362,739.68	88,589,186.11	696,328,090.27	94,695,363.85	791,023,454.12	116,284,701.08	12,162,714.88	128,447,415.96



The Group entered into the finance lease agreements for purchase machinery and equipment for rent and vehicles, payable monthly in the amount of Baht 22.89 million. As at December 31, 2014, the current portion of liabilities under the finance leases in the amount of Baht 229.49 million (year 2013: Baht 191.35 million) for the consolidated financial statements and Baht 45.65 million (year 2013: Baht 44.59 million) for the separate financial statements was presented under current portion.

The partial of liabilities under finance leases are also personally fully guaranteed by the related person (see Note 4).

#### 19. LIABILITY UNDER REPURCHASE AGREEMENT

Liability under repurchase agreement as at December 31, 2014 and 2013 consisted of:

	Baht	
	Consolidated	
	financial statements	
	2014	2013
Liability under repurchase agreement	60,110,913.64	60,110,913.64
Provision from litigation	47,693,481.10	41,682,389.73
Total	107,804,394.74	101,793,303.37
<b>Less:</b> Cash withheld by The Legal Execution Department paid to plaintiff	(18,954,272.85)	(18,954,272.85)
Balance	88,850,121.89	82,839,030.52

On December 16, 1996, The Crane Service Co., Ltd. (“subsidiary”) sold assets to a customer by finance lease through a Leasing Company; on condition that subsidiary had joint responsibility to repurchase assets if the customer did not perform according to the agreement.

On October 8, 2001, the subsidiary entered into a debt confirmation letter with a Leasing Company because the subsidiary’s customer did not perform according to the agreements in the amount of Baht 73.62 million. A debt confirmation letter indicated that the Subsidiary had to pay principal and interest which the first repayment started on October 2001. The liabilities were also fully guaranteed by the subsidiary’s directors.

The subsidiary recorded the lessee to accounts receivable from repurchase agreement that were presented under current assets in the amount of Baht 45.82 million (see Note 8) according to the amount to be repaid by the subsidiary. The subsidiary had reclaimed the debt in the amount of Baht 68.20 million.

The Group and director are litigation a suit brought against it involving compensation of breach debt confirmation agreement in co-defendant, however, the Subsidiary has already recorded the provision of the damage fine as the Civil Court and Appeal Court judged (see Note 31.1). Anyway the subsidiary classified such provision to current liability.

The Group’s and director’s cash at financial institutions was sequestered and the Legal Execution Department paid sequestered cash of the Group and director to the plaintiff (see Note 31.1).

**20. EMPLOYEE BENEFITS**

Employee benefit obligations in the statements of financial position as at December 31, 2014 and 2013 consisted of:

	Baht			
	Post-employment benefit plan			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Present value of obligations	16,124,654.69	12,879,143.89	8,019,316.31	7,144,134.62
Employee benefit obligations	16,124,654.69	12,879,143.89	8,019,316.31	7,144,134.62

Movements of the present value of employee benefit obligations for the years ended December 31, 2014 and 2013 were as follows:

	Baht			
	Post-employment benefit plan			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Present value of employee benefit obligations as at January 1,	12,879,143.89	7,365,935.59	7,144,134.62	4,424,963.58
Employee benefit expenses in the statements of comprehensive income:				
Current service cost	1,380,098.11	6,425,317.82	746,047.39	3,330,118.85
Interest cost	338,647.26	232,196.64	176,252.57	151,072.04
Actuarial (gains) losses	3,752,486.51	(798,963.62)	1,376,695.71	(622,019.85)
Benefits paid for retirement and termination	(2,225,721.08)	(345,342.54)	(1,423,813.98)	(140,000.00)
Present value of employee benefit obligations as at December 31,	16,124,654.69	12,879,143.89	8,019,316.31	7,144,134.62

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



Principal actuarial assumptions as at December 31, 2014 and 2013 (expressed as weighted averages) as follows:

	Percent			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	3.27 - 3.59	4.05 - 4.31	3.45	4.19
Future salary increases	3 - 5	5	5	5
Disability rate	5 of Mortality rate	5 of Mortality rate	5 of Mortality rate	5 of Mortality rate

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

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table in year 2008.

## 21. SHARE CAPITAL AND DIVIDEND PAYMENT

### The Company

At the Ordinary General Meeting of Shareholders held on April 29, 2014, resolutions were passed authorizing as follows:

#### Decrease in share capital

- A special resolution was passed to decrease registered share capital from Baht 578,571,375 to Baht 578,570,233 by eliminating the unissued shares of 1,142 shares at the par value of Baht 1 each.

#### Increase in share capital

- A special resolution was passed to increase registered share capital from Baht 578,570,233 to Baht 626,784,419 by issuing new 48,214,186 ordinary shares at the par value of Baht 1 each for share dividend.

The Company registered the decrease and increase of its share capital with the Ministry of Commerce on May 14, 2014 and May 15, 2014, respectively.

#### Dividend payment

- Stock dividend at the rate of 12 existing shares to 1 share dividend, totaling Baht 48.21 million and cash dividend at the rate of Baht 0.00925926 per share, totaling Baht 5.36 million, total dividend payment in the amount of Baht 53.57 million.

The Company registered the change in paid-up share capital from stock dividend with Ministry of Commerce on May 28, 2014.

At the Ordinary General Meeting of Shareholders held on April 29, 2013, resolutions were passed authorizing as follows:

#### Dividend payment

- Stock dividend at the rate of 7 existing shares to 1 new share, totaling Baht 72.32 million and cash dividend at the rate of Baht 0.01587302 per share, totaling Baht 8.04 million, total dividend payment in the amount of Baht 80.36 million.

The Company registered the change in paid-up share capital from stock dividend with Ministry of Commerce on May 28, 2013.

**Decrease in ordinary shares**

- A special resolution was passed to decrease registered capital of the Company from Baht 506,250,000 to Baht 506,249,953 by eliminating the unissued shares of 47 shares at the par value of Baht 1 each.

**Increase in ordinary shares**

- A special resolution was passed to increase registered capital of the Company from Baht 506,249,953 to Baht 578,571,375 by issuing new 72,321,422 ordinary shares at the par value of Baht 1 each for stock dividend.

The Company registered the decrease and increase of its share capital with the Ministry of Commerce on May 9, 2013 and May 10, 2013, respectively.

**Subsidiary**

At the Extraordinary General Meeting of Shareholders of The Crane Rayong Company Limited (Subsidiary) held on April 10, 2014, a special resolution was passed to increase registered capital from Baht 25 million to Baht 150 million by issuing new 1,250,000 ordinary shares at the par value of Baht 100 each.

The Subsidiary registered the increase of its share capital with the Ministry of Commerce on April 17, 2014.

At the Board of Directors' Meeting of The Crane Lamechabang Co., Ltd. held on December 23, 2013, a resolution was passed authorizing the interim dividend payment at the rate of Baht 40 per share, totaling Baht 10 million and approved an additional appropriated legal reserve of Baht 0.50 million. At the Ordinary General Meeting of Shareholders held on April 11, 2014 ratified this dividend payment.

At the Board of Directors' Meeting of The Crane Rayong Co., Ltd. held on December 23, 2013, a resolution was passed authorizing the interim dividend payment at the rate of Baht 120 per share, totaling Baht 30 million. At the Ordinary General Meeting of Shareholders held on April 11, 2014 ratified this dividend payment.

At the Board of Directors' Meeting of The Crane Heavy Lift Co., Ltd. held on December 23, 2013, a resolution was passed authorizing the interim dividend payment at the rate of Baht 4 per share, totaling Baht 10 million and approved an additional appropriated legal reserve of Baht 0.50 million. At the Ordinary General Meeting of Shareholders held on April 11, 2014 ratified this dividend payment.

**22. SHARE PREMIUM**

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

**23. LEGAL RESERVE**

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

**24. EXPENSES BY NATURE**

Significant expenses by nature for the years ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Purchases of goods	96,414,529.10	977,730,281.30	96,414,529.10	977,730,281.30
Supplies used	28,206,587.61	20,068,715.41	28,208,294.41	20,075,384.44
Salaries and other related benefits	186,880,488.37	161,107,378.53	82,109,943.96	70,860,694.00
Cost of rental and transportation services	71,261,506.21	82,261,171.40	4,709,477.68	3,056,375.46
Other rental and service expenses	8,592,306.97	8,470,407.08	2,064,416.76	2,993,672.91
Insurance expenses	8,846,573.98	7,430,650.60	1,776,167.72	1,951,351.70
Maintenance expenses	23,375,250.16	20,628,251.56	1,714,464.97	1,212,748.79
Depreciation	217,570,285.24	200,961,809.64	76,906,743.22	78,293,029.88
Sale promotion expenses	19,149,592.91	27,307,591.60	11,156,374.87	12,989,202.38
Fees	8,082,587.95	10,707,657.45	5,263,403.66	7,342,540.06
Loss on exchange rate	-	28,663,997.70	-	28,663,997.70
Fine	6,011,091.37	6,011,091.37	-	-

**25. FINANCE COSTS**

Finance costs for the years ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Interest expenses	52,953,061.04	74,237,754.65	16,039,343.72	35,276,400.99
Bank charge	410,775.00	3,535.00	410,775.00	-
Total	53,363,836.04	74,241,289.65	16,450,118.72	35,276,400.99
<b>Less: Interest expenses capitalised</b>	(1,045,719.62)	(2,444,795.62)	(1,045,719.62)	(980,749.42)
Net	52,318,116.42	71,796,494.03	15,404,399.10	34,295,651.57

**26. PROVIDENT FUND**

The Group and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Group. The Fund is managed by CIMB-Principal Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2014, Baht 2.21 million (year 2013: Baht 1.91 million) in the consolidated financial statements and Baht 1.14 million (year 2013: Baht 1.00 million) in the separate financial statements have been contributed to the Fund by the Group.

**27. INCOME TAX**

Corporate income tax for the years ended December 31, 2014 and 2013 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporation income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

**Income tax reduction**

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% on net profit for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at December 31, 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

Tax expense for the years ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Current tax expense</b>				
Current year	36,437,104.14	11,742,356.92	17,967,135.83	-
<b>Deferred tax expense</b>				
Movements in temporary differences	24,109,527.75	14,424,506.82	14,493,698.32	9,933,799.64
Tax expense	<u>60,546,631.89</u>	<u>26,166,863.74</u>	<u>32,460,834.15</u>	<u>9,933,799.64</u>



## Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit before income tax		296,927,543.86		98,758,235.18
Income tax using the corporate tax rate	20	59,385,508.77	20	19,751,647.04
Expenses not deductible for tax purposes		6,321,785.02		7,532,173.64
Revenues granted income tax exemption		(741,426.38)		(15,884,761.27)
Addition expenses deductible for tax purposes		(16,183,008.86)		(9,330,502.67)
Effects of elimination entries on consolidation		(2,227,994.60)		9,683,921.62
Loss carry forward		(10,117,759.81)		(3,715,629.89)
Current loss		-		3,705,508.45
Current tax	12	36,437,104.14	12	11,742,356.92
Movement in temporary differences		24,109,527.75		14,424,506.82
Tax expense	20	60,546,631.89	26	26,166,863.74

	Separate financial statements			
	2014		2013	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit before income tax		152,373,268.34		70,280,044.45
Income tax using the corporate tax rate	20	30,474,653.67	20	14,056,008.89
Expenses not deductible for tax purposes		1,593,964.09		3,533,115.28
Revenues granted income tax exemption		-		(9,999,836.00)
Addition expenses deductible for tax purposes		(6,790,686.25)		(3,873,658.28)
Loss carry forward		(7,310,795.68)		(3,715,629.89)
Current tax	12	17,967,135.83	-	-
Movement in temporary differences		14,493,698.32		9,933,799.64
Tax expense	21	32,460,834.15	14	9,933,799.64



## 28. SEGMENT INFORMATION

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

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

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2014, the Group had commitments and contingent liabilities as follows:

### The Company

29.1 Commitments for payment under agreement as follows:

29.1.1 The service agreements in the amount of Baht 0.27 million per month.

29.1.2 The land lease agreement in the amount of Baht 0.09 million per month.

29.1.3 Construction office building, factory and other service in the amount of Baht 3.54 million.

29.1.4 The land filling agreement in the amount of Baht 0.95 million.

29.1.5 The purchase machinery agreement in the amount of Yen 320 million and Euro 4.08 million.

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

29.3 Undue L/C in the amount of USD 1.52 million and Euro 3.48 million.

29.4 Contingent liabilities on co-guarantee for liabilities under finance leases of subsidiaries at book value in the amount of Baht 580.24 million (see Note 4).

### Subsidiaries

29.5 Commitments for payment under agreement as follows:

29.5.1 The land and/or construction agreement with related parties in the amount of Baht 0.20 million per month and other party in the amount of Baht 0.11 million per month.

29.5.2 The management agreement with the Company in the amount of Baht 0.95 million per month.

29.5.3 The service agreement in the amount of Baht 0.42 million per month.

29.6 The letter of guarantee issued by the bank in the amount of Baht 0.30 million and the collateral from contract in the amount of Baht 3.20 million.



29.7 Contingent liabilities as follows:

29.7.1 Contingent liability on co-guarantee for liabilities under finance leases with the Company at book value in the amount of Baht 13.50 million (see Note 4).

29.7.2 Contingent liability on co-guarantee for liabilities under finance leases with the Subsidiaries at book value in the amount of Baht 2.36 million (see Note 4).

29.7.3 The Crane Service Co., Ltd. is litigating a suit brought against it involving compensation of breach debt confirmation agreement in the amount of Baht 66.54 million.

29.7.4 The Crane Heavy Lift Co., Ltd. is litigating a suit brought against it for a claim as default agreement and the official receiver informing to pay rent in the amount of Baht 14.92 million.

### **30. DISCLOSURE OF FINANCIAL INSTRUMENTS**

#### **30.1 Capital management**

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

#### **30.2 Accounting policies**

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

#### **30.3 Financial risk management policies**

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

##### **30.3.1 Interest rate risk**

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Group's operations and cash flows. The Group has interest rate risk from cash at banks, bank overdrafts and loans from banks because the interest rate of the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates.

**30.3.2 Foreign currency risk**

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2014 and 2013, the Group had assets and liabilities in foreign currencies as follows:

	Millions			
	Consolidated financial statements			
	2014		2013	
<b>Currencies</b>	Assets	Liabilities	Assets	Liabilities
Yen (Japan)	-	3.18	-	0.43
US Dollars	-	-	-	19.75
Singapore Dollars	-	-	-	0.02

	Millions	
	Separate financial statements	
	2013	
<b>Currencies</b>	Assets	Liabilities
Yen (Japan)	-	0.43
US Dollars	-	19.75
Singapore Dollars	-	0.02

**30.3.3 Credit risk – trade receivables**

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

**30.4 Fair value**

Most of the financial assets are trade receivables which are short-term credit. Most of the financial liabilities are trade accounts payable and bank overdrafts and loans from banks with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

**31. LITIGATION****The Company**

- 31.1 The Company and The Crane Rayong Co., Ltd., The Crane Lamechabang Co., Ltd. and The Crane Heavy Lift Co., Ltd. ("the Group") and related person are litigation a suit brought against it involving compensation of breach debt confirmation agreement in co-defendant in the amount of Baht 66.54 million. Because of the Group ratified the actions of The Crane Service Co., Ltd. sold assets to a customer by finance leases through a Leasing Company; on condition that The Crane Service Co., Ltd. had joint responsibility to repurchase assets if the customer did not perform according to the



agreement. However, The Crane Service Co., Ltd. filed a suit against a creditor relating to overstated debt in the amount of Baht 49.60 million. Anyway the Court combined considering both of litigation. (See Note 19)

On July 14, 2009, Civil Court and on May 31, 2013, Appeal Court judged The Crane Service Co., Ltd. and the Group and related person to pay the debt in the amount of Baht 60.11 million including the damage fine 10% per annum since January 25, 2007 until complete repayment. At present, the case is pending decision in the Supreme Court and suspending the enforcement of the petition, however, the Group and related person are sequestered by the Legal Execution Department. In the year 2013, the financial institutions remitted the sequestered cash at financial institutions to the Legal Execution Department in totaling amount of Baht 20.95 million and the Legal Execution Department paid the sequestered cash at the to the plaintiff. The Group and related person entered into an agreement with The Crane Service Co., Ltd. (the subsidiary) to pay back when the litigation ends.

Anyway The Crane Service Co., Ltd. has already recorded all provision of the damage fine in “Provision” (see Note 19). However, the management of the Group entered into an agreement that if the Group is affected by the litigation, The Crane Service Co., Ltd. is responsible for the damage results. Addition, the management estimates that The Crane Service Co., Ltd. is capable of supporting effects.

#### **Subsidiaries**

31.2 The Crane Heavy Lift Co., Ltd. (“subsidiary”) was informed by the official receiver to pay rent in the amount of Baht 13.60 million and the cancellation of an agreement. The subsidiary denied the rental agreement with the official receiver because the subsidiary has an agreement with the subsidiary’s related person. At present, the subsidiary does not use such land and recorded provision of the rental in “accrued expenses”.

The subsidiary has recorded the above accrued rental expenses which were divided into 2 parts as follows:

1. The subsidiary has recorded the accrued rental expenses on a monthly basis according the agreement with the subsidiary’s related person. On June 1, 2012, the subsidiary terminated the land lease agreement, which the lease agreement stated that the building on the leased land has to transfer to the lessor or dismantle. However, the subsidiary had negotiated with the lessor to purchase the building on the leased land instead gratis or dismantle. The lessor agreed that the repayment will be offsetting with subsidiary’s accrued rental expense as stipulated. As at December 31, 2014, the subsidiary had the accrued rental expenses in the amount of Baht 6.20 million (see Note 4), the subsidiary’s related person does not accept until the dispute is finalized. In case the subsidiary has any damage, the subsidiary’s related person is willing to waive the rental fee from the subsidiary.
2. The subsidiary hired UK Valuation and Agency Company Limited as an independent appraiser to appraise such monthly rental fee for the land, which the subsidiary will set up an allowance for additional damage on a monthly basis following the monthly market rental rate which was appraised by the independent appraiser. As at December 31, 2014, the subsidiary had set up an allowance for damage in the amount of Baht 10.67 million.



As at December 31, 2014, the subsidiary has recorded the accrued rental expenses totaling in the amount of Baht 16.87 million. However, if the subsidiary loses more than such provision, the subsidiary's director will be responsible for the total in excess.

31.3 The Crane Heavy Lift Co., Ltd. ("subsidiary") is litigating a suit brought against it for a claim of Baht 1.32 million. Civil Court judged the subsidiary to pay the debt and Appeal Court judged to dismiss the plaintiff's claim.

At present, the case is pending decision in the Supreme Court. However, the subsidiary expects that there is no damage from this litigation.

### 32. RECLASSIFICATION

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2013 to conform with the presentation of the financial statements of this year consisted of:

	Baht		
	Consolidated financial statements		
	Before		After
	reclassification	Reclassification	reclassification
Advance payment for machinery and equipment for rent	600,000.00	(600,000.00)	-
Other non-current assets	45,675,074.09	600,000.00	46,275,074.09

### 33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 26, 2015.

# THE CRANE



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