

## **INDEPENDENT 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 31 December 2017, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders’ equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

## **Revenue Recognition**

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

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

## **Inventories and Machineries for Rent**

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

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

## **Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Prawit Viwanthananut  
 Certified Public Accountant  
 Registration Number 4917

PV Audit Co., Ltd.  
 Bangkok, 22 February 2018

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2017**

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

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2017**

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

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2017**

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



**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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 31 DECEMBER 2017**

| Baht  |                       |                       |                             |                       |                         |
|---|-----------------------|-----------------------|-----------------------------|-----------------------|-------------------------|
| Separate financial statements                 |                       |                       |                             |                       |                         |
| Note  | Issued and paid-up    |                       | Retained earnings (deficit) |                       | Total                   |
|   | share capital         | Premium on shares     | Appropriated                | Unappropriated        |                         |
| <b>Beginning balance as at 1 January 2016</b> | <b>696,424,685.00</b> | <b>209,553,500.00</b> | <b>31,524,151.37</b>        | <b>153,755,247.76</b> | <b>1,091,257,584.13</b> |
| 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              |
| <b>Ending balance as at 31 December 2016</b>  | <b>696,424,685.00</b> | <b>209,553,500.00</b> | <b>31,524,151.37</b>        | <b>15,579,909.53</b>  | <b>953,082,245.90</b>   |
| Changes in shareholders' equity               |                       |                       |                             |                       |                         |
| Increase in ordinary shares                   | 20                    | 60,633,189.00         | 59,921,737.50               | -                     | 120,554,926.50          |
| Profit for the year                           |                       | -                     | -                           | 26,503,172.26         | 26,503,172.26           |
| Other comprehensive income for the year       |                       | -                     | -                           | 577,323.54            | 577,323.54              |
| Legal reserve                                 | 23                    | -                     | -                           | 1,325,158.61          | (1,325,158.61)          |
| <b>Ending balance as at 31 December 2017</b>  |                       | <b>757,057,874.00</b> | <b>269,475,237.50</b>       | <b>32,849,309.98</b>  | <b>41,335,246.72</b>    |
|   |                       |                       |                             |                       | <b>1,100,717,668.20</b> |

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 31 DECEMBER 2017**

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

CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Baht                              |                         |                               |                         |
|---|-----------------------------------|-------------------------|-------------------------------|-------------------------|
|   | Consolidated financial statements |                         | Separate financial statements |                         |
|   | 2017                              | 2016                    | 2017                          | 2016                    |
| Interest received   | 1,024,743.66                      | 623,402.33              | 22,113,836.08                 | 7,892,488.08            |
| Proceeds from income tax refund                               | 30,926,374.29                     | 36,921,524.02           | -                             | 19,734,345.92           |
| Income tax paid   | (35,374,028.46)                   | (23,564,144.07)         | (5,958,652.75)                | (3,053,132.33)          |
| <b>Net cash provided by operating activities</b>              | <b>283,757,756.16</b>             | <b>206,136,153.01</b>   | <b>325,583,192.92</b>         | <b>85,638,104.49</b>    |
| <b>Cash flows from investing activities</b>                   |                                   |                         |                               |                         |
| Dividend received from subsidiaries                           | -                                 | -                       | 92,994,374.00                 | -                       |
| Increase in short-term loans to related parties               | -                                 | -                       | (394,600,000.00)              | (182,200,000.00)        |
| Purchases of equipment  | (86,941,903.22)                   | (30,739,706.44)         | (7,316,045.93)                | (1,464,106.22)          |
| Proceeds from sales of assets                                 | 887,850.47                        | 1,834,600.18            | 887,850.47                    | 652,347.45              |
| <b>Net cash used in investing activities</b>                  | <b>(86,054,052.75)</b>            | <b>(28,905,106.26)</b>  | <b>(308,033,821.46)</b>       | <b>(183,011,758.77)</b> |
| <b>Cash flows from financing activities</b>                   |                                   |                         |                               |                         |
| Increase (decrease) in bank overdrafts and short-term loans   |                                   |                         |                               |                         |
| from financial institutions                                   | (7,100,433.75)                    | 16,096,038.54           | (7,055,197.94)                | 22,015,809.38           |
| Proceeds from short-term loans from related parties           | 32,000,000.00                     | -                       | 32,000,000.00                 | 15,600,000.00           |
| Repayment for short-term loans from related parties           | (18,000,000.00)                   | -                       | (46,050,000.00)               | (36,000,000.00)         |
| Proceeds from other short-term loans                          | -                                 | 197,781,059.08          | -                             | 197,781,059.08          |
| Repayment for other short-term loans                          | (20,000,000.00)                   | -                       | (20,000,000.00)               | -                       |
| Proceeds from sale and leaseback agreement                    | -                                 | 94,690,000.00           | -                             | -                       |
| Repayment for liabilities under finance leases                | (162,825,951.70)                  | (363,274,849.15)        | (6,991,867.48)                | (26,564,161.53)         |
| Repayment for long-term loans from financial institutions     | (57,888,000.00)                   | (57,888,000.00)         | (54,888,000.00)               | (54,888,000.00)         |
| Proceeds from increase in share capital                       | 120,554,926.50                    | -                       | 120,554,926.50                | -                       |
| Finance costs   | (68,375,224.24)                   | (69,838,621.80)         | (30,531,883.14)               | (20,980,892.81)         |
| Dividend payment  | -                                 | (0.22)                  | -                             | (0.22)                  |
| <b>Net cash provided by (used in) financing activities</b>    | <b>(181,634,683.19)</b>           | <b>(182,434,373.55)</b> | <b>(12,962,022.06)</b>        | <b>96,963,813.90</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>16,069,020.22</b>              | <b>(5,203,326.80)</b>   | <b>4,587,349.40</b>           | <b>(409,840.38)</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>5,331,141.87</b>               | <b>10,534,468.67</b>    | <b>773,821.47</b>             | <b>1,183,661.85</b>     |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>21,400,162.09</b>              | <b>5,331,141.87</b>     | <b>5,361,170.87</b>           | <b>773,821.47</b>       |

## **CHUKAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

##### **1. GENERAL INFORMATION**

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

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

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

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

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

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

## **BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

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

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

### **Changes in application of new and revised TFRS**

#### **New and revised TFRS that became effective in the current year**

During the year 2017, the Group has adopted new and revised TFRS (revised 2016) which are effective for the accounting period beginning on or after 1 January 2017. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standard, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these TFRS does not have any significant impact on the financial statement of the Group.

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

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

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



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

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **Revenues**

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

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

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

##### **Revenue from rental**

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

##### **Dividend income**

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

##### **Interest income and other income**

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

Other income is recognized on an accrual basis.

#### **Expenses**

##### **Operating leases**

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

## Finance costs

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

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

Other expenses are recognized on an accrual basis.

## Employee benefits

### Short-term benefits

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

### Post-employment benefits – defined contribution plan

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

### Post-employment benefits – defined benefit plan

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

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

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

### Termination benefits

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

## **Fair value measurement**

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

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

- Level 1      Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3      Use of unobservable inputs such as estimates of future cash flows

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

## **Income tax**

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

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

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

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

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

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

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

### **Cash and cash equivalents**

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

### **Trade and other receivables**

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

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

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

### **Inventories**

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

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

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

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

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

**Investments in subsidiaries**

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

**Investment property**

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

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

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

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

**Depreciation**

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

No depreciation is provided on land.

**Property, plant and equipment**

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

**Subsequent costs**

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

## Depreciation

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

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

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

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

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

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

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

## Intangible assets

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

No amortization is provided on computer software under installation.

**Finance lease**

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

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

**Impairment of assets**

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

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

**Calculation of recoverable amount**

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

**Reversals of impairment**

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

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



## **Provisions**

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

### **Commercial disputes and litigation**

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

## **Foreign currencies**

### **Foreign currency transactions**

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

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

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

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

## **Dividends**

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

## **Basic earnings (loss) per share**

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

For the year ended 31 December 2017 were as follows:

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

#### Diluted earnings per share

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

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

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

#### 4. TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

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

**Key management personnel compensation**

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

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

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

|  | Baht                              |              |                               |                |
|--|-----------------------------------|--------------|-------------------------------|----------------|
|  | Consolidated financial statements |              | Separate financial statements |                |
|  | 2017                              | 2016         | 2017                          | 2016           |
| <b>Subsidiaries</b>                              |                                   |              |                               |                |
| The Crane Lamechabang Co., Ltd.                  |                                   |              |                               |                |
| Accrued interest income                          | -                                 | -            | 2,061,915.78                  | 1,537,010.69   |
| Deposit  | -                                 | -            | 95,700.00                     | 95,700.00      |
| The Crane Rayong Co., Ltd.                       |                                   |              |                               |                |
| Accrued interest income                          | -                                 | -            | 6,261,199.28                  | 9,340,245.54   |
| The Crane Heavy Lift Co., Ltd.                   |                                   |              |                               |                |
| Accrued interest expenses                        | -                                 | -            | 117,846.54                    | 203,471.75     |
| The Crane Service Co., Ltd.                      |                                   |              |                               |                |
| Accrued interest income                          | -                                 | -            | 2,750,601.33                  | -              |
| Accrued interest expenses                        | -                                 | -            | -                             | 65,058.24      |
| Investments in subsidiaries (see Note 8)         | -                                 | -            | 274,992,130.00                | 274,992,130.00 |
| <b>Related company</b>                           |                                   |              |                               |                |
| 20 Auction Co., Ltd.                             |                                   |              |                               |                |
| Other receivable                                 | 20,330.00                         | -            | -                             | -              |
| <b>Related persons (director / shareholders)</b> |                                   |              |                               |                |
| Accrued expenses                                 | 1,200,000.00                      | 1,200,000.00 | -                             | -              |
| Accrued interest expenses                        | 80,547.94                         | -            | 80,547.94                     | -              |

**Trade receivables - related parties**

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

**Trade payables - related parties**

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

### Short-term loans to related parties

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

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

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

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

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

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

**Short-term loans from related parties**

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

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

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

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

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

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

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

**The Company**

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

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

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



**Related company**

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

**Related persons (director / shareholders)**

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

**Nature of relationship**

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

**Bases of measurement for intercompany revenues and expenses**

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

## 5. CASH AND CASH EQUIVALENTS

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

## 6. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

## 7. INVENTORIES

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

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

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

## 8. INVESTMENTS IN SUBSIDIARIES

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

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

|                                | Baht          |               |
|--------------------------------|---------------|---------------|
|                                | 2017          | 2016          |
| Beginning balance              | 24,999,300.00 | -             |
| <b>Add:</b> Loss on impairment | -             | 24,999,300.00 |
| Ending balance                 | 24,999,300.00 | 24,999,300.00 |

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

## 9. INVESTMENT PROPERTY

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

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

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

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

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

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

## 10. PROPERTY, PLANT AND EQUIPMENT

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



|                          | Baht                              |                   |               |                                  |                         |                                |               |  |                  |
|--------------------------|-----------------------------------|-------------------|---------------|----------------------------------|-------------------------|--------------------------------|---------------|--|------------------|
|                          | Consolidated financial statements |                   |               |                                  |                         |                                |               |  |                  |
|                          | Land                              | Land improvements | Buildings     | Machinery and equipment for rent | Machinery and equipment | Furniture and office equipment | Vehicles      | Construction in progress and assets in transit | Total            |
| Allowance for impairment |                                   |                   |               |                                  |                         |                                |               |  |                  |
| At 1 January 2016        | -                                 | -                 | -             | 5,747,897.12                     | -                       | 623,672.53                     | -             | -  | 6,371,569.65     |
| Loss on impairment       | -                                 | -                 | -             | -                                | -                       | -                              | -             | -  | -                |
| At 31 December 2016      | -                                 | -                 | -             | 5,747,897.12                     | -                       | 623,672.53                     | -             | -  | 6,371,569.65     |
| Loss on impairment       | -                                 | -                 | -             | -                                | -                       | -                              | -             | 102,624.25                                     | 102,624.25       |
| At 31 December 2017      | -                                 | -                 | -             | 5,747,897.12                     | -                       | 623,672.53                     | -             | 102,624.25                                     | 6,474,193.90     |
| Net book value           |                                   |                   |               |                                  |                         |                                |               |  |                  |
| At 31 December 2016      | 197,259,523.04                    | 16,246,653.91     | 75,361,609.11 | 1,992,995,212.07                 | 21,233,258.13           | 4,990,761.67                   | 26,385,774.21 | 68,408,029.26                                  | 2,402,880,821.40 |
| At 31 December 2017      | 195,559,523.04                    | 10,538,177.71     | 69,441,246.25 | 1,586,384,847.81                 | 363,011,573.00          | 4,595,140.56                   | 23,511,155.04 | 68,637,960.95                                  | 2,321,679,624.36 |

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

|                          | Baht                          |                   |               |                                  |                         |                                |               |  |                |
|--------------------------|-------------------------------|-------------------|---------------|----------------------------------|-------------------------|--------------------------------|---------------|--|----------------|
|                          | Separate financial statements |                   |               |                                  |                         |                                |               |  |                |
|                          | Land                          | Land improvements | Buildings     | Machinery and equipment for rent | Machinery and equipment | Furniture and office equipment | Vehicles      | Construction in progress and assets in transit | Total          |
| Allowance for impairment |                               |                   |               |                                  |                         |                                |               |  |                |
| At 1 January 2016        | -                             | -                 | -             | 1,219,896.52                     | -                       | 623,672.53                     | -             | -  | 1,843,569.05   |
| Loss on impairment       | -                             | -                 | -             | -                                | -                       | -                              | -             | -  | -              |
| At 31 December 2016      | -                             | -                 | -             | 1,219,896.52                     | -                       | 623,672.53                     | -             | -  | 1,843,569.05   |
| Loss on impairment       | -                             | -                 | -             | -                                | -                       | -                              | -             | -  | -              |
| At 31 December 2017      | -                             | -                 | -             | 1,219,896.52                     | -                       | 623,672.53                     | -             | -  | 1,843,569.05   |
| Net book value           |                               |                   |               |                                  |                         |                                |               |  |                |
| At 31 December 2016      | 175,774,314.25                | 2,846,095.74      | 56,532,993.18 | 323,548,556.20                   | 979,479.39              | 2,074,432.91                   | 12,332,960.54 | 59,264,036.01                                  | 633,352,868.22 |
| At 31 December 2017      | 174,074,314.25                | 233,768.90        | 51,898,116.02 | 287,164,539.91                   | 705,269.47              | 1,978,251.71                   | 8,576,416.35  | 59,264,036.01                                  | 583,894,712.62 |

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

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

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

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

#### 11. INTANGIBLE ASSETS

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

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

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

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

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

### 13. TRADE AND OTHER PAYABLES

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

#### 14. CURRENT PORTION OF DEBTS

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

#### 15. OTHER SHORT-TERM LOANS

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

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

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

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

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

#### 16. LOANS FROM FINANCIAL INSTITUTIONS

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

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

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



The details of the loans were summarized as follows:

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

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

## 17. LIABILITIES UNDER FINANCE LEASES

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

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

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

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

## 18. DEFERRED TAX

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

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

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

## Baht

## Separate financial statements

|                                 | Other                |                       |                     | Other               |                     |                     |
|---------------------------------|----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                                 | 1 January 2016       | Profit (loss)         | comprehensive loss  | 31 December 2016    | Profit (loss)       | comprehensive loss  |
|                                 |                      |                       |                     | 31 December 2017    |                     |                     |
| <b>Deferred tax assets</b>      |                      |                       |                     |                     |                     |                     |
| Trade and other receivables     | 829,263.99           | 263,187.10            | -                   | 1,092,451.09        | 771,290.40          | -                   |
| Inventories                     | 362,200.00           | -                     | -                   | 362,200.00          | 1,252,078.33        | -                   |
| Property, plant and equipment   | 293,873.23           | (24,946.86)           | -                   | 268,926.37          | (24,946.87)         | -                   |
| Provision                       | 1,975,597.37         | (1,791.30)            | (130,704.51)        | 1,843,101.56        | (47,623.67)         | (144,330.89)        |
| Tax loss carry forward          | 6,943,039.16         | (6,943,039.16)        | -                   | -                   | -                   | -                   |
| <b>Total</b>                    | <b>10,403,973.75</b> | <b>(6,706,590.22)</b> | <b>(130,704.51)</b> | <b>3,566,679.02</b> | <b>1,950,798.19</b> | <b>(144,330.89)</b> |
| <b>Deferred tax liabilities</b> |                      |                       |                     |                     |                     |                     |
| Property, plant and equipment   | (37,609,452.91)      | (2,525,548.08)        | -                   | (40,135,000.99)     | (483,223.55)        | -                   |

## 19. EMPLOYEE BENEFITS

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

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

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

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

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

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

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

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

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

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

  

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

## 20. SHARE CAPITAL

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

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

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

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



## **21. WARRANTS TO PURCHASE ORDINARY SHARES**

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

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

## **22. SHARE PREMIUM**

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

## **23. LEGAL RESERVE**

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

## **24. DIVIDEND**

### **Subsidiaries**

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

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

## 25. PROVIDENT FUND

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

## 26. EXPENSES BY NATURE

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

## 27. FINANCE COSTS

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

## 28. INCOME TAX

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

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

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

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

Reconciliation of effective tax rate

| Consolidated financial statements               |          |                 |          |                  |
|---|----------|-----------------|----------|------------------|
|   | 2017     |                 | 2016     |                  |
|   | Tax rate |                 | Tax rate |                  |
|   | (%)      | Baht            | (%)      | Baht             |
| Profit (loss) before income tax                 |          | 28,599,585.88   |          | (244,801,355.14) |
| Income tax using the corporate tax rate         | 20       | (5,719,917.18)  | 20       | 48,960,271.03    |
| Expenses not deductible for tax purposes        |          | (27,943,318.50) |          | (10,496,679.36)  |
| Revenues granted income tax exemption           |          | 19,529,664.54   |          | -                |
| Addition expenses deductible for tax purposes   |          | 16,651,425.19   |          | 26,258,004.26    |
| Effects of elimination entries on consolidation |          | (17,768,036.50) |          | 7,355,612.74     |
| Loss carry forward                              |          | 17,694,853.28   |          | -                |
| Current year loss                               |          | (11,589,618.41) |          | (72,077,208.67)  |
| Current tax                                     | 32       | (9,144,947.58)  | -        | -                |
| Movement in temporary differences               |          | 10,966,844.71   |          | (35,331,237.28)  |
| Tax expense                                     | 6        | 1,821,897.13    | 14       | (35,331,237.28)  |
| Separate financial statements                   |          |                 |          |                  |
|   | 2017     |                 | 2016     |                  |
|   | Tax rate |                 | Tax rate |                  |
|   | (%)      | Baht            | (%)      | Baht             |
| Profit (loss) before income tax                 |          | 25,035,597.62   |          | (129,466,017.96) |
| Income tax using the corporate tax rate         | 20       | (5,007,119.52)  | 20       | 25,893,203.59    |
| Expenses not deductible for tax purposes        |          | (8,618,880.02)  |          | (6,559,845.69)   |
| Revenues granted income tax exemption           |          | 18,598,874.80   |          | -                |
| Addition expenses deductible for tax purposes   |          | 3,755,132.20    |          | 477,312.57       |
| Current year loss                               |          | (8,728,007.46)  |          | (19,810,670.47)  |
| Current tax                                     | -        | -               | -        | -                |
| Movement in temporary differences               |          | 1,467,574.64    |          | (9,232,138.30)   |
| Tax income (expense)                            | 6        | 1,467,574.64    | 7        | (9,232,138.30)   |

## 29. SEGMENT INFORMATION

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

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

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

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

Information about major customers

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

## 30. COMMITMENTS AND CONTINGENT LIABILITIES

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

### The Company

30.1 Commitments for payment under agreement as follows:

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

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

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

## **Subsidiaries**

30.4 Commitments for payment under agreement as follows:

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

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

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

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

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

## **31. FINANCIAL INSTRUMENTS**

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

### **Accounting policies**

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

### **Capital management**

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

### **Financial risk management policies**

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

#### **Interest rate risk**

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

### Foreign currency risk

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

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

### Credit risk – trade receivables

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

### Fair value

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

### 32. FAIR VALUE HIERARCHY

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

|  | Millions Baht                     |         |         |       |
|--|-----------------------------------|---------|---------|-------|
|  | Consolidated financial statements |         |         |       |
|  | 2017                              |         |         |       |
|  | Level 1                           | Level 2 | Level 3 | Total |
| <b>Assets for which fair value are disclosed</b> |                                   |         |         |       |
| Investment property                              | -                                 | 69.39   | -       | 69.39 |

|  | Millions Baht                     |         |         |       |
|--|-----------------------------------|---------|---------|-------|
|  | Consolidated financial statements |         |         |       |
|  | 2016                              |         |         |       |
|  | Level 1                           | Level 2 | Level 3 | Total |
| <b>Assets for which fair value are disclosed</b> |                                   |         |         |       |
| Investment property                              | -                                 | 69.39   | -       | 69.39 |

|  | Millions Baht                 |         |         |       |
|--|-------------------------------|---------|---------|-------|
|  | Separate financial statements |         |         |       |
|  | 2017                          |         |         |       |
|  | Level 1                       | Level 2 | Level 3 | Total |
| <b>Assets for which fair value are disclosed</b> |                               |         |         |       |
| Investment property                              | -                             | 65.51   | -       | 65.51 |

|  | Millions Baht                 |         |         |       |
|--|-------------------------------|---------|---------|-------|
|  | Separate financial statements |         |         |       |
|  | 2016                          |         |         |       |
|  | Level 1                       | Level 2 | Level 3 | Total |
| <b>Assets for which fair value are disclosed</b> |                               |         |         |       |
| Investment property                              | -                             | 65.51   | -       | 65.51 |

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



### **33. LITIGATION**

#### **Subsidiaries**

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

### **34. EVENTS AFTER THE REPORTING PERIOD**

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

### **35. APPROVAL OF THE FINANCIAL STATEMENTS**

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