

AUDITOR'S REPORT

To the Shareholders of Chukai Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Chukai Public Company Limited and its subsidiaries ("the Group") and of Chukai Public Company Limited ("the Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respect, the consolidated and separate financial position of Chukai Public Company Limited and its subsidiaries and of Chukai Public Company Limited as at December 31, 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

As described in Notes 3 and 25 to the financial statements, accounting policies and details of revenues. As the revenue from services of the Group has high volume of transactions and significance to the consolidated and separate financial statements, which may cause the risks of incorrect recognition of revenue.

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

Inventories and Machineries for Rent

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

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

Other Information

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

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this auditor's report is Prawit Viwanthananut

Prawit Viwanthananut

Certified Public Accountant

Registration Number 4917

PV Audit Co., Ltd.

Bangkok, February 23, 2017

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets	3				
Current assets					
Cash and cash equivalents	5	5,331,141.87	10,534,468.67	773,821.47	1,183,661.85
Trade and other receivables	4, 6	102,416,901.08	137,347,520.73	214,669,886.37	184,088,058.16
Short-term loans to related parties	4	-	-	268,687,121.97	98,900,000.00
Inventories	7	217,633,906.99	264,336,181.51	218,923,478.59	262,507,416.30
Other current assets		32,277,341.46	20,955,027.15	1,967,798.70	4,412,066.63
Total current assets		357,659,291.40	433,173,198.06	705,022,107.10	551,091,202.94
Non-current assets					
Restricted bank deposits		-	411,119.92	-	280,766.24
Investments in subsidiaries	4, 8	-	-	274,992,130.00	299,991,430.00
Investment property	9	47,843,120.85	1,760,606.42	46,106,677.63	-
Property, plant and equipment	4, 10	2,402,880,821.40	2,264,521,045.02	633,352,868.22	727,972,810.50
Other non-current assets		76,817,299.95	88,588,592.99	10,573,208.35	24,884,207.81
Total non-current assets		2,527,541,242.20	2,355,281,364.35	965,024,884.20	1,053,129,214.55
Total assets		2,885,200,533.60	2,788,454,562.41	1,670,046,991.30	1,604,220,417.49

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity	3				
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	11	81,490,842.53	65,456,007.19	71,533,879.71	49,579,273.53
Trade and other payables	4, 12	225,078,044.60	134,195,646.61	153,580,396.88	79,319,353.77
Current portion of debts	13	382,440,914.19	355,871,390.04	61,878,722.56	76,425,374.11
Short-term loans from related parties	4	-	-	62,000,000.00	82,400,000.00
Other short-term loan	14	199,475,744.73	-	199,475,744.73	-
Accrued income tax		-	285,996.79	-	-
Other current liabilities		26,550,327.02	20,196,086.77	11,014,140.45	10,749,299.66
Total current liabilities		915,035,873.07	576,005,127.40	559,482,884.33	298,473,301.07
Non-current liabilities					
Long-term loans from financial institut	15	106,798,000.00	164,686,000.00	105,048,000.00	159,936,000.00
Long-term liabilities under finance leas	16	664,143,712.32	604,136,885.03	4,341,687.21	15,159,947.19
Deferred tax liabilities	17	88,660,169.22	52,738,547.41	36,568,321.97	27,205,479.16
Employee benefit obligations	18	18,387,681.81	20,426,439.10	9,215,507.79	9,877,986.84
Other non-current liabilities		11,331,029.01	11,846,441.01	2,308,344.10	2,310,119.10
Total non-current liabilities		889,320,592.36	853,834,312.55	157,481,861.07	214,489,532.29
Total liabilities		1,804,356,465.43	1,429,839,439.95	716,964,745.40	512,962,833.36

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital	19				
Authorized share capital - 696,426,133 ordinary shares, Baht 1 par value		696,426,133.00	696,426,133.00	696,426,133.00	696,426,133.00
Issued and paid-up share capital - 696,424,685 ordinary shares, fully paid-up		696,424,685.00	696,424,685.00	696,424,685.00	696,424,685.00
Premium on shares	21	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	22	31,524,151.37	31,524,151.37	31,524,151.37	31,524,151.37
Unappropriated	19	104,146,122.57	381,917,176.86	15,579,909.53	153,755,247.76
Total shareholders' equity		1,080,844,068.17	1,358,615,122.46	953,082,245.90	1,091,257,584.13
Total liabilities and shareholders' equity		2,885,200,533.60	2,788,454,562.41	1,670,046,991.30	1,604,220,417.49

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	3, 4				
Revenue from sales and services	25	650,344,725.67	864,083,549.92	430,018,084.26	883,009,534.65
Cost of sales and services	23	(669,750,154.39)	(701,532,677.91)	(437,009,562.82)	(791,910,334.32)
Gross profit (loss)		(19,405,428.72)	162,550,872.01	(6,991,478.56)	91,099,200.33
Other income		9,582,541.08	38,077,746.21	34,025,015.96	19,626,131.88
Selling and service expenses	23	(33,279,933.67)	(38,205,006.95)	(17,244,191.78)	(19,285,952.35)
Administrative expenses	23	(131,149,010.26)	(141,071,085.51)	(116,698,013.64)	(83,841,653.16)
Finance costs	23	(70,549,523.57)	(62,995,618.62)	(22,557,349.94)	(23,852,755.30)
Loss before income tax		(244,801,355.14)	(41,643,092.86)	(129,466,017.96)	(16,255,028.60)
Tax income (expense)	24	(35,331,237.28)	(3,550,291.62)	(9,232,138.30)	2,492,026.62
Loss for the year		(280,132,592.42)	(45,193,384.48)	(138,698,156.26)	(13,763,001.98)
Other comprehensive income (loss):					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial gains (losses)		2,951,922.66	(1,834,490.10)	653,522.54	88,237.58
Income tax relating to defined benefit plan actuarial gains (losses)	24	(590,384.53)	366,898.01	(130,704.51)	(17,647.52)
Other comprehensive income (loss) for the year - net of tax		2,361,538.13	(1,467,592.09)	522,818.03	70,590.06
Total comprehensive loss for the year		(277,771,054.29)	(46,660,976.57)	(138,175,338.23)	(13,692,411.92)
Basic loss per share	3				
Loss attributable to equity holders of the Company		(0.402)	(0.065)	(0.199)	(0.020)
Weighted average number of ordinary shares (Shares)		696,424,685	696,424,685	696,424,685	696,424,685

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht					
		Consolidated financial statements					
	Note	Issued and paid-up	Surplus arising from business		Retained earnings		Total
		share capital	Premium on shares	mbination under common contr	Appropriated	Unappropriated	
Beginning balance as at January 1, 2015		626,783,520.00	209,553,500.00	39,195,609.23	31,524,151.37	505,958,762.27	1,413,015,542.87
Changes in shareholders' equity							
Loss for the year		-	-	-	-	(45,193,384.48)	(45,193,384.48)
Other comprehensive loss for the year		-	-	-	-	(1,467,592.09)	(1,467,592.09)
Increase in ordinary shares	19	69,641,165.00	-	-	-	-	69,641,165.00
Dividend payment	19	-	-	-	-	(77,380,608.84)	(77,380,608.84)
Ending balance as at December 31, 2015		696,424,685.00	209,553,500.00	39,195,609.23	31,524,151.37	381,917,176.86	1,358,615,122.46
Changes in shareholders' equity							
Loss for the year		-	-	-	-	(280,132,592.42)	(280,132,592.42)
Other comprehensive income for the year		-	-	-	-	2,361,538.13	2,361,538.13
Ending balance as at December 31, 2016		696,424,685.00	209,553,500.00	39,195,609.23	31,524,151.37	104,146,122.57	1,080,844,068.17

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht				
		Separate financial statements				
		Issued and paid-up		Retained earnings		
Note		share capital	Premium on shares	Appropriated	Unappropriated	Total
Beginning balance as at January 1, 2015		626,783,520.00	209,553,500.00	31,524,151.37	244,828,268.52	1,112,689,439.89
Changes in shareholders' equity						
Loss for the year		-	-	-	(13,763,001.98)	(13,763,001.98)
Other comprehensive income for the year		-	-	-	70,590.06	70,590.06
Increase in ordinary shares	19	69,641,165.00	-	-	-	69,641,165.00
Dividend payment	19	-	-	-	(77,380,608.84)	(77,380,608.84)
Ending balance as at December 31, 2015		696,424,685.00	209,553,500.00	31,524,151.37	153,755,246.76	1,091,257,583.13
Changes in shareholders' equity						
Loss for the year		-	-	-	(138,698,156.26)	(138,698,156.26)
Other comprehensive income for the year		-	-	-	522,818.03	522,818.03
Ending balance as at December 31, 2016		696,424,685.00	209,553,500.00	31,524,151.37	15,579,908.53	953,082,244.90

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Loss before income tax	(244,801,355.14)	(41,643,092.86)	(129,466,017.96)	(16,255,028.60)
Adjustments to reconcile loss before income tax to net cash provided by (used in) operating activities				
Depreciation	288,042,050.94	266,451,237.18	55,890,906.29	73,204,812.75
Doubtful accounts	15,123,869.91	18,575,405.34	14,557,050.57	1,273,272.08
Loss from obsolete stock	1,041,230.29	1,981,832.79	1,041,230.29	1,981,832.79
Loss from impairment of investments in subsidiary	-	-	24,999,300.00	-
Loss from impairment of assets and written-off assets	241,549.60	4,414,322.96	47,252.61	4,414,321.96
Gain on sales of assets	(895,230.44)	(1,265,875.28)	(184,161.64)	(1,265,875.28)
Reversal of fine from litigation	-	(31,850,121.89)	-	-
Unrealized loss on exchange rate and revaluation	1,195,698.82	282,342.09	1,412,454.82	569,239.77
Interest income	(608,178.99)	(128,524.71)	(15,836,113.49)	(3,651,138.29)
Interest expenses	70,549,523.57	62,995,618.62	22,557,349.94	23,852,755.30
Employee benefit obligations	2,240,286.77	2,949,770.71	970,493.65	1,980,716.01
Profit (loss) from operating activities before change in operating assets and liabilities	132,129,445.33	282,762,914.95	(24,010,254.92)	86,104,908.49
Change in operating assets (increase) decrease				
Trade and other receivables	19,816,433.90	48,746,329.11	(24,782,375.34)	(20,089,069.43)
Inventories	(31,088,446.52)	(200,388,963.39)	35,596,174.60	169,422,039.14
Other current assets	(11,395,472.80)	3,544,584.46	2,506,227.56	4,413,783.68
Restricted bank deposits	411,119.92	93,138.79	280,766.24	(5,049.75)
Other non-current assets	(1,370,203.59)	(5,102,307.73)	(1,827,155.15)	2,369,149.76
Change in operating liabilities increase (decrease)				
Trade and other payables	79,140,787.64	36,400,966.24	74,017,404.20	48,908,385.35
Liability under repurchase agreement	-	(57,000,000.00)	-	-
Other current liabilities	6,354,240.25	(2,824,185.37)	264,840.79	288,960.00
Employee benefit obligations paid	(1,327,121.40)	(482,476.40)	(979,450.16)	(33,807.90)
Other non-current liabilities	(515,412.00)	(712,169.33)	(1,775.00)	105,229.00
Cash generated from operations	192,155,370.73	105,037,831.33	61,064,402.82	291,484,528.34

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Interest received	623,402.33	126,246.59	7,892,488.08	854,716.39
Proceeds from income tax refund	36,921,524.02	-	19,734,345.92	-
Income tax paid	(23,564,144.07)	(32,887,792.04)	(3,053,132.33)	(4,982,609.28)
Net cash provided by operating activities	206,136,153.01	72,276,285.88	85,638,104.49	287,356,635.45
Cash flows from investing activities				
Increase in short-term loans to related parties	-	-	(182,200,000.00)	(76,900,000.00)
Purchases of property, plant and equipment	(30,739,706.44)	(85,385,148.20)	(1,464,106.22)	(9,417,511.78)
Proceeds from sales of assets	1,834,600.18	9,607,476.64	652,347.45	9,607,476.64
Net cash used in investing activities	(28,905,106.26)	(75,777,671.56)	(183,011,758.77)	(76,710,035.14)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	16,096,038.54	(2,700,160.75)	22,015,809.38	(15,722,191.95)
Proceeds from short-term loans from related parties	-	-	15,600,000.00	58,350,000.00
Repayment for short-term loans from related parties	-	-	(36,000,000.00)	(134,000,000.00)
Cash receipt from other short-term loans	197,781,059.08	-	197,781,059.08	-
Cash receipt from sale and leaseback agreement	94,690,000.00	392,452,400.00	-	-
Repayment for liabilities under finance leases	(363,274,849.15)	(263,707,929.01)	(26,564,161.53)	(46,023,155.70)
Repayment for long-term loans from financial institutions	(57,888,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Interest paid	(69,838,621.80)	(63,658,744.38)	(20,980,892.81)	(24,546,429.11)
Dividend payment	(0.22)	(7,739,379.74)	(0.22)	(7,739,379.74)
Net cash provided by (used in) financing activities	(182,434,373.55)	(3,241,813.88)	96,963,813.90	(224,569,156.50)
Net decrease in cash and cash equivalents	(5,203,326.80)	(6,743,199.56)	(409,840.38)	(13,922,556.19)
Cash and cash equivalents at the beginning of the year	10,534,468.67	17,277,668.23	1,183,661.85	15,106,218.04
Cash and cash equivalents at the end of the year	5,331,141.87	10,534,468.67	773,821.47	1,183,661.85

Additional details of non-cash items

In year 2016, the subsidiaries purchased the machinery and equipment for rent at cost in the amount of Baht 311.45 million in the consolidated financial statements by entering into a finance lease agreement.

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, excavator, 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 accordance 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 the financial statements in accordance 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 CONSOLIDATED FINANCIAL STATEMENTS

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

Subsidiaries	Located in	Business type	Percentage of holding	
			2016	2015
The Crane Lamechabang Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Rayong Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Heavy Lift Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%
The Crane Service Co., Ltd.	Thailand	Sales and rental service for cranes	100%	100%

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

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

Subsidiaries are an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Adoption of New and Revised Thai Financial Reporting Standards

FAP has issued Notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) and accounting guidance (“AG”) which are effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows

TAS/IFRS/TSIC/IFRIC/AG	Topic
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
IFRS 2 (revised 2015)	Share-based Payment
IFRS 3 (revised 2015)	Business Combinations
IFRS 4 (revised 2015)	Insurance Contracts
IFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
IFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources

TAS/IFRS/TSIC/IFRIC/AG	Topic
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

TAS/TFRS/TSIC/TFRIC/AG	Topic
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

Accounting guidance for the measurement and recognition of bearer plant

Accounting guidance for insurance business to designation of financial instrument at fair value through profit or loss

During the year, the Group has adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2016. These TFRSs were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these TFRSs does not have any significant impact on the financial statements of the Group.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2016, FAP has issued Notifications, mandating the use of new and revised TAS, TFRS, TSIC, TFRIC and AG which are effective for the financial statements for the period beginning on or after January 1, 2017 as follows:

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Asset
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives

TAS/TFRS/TSIC/TFRIC/AG	Topic
TSIC 25 (revised 2016)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies
Accounting guidance for the derecognition of financial assets and financial liabilities	

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in 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 when incurred.

Post-employment benefits – defined contribution plan

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

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

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

Termination benefits

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applied a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in 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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

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

A deferred tax asset is 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 realized.

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 cost or net realizable value.

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

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

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

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

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment 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	3 and 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 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.

Calculation of recoverable amount

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

Reversals of impairment

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

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

Provisions

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

Commercial disputes and litigation

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

Foreign currencies

Foreign currency transactions

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

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

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting Bank with the same maturity. At each 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 loss per share

Basic loss per share for the year ended December 31, 2016 and 2015 is calculated by dividing loss for the years attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the years.

For the year ended December 31, 2015 were as follows:

	Consolidated financial statements	Separate financial statements
Loss for the year (Baht)	(45,193,384.48)	(13,763,001.98)
Weighted average number of ordinary shares (shares)		
Issued ordinary shares at January 1	626,783,520	626,783,520
The stock dividend	69,641,165	69,641,165
Weighted average number of ordinary shares (shares)	696,424,685	696,424,685
Basic loss per share (Baht)	(0.065)	(0.020)

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 interim 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.

Significant transactions with related parties for years ended December 31, 2016 and 2015 were as follows:

Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Subsidiaries				
The Crane Lamechabang Co., Ltd.				
Revenue from sales and services	-	-	28,196,009.36	21,782,753.39
Interest income	-	-	3,018,193.61	937,431.50
Other income	-	-	4,748,400.00	4,748,400.00
Purchase of goods	-	-	12,387,049.00	3,150,000.00
Cost of sales and services	-	-	2,112,922.99	933,086.48
Selling and service expenses	-	-	494,868.02	664,816.22
Administrative expenses	-	-	-	15,775.65
The Crane Rayong Co., Ltd.				
Revenue from sales and services	-	-	17,070,260.19	421,286,043.07
Interest income	-	-	12,523,399.61	2,588,065.04
Other income	-	-	4,200,000.00	4,200,000.00
Purchase of goods	-	-	14,724,000.00	18,005,000.00
Cost of sales and services	-	-	1,379,641.66	1,412,456.52
Selling and service expenses	-	-	48,800.00	84,387.25
The Crane Heavy Lift Co., Ltd.				
Revenue from sales and services	-	-	62,220.00	-
Other income	-	-	600,000.00	600,000.00
Purchase of goods	-	-	-	680,000.00
Cost of sales and services	-	-	-	30,000.00
Interest expenses	-	-	640,825.36	643,891.09
The Crane Service Co., Ltd.				
Revenue from sales and services	-	-	141,367,985.23	69,074,238.51
Other income	-	-	4,020,000.00	4,200,000.00
Purchase of goods	-	-	15,216,000.00	30,800,000.00
Cost of sales and services	-	-	962,740.67	1,540,506.45
Selling and service expenses	-	-	1,688.05	53,046.87
Administrative expenses	-	-	367,142.41	332,937.51
Interest expenses	-	-	475,071.90	1,259,000.93

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Related companies				
Crane Daeng Co., Ltd.				
Revenue from sales and services	2,335,953.04	2,696,261.08	185,318.25	601,677.52
Other income	590.70	45,789.45	-	-
Cost of sales and services	599,800.00	4,650,442.58	-	-
20 Auction Co., Ltd.				
Revenue from sales and services	678,309.00	585,027.41	401,349.00	151,650.00
Other income	84,648.06	139,676.20	-	-
Cost of sales and services	-	1,770.00	-	-
Selling and service expenses	-	431,766.00	-	372,300.00
The Farm Valley Co., Ltd.				
Revenue from sales and services	55,110.00	2,817,075.00	43,110.00	2,817,075.00
Barter of land	-	7,798,436.00	-	7,798,436.00
Related persons (shareholders)				
Sale of land	-	9,000,000.00	-	9,000,000.00
Land rental expenses	195,000.00	-	-	-

Key management personnel compensation

Key management personnel compensation for years ended December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term benefits	45,571,738.44	46,677,737.25	45,335,960.87	46,368,369.44
Post-employment benefits	2,023,379.68	130,462.62	2,023,379.68	130,462.62
Total	47,595,118.12	46,808,199.87	47,359,340.55	46,498,832.06

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2016 and 2015, the Group paid directors' remuneration in the amount of Baht 2.65 million and Baht 2.30 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2016 and 2015 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Subsidiaries				
The Crane Lamechabang Co., Ltd.				
Accrued interest income	-	-	1,537,010.69	592,020.54
Deposit	-	-	95,700.00	95,700.00
The Crane Rayong Co., Ltd.				
Accrued interest income	-	-	9,340,245.54	2,326,386.94
The Crane Heavy Lift Co., Ltd.				
Accrued interest expenses	-	-	203,471.75	198,760.93
The Crane Service Co., Ltd.				
Accrued interest expenses	-	-	65,058.24	153,171.25
Accrued expenses	-	-	-	16,000.00
Investments in subsidiaries (see Note 8)	-	-	274,992,130.00	299,991,430.00
Related persons (director / shareholders)				
Accrued expenses	1,200,000.00	1,200,000.00	-	-

Trade receivables - related parties

Trade receivables - related parties as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
The Crane Lamechabang Co., Ltd.	-	-	49,073,745.99	52,427,732.16
The Crane Rayong Co., Ltd.	-	-	90,022,269.27	82,993,672.18
The Crane Heavy Lift Co., Ltd.	-	-	50,000.00	221,400.00
The Crane Service Co., Ltd.	-	-	44,821,131.17	11,905,568.02
Crane Daeng Co., Ltd.	853,823.59	252,554.00	11,128.00	227,054.00
20 Auction Co., Ltd.	221,201.10	268,862.16	221,201.10	84,112.70
The Farm Valley Co., Ltd.	19,730.80	-	19,730.80	-
Total	1,094,755.49	521,416.16	184,219,206.33	147,859,539.06

Trade payables - related parties

Trade payables - related parties as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
The Crane Lamechabang Co., Ltd.	-	-	550,354.63	695,270.94
The Crane Rayong Co., Ltd.	-	-	3,858,510.45	4,845,481.92
The Crane Heavy Lift Co., Ltd.	-	-	-	32,100.00
The Crane Service Co., Ltd.	-	-	486,436.96	222,839.64
Crane Daeng Co., Ltd.	116,346.00	104,105.00	12,000.00	-
Total	116,346.00	104,105.00	4,907,302.04	5,795,692.50

Short-term loans to related parties

Short-term loans to related parties as at December 31, 2016 and 2015 consisted of:

	Baht	
	Separate	
	financial statements	
	2016	2015
The Crane Lamechabang Co., Ltd.	41,900,000.00	28,400,000.00
The Crane Rayong Co., Ltd.	239,200,000.00	70,500,000.00
Total	281,100,000.00	98,900,000.00
Less Allowance for doubtful accounts	(12,412,878.03)	-
Short-term loans to related parties - net	268,687,121.97	98,900,000.00

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

Movements of short-term loans to related parties for the years ended December 31, 2016 and 2015 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Beginning balance	-	-	98,900,000.00	22,000,000.00
Increase	-	23,000,000.00	205,200,000.00	108,900,000.00
Decrease	-	(23,000,000.00)	(23,000,000.00)	(32,000,000.00)
Ending balance	-	-	281,100,000.00	98,900,000.00

Movement of allowance for doubtful accounts for the year ended December 31, 2016 were as follows:

	Baht
	Separate
	financial statements
Beginning balance	-
Add Doubtful accounts	12,412,878.03
Ending balance	12,412,878.03

Short-term loans from related parties

Short-term loans from related parties as at December 31, 2016 and 2015 consisted of:

	Baht	
	Separate	
	financial statements	
	2016	2015
The Crane Heavy Lift Co., Ltd.	47,000,000.00	46,400,000.00
The Crane Service Co., Ltd.	15,000,000.00	36,000,000.00
Total	62,000,000.00	82,400,000.00

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

Movements of short-term loans from related parties for years ended December 31, 2016 and 2015 were as follows:

	Baht	
	Separate	
	financial statements	
	2016	2015
Beginning balance	82,400,000.00	158,050,000.00
Increase	15,600,000.00	58,350,000.00
Decrease	(36,000,000.00)	(134,000,000.00)
Ending balance	62,000,000.00	82,400,000.00

Co-guarantee for liabilities with related parties

As at December 31, 2016, the Group had co-guarantee liabilities with related parties as follows:

The Company

The Company had co-guarantee for bank overdrafts and loans from financial institutions of subsidiaries in the amount of Baht 38 million (see Notes 11 and 15).

The Company had co-guarantee for liabilities under finance leases of subsidiaries at carrying values in the amount of Baht 968.98 million (see Note 16).

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

Related persons (director / shareholders)

Related persons had co-guarantee for liabilities under finance leases of the Group at carrying values in the amount of Baht 113.18 million (see Note 16).

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
The Farm Valley 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	As agreed upon basis
Purchase - sale of land	Appraised value of the independent appraisal
Rendering of rent and transportation services	As agreed upon basis
Rendering of repair services	As agreed upon basis
Services and administrative expenses	As agreed upon basis
Land rental expenses	Stipulate in the agreement
Interest income and expense	Referred to the bank's interest rate

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash	227,418.28	212,500.00	54,457.53	51,976.50
Cash at banks	5,103,723.59	10,321,968.67	719,363.94	1,131,685.35
Total	5,331,141.87	10,534,468.67	773,821.47	1,183,661.85

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade receivables	139,600,954.52	159,544,083.06	206,977,784.44	182,480,809.35
Less: Allowance for doubtful accounts	(57,666,666.25)	(44,031,049.23)	(3,295,975.18)	(1,396,319.94)
Trade receivables - net	81,934,288.27	115,513,033.83	203,681,809.26	181,084,489.41
Other receivables				
Accrued income	19,777,379.10	20,913,085.91	10,877,256.22	2,933,630.81
Advance payments	616,545.03	878,114.30	66,880.00	55,313.10
Others	1,230,719.86	943,619.91	496,967.89	399,824.84
Total	21,624,643.99	22,734,820.12	11,441,104.11	3,388,768.75
Less: Allowance for doubtful accounts	(1,142,031.18)	(900,333.22)	(453,027.00)	(385,200.00)
Other receivables - net	20,482,612.81	21,834,487.90	10,988,077.11	3,003,568.75
Trade and other receivables - net	102,416,901.08	137,347,520.73	214,669,886.37	184,088,058.16

As at December 31, 2016 and December 31, 2015, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade receivables - other parties				
Current	40,779,456.01	38,426,325.60	2,029,228.24	1,300,840.20
Overdue				
Not over 3 months	37,420,586.24	62,392,595.91	15,339,601.40	17,592,359.30
Over 3 months up to 6 months	7,008,347.29	13,095,758.53	1,739,657.50	7,169,058.00
Over 6 months up to 12 months	12,424,393.58	14,095,988.15	799,984.37	3,879,298.85
Over 12 months	40,873,415.91	31,011,998.71	2,850,106.60	4,679,713.94
Total	138,506,198.03	159,022,666.90	22,758,578.11	34,621,270.29
Trade receivables - related parties				
Current	442,829.25	130,353.10	15,193,697.12	3,656,464.22
Overdue				
Not over 3 months	265,315.38	391,063.06	35,978,811.30	22,137,206.98
Over 3 months up to 6 months	386,610.86	-	8,250,028.57	12,535,708.79
Over 6 months up to 12 months	-	-	20,437,580.91	42,866,389.75
Over 12 months	-	-	104,359,088.43	66,663,769.32
Total	1,094,754.49	521,416.16	184,219,206.33	147,859,538.06

Movements of allowance for doubtful accounts for the years ended December 31, 2016 and 2015 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Beginning balance	44,931,382.45	27,250,609.36	1,781,519.94	1,134,920.11
Add: Doubtful accounts	15,123,869.91	18,575,405.34	2,144,172.54	1,273,272.08
Less: Written-off bad debts	(1,246,554.93)	(894,632.25)	(176,690.30)	(626,672.25)
Ending balance	58,808,697.43	44,931,382.45	3,749,002.18	1,781,519.94

7. INVENTORIES

Inventories as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cranes	123,412,124.01	168,526,261.28	124,600,125.61	169,714,262.88
Forklifts	21,079,881.27	21,079,881.27	21,079,881.27	21,079,881.27
Excavator	49,776,456.45	44,200,255.81	49,776,456.45	44,200,255.81
Spare parts and component	17,340,037.30	16,904,064.65	17,441,607.30	17,005,634.65
Work in process	10,859,471.04	17,418,551.29	10,859,471.04	14,300,214.48
Total	222,467,970.07	268,129,014.30	223,757,541.67	266,300,249.09
Less: Allowance for devaluation of inventories	(4,834,063.08)	(3,792,832.79)	(4,834,063.08)	(3,792,832.79)
Inventories - net	217,633,906.99	264,336,181.51	218,923,478.59	262,507,416.30

Movements of allowance for devaluation of inventories for the years ended December 31, 2016 and 2015 were as follows:

	Baht	
	Consolidated and separate financial statements	
	2016	2015
Beginning balance	3,792,832.79	1,811,000.00
Add: Loss from obsolete stock	1,041,230.29	1,981,832.79
Ending balance	4,834,063.08	3,792,832.79

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries stated by the cost method, as at December 31, 2016 and 2015 consisted of:

Subsidiaries	Baht									
	Holding (%)		Paid-up share capital		Cost		Allowance for impairment		Net	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
The Crane Lamechabang Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,300.00	24,999,300.00	(24,999,300.00)	-	-	24,999,300.00
The Crane Rayong Co., Ltd.	100	100	150,000,000.00	150,000,000.00	149,999,200.00	149,999,200.00	-	-	149,999,200.00	149,999,200.00
The Crane Heavy Lift Co., Ltd.	100	100	25,000,000.00	25,000,000.00	24,999,930.00	24,999,930.00	-	-	24,999,930.00	24,999,930.00
The Crane Service Co., Ltd.	100	100	100,000,000.00	100,000,000.00	99,993,000.00	99,993,000.00	-	-	99,993,000.00	99,993,000.00
Total					299,991,430.00	299,991,430.00	(24,999,300.00)	-	274,992,130.00	299,991,430.00

The Company's Board of Directors' Meeting held on June 23, 2016, resolution was passed to restructure the Group's business operations by segment business nature and resolution was passed to merge between the Crane Rayong Co., Ltd. and The Crane Lamechabang Co., Ltd.

For the year ended December 31, 2016 movements of allowance for impairment of investments in subsidiary in separate financial statements were as follows:

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

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

9. INVESTMENT PROPERTY

Investment property as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated			Separate
	financial statements			financial statements
	Land and			Land
	Land	commercial buildings	Total	
Cost				
At January 1, 2015	-	3,563,066.00	3,563,066.00	-
Purchases / transfer in	-	-	-	-
Disposals / transfer out	-	-	-	-
At December 31, 2015	-	3,563,066.00	3,563,066.00	-
Purchases / transfer in	-	-	-	-
Transfer in - land				
(see Note 10)	46,106,677.63	-	46,106,677.63	46,106,677.63
Disposals / transfer out	-	-	-	-
At December 31, 2016	46,106,677.63	3,563,066.00	49,669,743.63	46,106,677.63
Accumulated depreciation				
At January 1, 2015	-	1,778,296.35	1,778,296.35	-
Depreciation	-	24,163.23	24,163.23	-
Disposals / transfer out	-	-	-	-
At December 31, 2015	-	1,802,459.58	1,802,459.58	-
Depreciation	-	24,163.20	24,163.20	-
Disposals / transfer out	-	-	-	-
At December 31, 2016	-	1,826,622.78	1,826,622.78	-
Net book value				
At December 31, 2015	-	1,760,606.42	1,760,606.42	-
At December 31, 2016	46,106,677.63	1,736,443.22	47,843,120.85	46,106,677.63

	Millions Baht	
	Consolidated financial statements	
	2016	2015
Depreciation for the years ended December 31, were included in administrative expenses	0.02	0.02

As at December 31, 2016, 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 11).

The Company has engaged Noble Property Valuation Co., Ltd. as an independent appraiser to appraise its land. The total appraisal value of Baht 65.51 million which was determined on the basis of Market Approach as per the appraisal reports dated December 28 - 29, 2016.

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

As at December 31, 2016		
		The rate of lease per month (Millions Baht)
Parties	Period	
Property lease agreement (lessor)		
The Crane Lamechabang Co., Ltd.	Another person	1 year
		0.01

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2016 and 2015 consisted of:

	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
Cost									
At January 1, 2015	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
Purchases / transfer in	1,211,056.65	-	46,728.97	12,119,690.00	1,573,501.76	2,191,530.57	558,983,052.42	22,223,715.74	598,349,276.11
Transfer out / adjust	747,663.55	-	43,408.41	3,233,300.00	-	-	35,982,541.75	(40,006,913.71)	-
Disposals / transfer out	(12,128,706.32)	-	(2,956,482.12)	-	(16,401.87)	(2,715,826.79)	(231,493,381.32)	-	(249,310,798.42)
At December 31, 2015	243,366,200.67	47,567,760.04	153,695,144.85	40,312,270.90	32,422,087.66	53,788,687.29	3,106,802,619.27	77,344,709.75	3,755,299,480.43
Purchases / transfer in	-	-	-	9,518,567.33	1,535,745.54	5,848,236.57	485,613,356.23	9,470,049.00	511,985,954.67
Transfer out / adjust	-	3,008,959.89	-	-	-	-	15,379,769.60	(18,388,729.49)	-
Transfer out - investment property (see Note 9)	(46,106,677.63)	-	-	-	-	-	-	-	(46,106,677.63)
Disposals / transfer out	-	-	-	(123,932.19)	(80,191.87)	(4,199,645.45)	(87,795,380.59)	(18,000.00)	(92,217,150.10)
At December 31, 2016	197,259,523.04	50,576,719.93	153,695,144.85	49,706,906.04	33,877,641.33	55,437,278.41	3,520,000,364.51	68,408,029.26	4,128,961,607.37
Accumulated depreciation									
At January 1, 2015	-	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
Depreciation	-	6,943,054.79	4,797,952.83	3,983,375.04	2,401,490.07	6,414,628.98	241,886,572.24	-	266,427,073.95
Disposals / transfer out	-	-	(2,956,482.12)	-	(16,400.87)	(2,172,661.43)	(104,448,372.71)	-	(109,593,917.13)
At December 31, 2015	-	26,883,873.97	72,341,955.19	23,408,546.44	25,762,034.94	25,990,764.08	1,310,019,691.14	-	1,484,406,865.76
Depreciation	-	7,446,192.05	5,991,580.55	5,162,634.68	2,529,305.71	6,399,473.16	260,488,701.59	-	288,017,887.74
Disposals / transfer out	-	-	-	(97,533.21)	(28,133.52)	(3,338,733.04)	(49,251,137.41)	-	(52,715,537.18)
At December 31, 2016	-	34,330,066.02	78,333,535.74	28,473,647.91	28,263,207.13	29,051,504.20	1,521,257,255.32	-	1,719,709,216.32

	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
Impairment of assets									
At January 1, 2015	-	-	-	-	623,672.53	-	5,747,897.12	-	6,371,569.65
Transfer in / adjust	-	-	-	-	-	-	-	-	-
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2015	-	-	-	-	623,672.53	-	5,747,897.12	-	6,371,569.65
Transfer in / adjust	-	-	-	-	-	-	-	-	-
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2016	-	-	-	-	623,672.53	-	5,747,897.12	-	6,371,569.65
Net book value									
At December 31, 2015	243,366,200.67	20,683,886.07	81,353,189.66	16,903,724.46	6,036,380.19	27,797,923.21	1,791,035,031.01	77,344,709.75	2,264,521,045.02
At December 31, 2016	197,259,523.04	16,246,653.91	75,361,609.11	21,233,258.13	4,990,761.67	26,385,774.21	1,992,995,212.07	68,408,029.26	2,402,880,821.40

	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
Cost									
At January 1, 2015	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
Purchases / transfer in	1,211,056.65	-	46,728.97	546,490.00	1,114,031.39	2,191,530.57	9,931,147.29	3,342,350.00	18,383,334.87
Transfer out / adjust	747,663.55	-	43,408.41	-	-	-	-	(791,071.96)	-
Disposals / transfer out	(12,128,706.32)	-	(2,956,482.12)	-	-	(2,715,826.79)	(161,013,537.22)	-	(178,814,552.45)
At December 31, 2015	221,880,991.88	28,589,033.21	88,772,310.86	5,084,250.34	13,545,587.47	26,494,579.19	703,686,611.94	59,264,036.01	1,147,317,400.90
Purchases / transfer in	-	-	-	488,853.14	410,441.49	-	15,269,313.31	-	16,168,607.94
Transfer out / adjust	-	-	-	-	-	-	-	-	-
Transfer out - investment property (see Note 9)	(46,106,677.63)	-	-	-	-	-	-	-	(46,106,677.63)
Disposals / transfer out	-	-	-	-	(21,401.87)	(2,169,711.13)	(21,042,980.79)	-	(23,234,093.79)
At December 31, 2016	175,774,314.25	28,589,033.21	88,772,310.86	5,573,103.48	13,934,627.09	24,324,868.06	697,912,944.46	59,264,036.01	1,094,145,237.42
Accumulated depreciation									
At January 1, 2015	-	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
Depreciation	-	4,448,697.20	3,441,249.34	168,016.46	901,793.29	3,714,422.91	60,530,633.55	-	73,204,812.75
Disposals / transfer out	-	-	(2,956,482.12)	-	-	(2,172,661.43)	(61,219,969.13)	-	(66,349,112.68)
At December 31, 2015	-	21,294,240.27	27,604,440.52	4,344,717.37	10,184,660.32	9,806,789.67	344,266,173.20	-	417,501,021.35
Depreciation	-	4,448,697.20	4,634,877.16	248,906.72	1,060,002.94	3,899,903.43	41,598,518.84	-	55,890,906.29
Disposals / transfer out	-	-	-	-	(8,141.61)	(1,714,785.58)	(12,720,200.30)	-	(14,443,127.49)
At December 31, 2016	-	25,742,937.47	32,239,317.68	4,593,624.09	11,236,521.65	11,991,907.52	373,144,491.74	-	458,948,800.15

	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
Impairment of assets									
At January 1, 2015	-	-	-	-	623,672.53	-	1,219,896.52	-	1,843,569.05
Transfer in / adjust	-	-	-	-	-	-	-	-	-
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2015	-	-	-	-	623,672.53	-	1,219,896.52	-	1,843,569.05
Transfer in / adjust	-	-	-	-	-	-	-	-	-
Disposals / transfer out	-	-	-	-	-	-	-	-	-
At December 31, 2016	-	-	-	-	623,672.53	-	1,219,896.52	-	1,843,569.05
Net book value									
At December 31, 2015	221,880,991.88	7,294,792.94	61,167,870.34	739,532.97	2,737,254.62	16,687,789.52	358,200,542.22	59,264,036.01	727,972,810.50
At December 31, 2016	175,774,314.25	2,846,095.74	56,532,993.18	979,479.39	2,074,432.91	12,332,960.54	323,548,556.20	59,264,036.01	633,352,868.22

	Millions Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Depreciation for the years ended December 31, were included in				
- Cost of services	267.26	247.75	43.27	62.24
- Selling and administrative expenses	20.76	18.68	12.62	10.96
Total	288.02	266.43	55.89	73.20
As at December 31,				
Book value of equipment before less accumulated depreciation which have been fully depreciated and still in use.	751.58	575.42	157.54	75.71
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,	38.99	130.61	8.32	99.79
Transferred inventories to machinery and equipment for rent for the years ended December 31,	104.66	-	15.27	-
As at December 31,				
the net book value of assets under finance lease agreements (see Note 17)				
- machinery and equipment for rent	1,315.52	1,259.34	7.36	92.09
- vehicles	24.91	24.06	12.33	14.63
Total	1,340.43	1,283.40	19.69	106.72

As at December 31, 2016 and 2015, the Group pledged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions (see Notes 11 and 15).

On July 28, 2015, the Company bartered land with other company in the book value amount of Baht 23.40 million and related party in the book value amount of Baht 7.80 million and sold this land to related person at the price in the amount of Baht 9.00 million (see Note 4).

As at December 31, 2016			
	Parties	Period	The rate of lease per month
			Millions Baht
Property lease agreement (lessee)			
The Crane Lamechabang Co., Ltd.	The Company	3 years	0.10
The Crane Service Co., Ltd.	The Company	1 year	0.02
The Crane Heavy Lift Co., Ltd.	The Company	1 year	0.05

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

Bank overdrafts and short-term loans from financial institutions as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Bank overdrafts	34,050,125.73	16,654,872.78	24,093,162.91	778,139.12
Promissory notes	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00
Trust receipts	2,440,716.80	3,801,134.41	2,440,716.80	3,801,134.41
Total	81,490,842.53	65,456,007.19	71,533,879.71	49,579,273.53

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2016	2015	
The Company				
Bank	Bank overdrafts	35.00	35.00	MOR
Bank	Promissory notes	45.00	45.00	MLR
Bank	Trust receipt / Letter of credit	250.00	150.00	MLR
Bank	Forward foreign currency contract	170.52	170.52	
Subsidiaries				
Bank	Bank overdrafts	23.00	23.00	MOR

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

12. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2016 and December 31, 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables	171,972,724.24	80,041,664.48	145,844,343.80	69,078,524.37
Other payables				
Accrued expenses	25,181,523.99	12,387,558.96	6,686,671.97	6,679,576.58
Payables from purchases of assets	25,190,950.92	35,323,904.20	494,285.00	2,928,848.00
Others	2,732,845.45	6,442,518.97	555,096.11	632,404.82
Total	53,105,320.36	54,153,983.13	7,736,053.08	10,240,829.40
Grand total	225,078,044.60	134,195,647.61	153,580,396.88	79,319,354.77

13. CURRENT PORTION OF DEBTS

Current portion of debts as at December 31, 2016 and 2015 consisted of:

	Note	Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Loans from financial institutions	15	57,888,000.00	57,888,000.00	54,888,000.00	54,888,000.00
Liabilities under finance leases	16	324,552,914.19	297,983,390.04	6,990,722.56	21,537,374.11
Total		382,440,914.19	355,871,390.04	61,878,722.56	76,425,374.11

14. OTHER SHORT-TERM LOANS

Other short-term loans as at December 31, 2016 consisted of:

	Baht
	Consolidated and separate financial statements
Principal	200,000,000.00
Less: Deferred interest	(524,255.27)
Net	199,475,744.73

Movements of other short-term loans for the year ended December 31, 2016 were as follows:

	Baht
	Consolidated and separate financial statements
Beginning balance	-
Increase	200,000,000.00
Decrease	-
Ending balance	200,000,000.00

During the period 2016, the Company had short-term loans by issuing 2 bills of exchange with the period of 3 months to securities companies, with the interest rate of 4.5 percent per annum, for the last due on January 19, 2017 and January 26, 2017 (see Note 30).

15. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Loans from financial institutions	164,686,000.00	222,574,000.00	159,936,000.00	214,824,000.00
Less: Current portion of debts	(57,888,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Long-term loans from financial institutions	106,798,000.00	164,686,000.00	105,048,000.00	159,936,000.00

Movements of loans from financial institutions for the years ended December 31, 2016 and 2015 were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Beginning balance	222,574,000.00	280,462,000.00	214,824,000.00	269,712,000.00
Increase	-	-	-	-
Decrease	(57,888,000.00)	(57,888,000.00)	(54,888,000.00)	(54,888,000.00)
Ending balance	164,686,000.00	222,574,000.00	159,936,000.00	214,824,000.00

The details of the loans were summarized as follows:

		Millions Baht						
Credit line	Lender	Credit line		Principal		Period	Referred	Repayment
		2016	2015	2016	2015			
The Company								
1	Bank	30.00	30.00	15.28	19.12	Feb. 2012 - Feb. 2021	MLR	Monthly principal repayment totaling 108 installments, Baht 0.32 million each
2	Bank	7.00	7.00	3.08	4.08	Jan. 2014 - Jan. 2021	MLR	Monthly principal repayment totaling 84 installments, Baht 0.08 million each
3	Bank	250.00	250.00	141.58	191.62	Oct. 2014 - Oct. 2019	MLR	Monthly principal repayment totaling 60 installments, Baht 4.17 million each
				159.94	214.82			
Subsidiaries								
4	Bank	15.00	15.00	4.75	7.75	Jul. 2013 - Jul. 2018	MLR	Monthly principal repayment totaling 60 installments, Baht 0.25 million each
				4.75	7.75			
				164.69	222.57			

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

16. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2016 and 2015 consisted of:

Baht												
2016							2015					
Consolidated financial statements			Separate financial statements				Consolidated financial statements			Separate financial statements		
Year			Minimum			Minimum			Minimum			Minimum
	Present value	Deferred interest	lease payment	Present value	Deferred interest	lease payment	Present value	Deferred interest	lease payment	Present value	Deferred interest	lease payment
Finance leases												
1	312,250,315.78	35,197,206.09	347,447,521.87	4,024,565.99	216,002.63	4,240,568.62	286,446,853.62	36,517,425.86	322,964,279.48	16,005,010.58	641,705.19	16,646,715.77
2 - 5	628,339,262.04	36,991,547.86	665,330,809.90	2,513,373.31	68,810.64	2,582,183.95	566,643,026.78	37,759,225.20	604,402,251.98	5,571,006.27	210,010.97	5,781,017.24
	940,589,577.82	72,188,753.95	1,012,778,331.77	6,537,939.30	284,813.27	6,822,752.57	853,089,880.40	74,276,651.06	927,366,531.46	21,576,016.85	851,716.16	22,427,733.01
Sale and leaseback agreement												
1	12,302,598.41	1,789,586.71	14,092,185.12	2,966,156.57	241,656.55	3,207,813.12	11,536,536.42	2,161,541.70	13,698,078.12	5,532,363.53	883,262.59	6,415,626.12
2 - 5	35,804,450.28	2,389,453.50	38,193,903.78	1,828,313.90	42,910.31	1,871,224.21	37,493,858.25	3,062,308.29	40,556,166.54	9,588,940.92	569,133.62	10,158,074.54
	48,107,048.69	4,179,040.21	52,286,088.90	4,794,470.47	284,566.86	5,079,037.33	49,030,394.67	5,223,849.99	54,254,244.66	15,121,304.45	1,452,396.21	16,573,700.66
Total												
1	324,552,914.19	36,986,792.80	361,539,706.99	6,990,722.56	457,659.18	7,448,381.74	297,983,390.04	38,678,967.56	336,662,357.60	21,537,374.11	1,524,967.78	23,062,341.89
2 - 5	664,143,712.32	39,381,001.36	703,524,713.68	4,341,687.21	111,720.95	4,453,408.16	604,136,885.03	40,821,533.49	644,958,418.52	15,159,947.19	779,144.59	15,939,091.78
	988,696,626.51	76,367,794.16	1,065,064,420.67	11,332,409.77	569,380.13	11,901,789.90	902,120,275.07	79,500,501.05	981,620,776.12	36,697,321.30	2,304,112.37	39,001,433.67

The Group entered into the finance lease agreements for purchase machinery and equipment for rent and vehicles, payable monthly in the amount of Baht 32.14 million. As at December 31, 2016, the current portion of liabilities under the finance leases in the amount of Baht 324.55 million (year 2015: Baht 297.98 million) for the consolidated financial statements and Baht 6.99 million (year 2015: Baht 21.54 million) for the separate financial statements was presented under current portion.

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

17. DEFERRED TAX

Deferred tax as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	27,471,274.43	36,100,659.34	3,566,679.02	10,403,973.75
Deferred tax liabilities	(116,131,443.65)	(88,839,206.75)	(40,135,000.99)	(37,609,452.91)
Deferred tax liabilities - net	(88,660,169.22)	(52,738,547.41)	(36,568,321.97)	(27,205,479.16)

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

Baht						
Consolidated financial statements						
	January 1, 2015	Profit (loss)	Other comprehensive income	December 31, 2015	Profit (loss)	Other comprehensive loss
						December 31, 2016
Deferred tax assets						
Trade and other receivables	5,292,557.05	3,472,425.05	-	8,764,982.10	2,717,326.58	-
Inventories	362,200.00	-	-	362,200.00	-	-
Property, plant and equipment	638,820.09	(24,946.86)	-	613,873.23	(24,946.86)	-
Provision	8,972,772.59	(5,254,382.77)	366,898.01	4,085,287.83	182,633.06	(590,384.53)
Tax loss carry forward	-	22,274,316.18	-	22,274,316.18	(10,914,013.16)	-
Total	15,266,349.73	20,467,411.60	366,898.01	36,100,659.34	(8,039,000.38)	(590,384.53)
Deferred tax liabilities						
Property, plant and equipment	(70,960,251.05)	(17,878,955.70)	-	(88,839,206.75)	(27,292,236.90)	-

Baht

Separate financial statements

	January 1, 2015	Profit (loss)	Other comprehensive loss	December 31, 2015	Profit (loss)	Other comprehensive loss	December 31, 2016
Deferred tax assets							
Trade and other receivables	761,692.65	67,571.34	-	829,263.99	263,187.10	-	1,092,451.09
Inventories	362,200.00	-	-	362,200.00	-	-	362,200.00
Property, plant and equipment	318,820.09	(24,946.86)	-	293,873.23	(24,946.86)	-	268,926.37
Provision	1,603,863.26	389,381.63	(17,647.52)	1,975,597.37	(1,791.30)	(130,704.51)	1,843,101.56
Tax loss carry forward	-	6,943,039.16	-	6,943,039.16	(6,943,039.16)	-	-
Total	3,046,576.00	7,375,045.27	(17,647.52)	10,403,973.75	(6,706,590.22)	(130,704.51)	3,566,679.02
Deferred tax liabilities							
Property, plant and equipment	(32,726,434.26)	(4,883,018.65)	-	(37,609,452.91)	(2,525,548.08)	-	(40,135,000.99)

18. EMPLOYEE BENEFITS

Movements of the present value of employee benefit obligations for the years ended December 31, 2016 and 2015 were as follows:

	Baht			
	Post-employment benefit plan			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Employee benefit obligations as at January 1	20,426,439.10	16,124,654.69	9,877,986.84	8,019,316.31
Included in profit or loss:				
Current service cost	1,798,063.06	2,580,516.94	773,863.20	1,804,854.07
Interest cost	442,223.71	369,253.77	196,630.45	175,861.94
Included in other comprehensive income:				
Defined benefit plan actuarial (gain) loss	(2,951,922.66)	1,834,490.10	(653,522.54)	(88,237.58)
Benefits paid during the year	(1,327,121.40)	(482,476.40)	(979,450.16)	(33,807.90)
Employee benefit obligations as at December 31	18,387,681.81	20,426,439.10	9,215,507.79	9,877,986.84

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, 2016 and 2015 (expressed as weighted averages) as follows:

	Percent			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	3.03 - 3.25	3.00 - 3.27	3.16	3.08
Salary increase rate	5	5	5	5

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.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2016 and 2015 are summarised below:

	Baht			
	Consolidated financial statements			
	2016		2015	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(1,705,871.22)	2,020,275.68	(2,011,726.47)	2,377,369.00
Salary increase rate (1% Movement)	1,960,036.47	(1,691,430.05)	2,303,211.79	(1,991,961.38)

	Baht			
	Separate financial statements			
	2016		2015	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(671,674.88)	784,885.91	(744,004.71)	856,784.92
Salary increase rate (1% Movement)	760,657.77	(665,318.01)	828,887.90	(735,474.07)

19. SHARE CAPITAL AND DIVIDEND PAYMENT

The Company

At the Ordinary General Meeting of Shareholders held on April 28, 2015, resolutions were passed authorizing as follows:

Decrease in ordinary shares

- A special resolution was passed to decrease registered capital of the Company from Baht 626,784,419 to Baht 626,783,520 by eliminating the unissued shares of 899 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 626,783,520 to Baht 696,426,133 by issuing new 69,642,613 ordinary shares at the par value of Baht 1 each for stock dividend.

The Company registered the decrease and increase of its registered share capital with the Ministry of Commerce on May 12, 2015 and May 14, 2015, respectively.

Dividend payment

- Stock dividend at the rate of 9 existing shares to 1 new share, totaling Baht 69.64 million and cash dividend at the rate of Baht 0.01234568 per share, totaling Baht 7.74 million, total dividend payment in the amount of Baht 77.38 million.

The Company registered the change in paid-up share capital from stock dividend with the Ministry of Commerce on May 27, 2015.

20. 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 2016, Baht 2.22 million (year 2015: Baht 2.34 million) in the consolidated financial statements and Baht 1.19 million (year 2015: Baht 1.16 million) in the separate financial statements have been contributed to the Fund by the Group.

21. 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.

22. 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.

23. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Purchases of goods	274,734,263.16	506,032,826.68	274,734,263.16	506,032,826.68
Supplies used	32,668,950.11	22,675,074.70	35,089,374.09	22,706,804.43
Salaries and other related benefits	166,743,101.89	173,438,344.59	78,162,061.38	78,555,589.82
Cost of rental and transportation services	45,112,469.04	46,957,346.73	17,501,332.11	4,037,492.21
Other rental and service expenses	10,130,310.89	9,388,786.38	3,142,389.27	2,335,951.46
Insurance expenses	9,338,702.30	9,084,634.13	1,071,412.45	1,685,460.30
Maintenance expenses	39,104,572.68	22,257,825.31	4,046,288.94	2,448,224.33
Depreciation	288,042,050.94	266,451,237.18	55,890,906.29	73,204,812.75
Sale promotion expenses	8,444,951.56	9,030,100.44	6,868,299.73	8,087,928.79
Fees	6,196,254.73	7,775,582.46	3,276,714.59	4,603,893.11
Doubtful accounts	15,123,869.91	18,575,405.34	14,557,050.57	1,273,272.08
Loss from obsolete stock	1,041,230.29	1,981,832.79	1,041,230.29	1,981,832.79
Loss from impairment of investments				
in subsidiary	-	-	24,999,300.00	-
Loss from impairment of assets				
and written-off assets	241,549.60	4,414,322.96	47,252.61	4,414,321.96
Interest expenses	70,549,523.57	62,995,618.62	22,557,349.94	23,852,755.30

24. INCOME TAX

Corporate income tax for the years ended December 31, 2016 and 2015 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 corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

As at December 31, 2016, the Group has unused tax losses of approximately Baht 502.68 million in the consolidated financial statements and approximately Baht 133.99 million in the separate financial statements, that will expire by 2021 in which deferred tax assets have not been recognized for tax losses of approximately Baht 445.88 million in the consolidated financial statements and approximately Baht 133.99 million in the separate financial statements, as the Group believes that future taxable profits may not be sufficient to allow the utilisation of the unused tax losses.

Income tax reduction

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

According to the Revenue Code Amendment Act (No. 42) B.E. 2559 which is effective from March 5, 2016 onwards, the corporate income tax is reduced from 30% to 20% of net profit for accounting period beginning on or after January 1, 2016 onwards.

Tax income (expense) for the years ended December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current tax				
Current year	-	(6,138,747.52)	-	-
Deferred tax				
Movements in temporary differences	(35,331,237.28)	2,588,455.90	(9,232,138.30)	2,492,026.62
Tax income (expense)	(35,331,237.28)	(3,550,291.62)	(9,232,138.30)	2,492,026.62

Income tax recognized in other comprehensive income (loss) for the years ended December 31, 2016 and 2015 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	2016	2015	2016	2015
Provisions	(590,384.53)	366,898.01	(130,704.51)	(17,647.52)

Reconciliation of effective tax rate

Consolidated financial statements				
	2016		2015	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Loss before income tax		(244,801,355.14)		(41,643,092.86)
Income tax using the corporate tax rate	20	48,960,271.03	20	8,328,618.57
Expenses not deductible for tax purposes		(10,496,679.36)		(4,980,349.39)
Addition expenses deductible for tax purposes		26,258,004.26		22,270,004.20
Effects of elimination entries on consolidation		7,355,612.74		(6,149,261.46)
Loss carry forward		(72,077,208.67)		(25,607,759.44)
Current tax	-	-	15	(6,138,747.52)
Movement in temporary differences		(35,331,237.28)		2,588,455.90
Tax expense	14	(35,331,237.28)	9	(3,550,291.62)

Separate financial statements				
	2016		2015	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Loss before income tax		(129,466,017.96)		(16,255,028.60)
Income tax using the corporate tax rate	20	25,893,203.59	20	3,251,005.72
Expenses not deductible for tax purposes		(6,559,845.69)		(745,751.60)
Addition expenses deductible for tax purposes		477,312.57		4,437,785.04
Loss carry forward		(19,810,670.47)		(6,943,039.16)
Current tax	-	-	-	-
Movement in temporary differences		(9,232,138.30)		2,492,026.62
Tax income (expense)	7	(9,232,138.30)	15	2,492,026.62

25. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

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

Revenue from sales and services for the years ended December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Revenue from sales	219,590,004.69	349,259,525.18	352,850,708.94	788,426,968.62
Revenue from services	430,754,720.98	514,824,024.74	77,167,375.32	94,582,566.03
Total	650,344,725.67	864,083,549.92	430,018,084.26	883,009,534.65

26. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, the Group had commitments and contingent liabilities as follows:

The Company

26.1 Commitments for payment under agreement as follows:

26.1.1 The service agreements in the amount of Baht 2.10 million per month and other service in the amount of Baht 0.05 million.

26.1.2 The land and building lease agreement in the amount of Baht 0.10 million per month.

26.1.3 Construction office building, factory and other service in the amount of Baht 3.60 million.

26.1.4 The purchase equipment agreement in the amount of USD 0.15 million.

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

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

Subsidiaries

26.4 Commitments for payment under agreement as follows:

26.4.1 The land and/or building lease agreement with the Company in the amount of Baht 0.17 million per month and other party in the amount of Baht 0.14 million per month.

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

26.4.3 The service agreement in the amount of Baht 0.49 million per month.

26.4.4 The purchase equipment agreement in the amount of USD 0.02 million and GBP 0.01 million.

26.5 The letter of guarantee issued by the bank in the amount of Baht 2.88 million.

26.6 The Crane Heavy Lift Co., Ltd. was informed by the official receiver to pay rent in the amount of Baht 13.60 million (see Note 29).

27. DISCLOSURE OF FINANCIAL INSTRUMENTS

27.1 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.

27.2 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.

27.3 Financial risk management policies

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

27.3.1 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.

27.3.2 Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2016 and 2015, the Group had liabilities in foreign currencies as follows:

	Millions			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Currencies				
Yen (Japan)	25.57	2.97	2.97	2.97
US Dollars	3.27	1.60	3.25	1.60
EURO	0.09	0.25	0.06	-
Singapore Dollars	0.01	-	-	-
Malaysian Ringgit	0.10	-	0.10	-

27.3.3 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.

27.4 Fair value

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

28. FAIR VALUE HIERARCHY

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

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

	Millions Baht			
	Sepatate financial statements			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	65.51	-	65.51

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

29. LITIGATION

Subsidiaries

In 2005, the Crane Heavy Lift Co., Ltd. (“subsidiary”) was informed by the official receiver to pay rent in the amount of Baht 13.60 million and the cancellation of an agreement. The subsidiary denied the rental agreement with the official receiver because the subsidiary has an agreement with the subsidiary’s related person. In 2012, the subsidiary did not use such land and recorded provision, as at December 31, 2016, in the amount of Baht 11.87 million in the financial statements. However, if the subsidiary loses more than such provision, the subsidiary’s director will be responsible for the total in excess. At present, other than the above letter, the subsidiary has not been contacted by the official receiver.

30. EVENTS AFTER THE REPORTING PERIOD

Since January 1, 2017, the Group changed the estimated useful lives of the machineries for rent which was purchased from China. (cranes and forklifts) to comply with current use, which was approved by the Board of Directors' meeting of the Company and the subsidiaries in December 2016.

On January 25, 2017, the Company issued promissory notes to a related person in the amount of Baht 10 million with 1 year period, interest charged at the rate referred to minimum loan rate (MLR) and unsecured.

On January 19, 2017 and January 26, 2017, the Company issued 2 bills of exchange, in the amount of Baht 100 million each, with 6 months period, interest rate at 7 percent per annum, to repay the short-term loans (see Note 14).

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 23, 2017.