

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014



AUDITOR'S REPORT

To The Shareholders of  
Qualitech Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited, which comprise consolidated and separate statements of financial position as at December 31, 2014, 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, including notes of summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

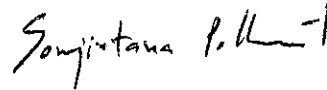
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

D I A International Audit Co., Ltd.



(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No. 5599

February 14, 2015

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2014	2013	2014	2013
<b>Current assets</b>					
Cash and cash equivalents	5	28,027,956.16	38,744,385.05	24,932,077.88	33,309,761.23
Current investment	6	87,815,665.78	75,180,963.50	81,793,637.19	75,180,963.50
Trade and other receivables	7	118,019,538.81	66,048,169.17	113,275,136.46	65,100,635.24
Unbilled services income		78,072,154.03	91,819,560.12	76,063,737.21	91,869,896.86
Short-term loans		0.00	0.00	1,000,000.00	0.00
Inventories		9,210,307.66	9,048,478.88	7,693,600.11	8,090,974.23
<b>Total current assets</b>		<b>321,145,622.44</b>	<b>280,841,556.72</b>	<b>304,758,188.85</b>	<b>273,552,231.06</b>
<b>Non-current assets</b>					
Investment in subsidiaries	8	0.00	0.00	6,019,400.00	3,519,550.00
Pledged bank deposits	9	19,203,651.49	13,958,077.02	19,203,651.49	13,958,077.02
Property, plant and equipment	10	156,131,162.57	130,295,541.24	154,465,326.00	128,799,971.78
Income tax deducted at source		6,614,374.52	4,548,807.91	6,593,185.77	4,538,223.20
Others non-current assets	11	882,262.92	934,530.92	882,262.92	934,530.92
<b>Total non-current assets</b>		<b>182,831,451.50</b>	<b>149,736,957.09</b>	<b>187,163,826.18</b>	<b>151,750,352.92</b>
<b>Total assets</b>		<b>503,977,073.94</b>	<b>430,578,513.81</b>	<b>491,922,015.03</b>	<b>425,302,583.98</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2014

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2014	2013	2014	2013
<b>Current liabilities</b>					
Trade and other payables	12	64,023,769.60	51,527,281.15	67,434,502.13	52,897,011.95
Current portion of long-term liabilities	13	3,731,710.71	3,289,373.24	3,587,008.64	3,151,524.79
Short-term loans		500,000.00	0.00	0.00	0.00
Accrued income tax		697,198.57	506,289.42	0.00	0.00
<b>Total current liabilities</b>		<b>68,952,678.88</b>	<b>55,322,943.81</b>	<b>71,021,510.77</b>	<b>56,048,536.74</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	13	4,258,378.91	4,698,356.33	4,000,616.91	4,295,887.77
Employee benefit obligations		12,793,318.02	10,089,271.00	12,757,950.00	10,089,271.00
<b>Total non-current liabilities</b>		<b>17,051,696.93</b>	<b>14,787,627.33</b>	<b>16,758,566.91</b>	<b>14,385,158.77</b>
<b>Total liabilities</b>		<b>86,004,375.81</b>	<b>70,110,571.14</b>	<b>87,780,077.68</b>	<b>70,433,695.51</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Authorized share capital	14				
99,000,000 common shares of					
Baht 1 each		99,000,000.00	99,000,000.00	99,000,000.00	99,000,000.00
Issued and paid-up share capital	14				
98,127,390 common shares of					
Baht 1 each		98,127,390.00		98,127,390.00	
96,577,285 common shares of					
Baht 1 each			96,577,285.00		96,577,285.00
Premium on share capital		76,718,065.03	67,852,859.52	76,718,065.03	67,852,859.52
Equity-settled share-based payment reserve		671,639.97	501,897.88	671,639.97	501,897.88
<b>Retained earnings</b>					
Appropriated - legal reserve	15	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated	16	230,639,446.79	183,878,010.51	218,624,842.35	179,936,846.07
<b>Total owners of the Company</b>		<b>416,156,541.79</b>	<b>358,810,052.91</b>	<b>404,141,937.35</b>	<b>354,868,888.47</b>
Non-controlling interests		1,816,156.34	1,657,889.76	0.00	0.00
<b>Total shareholders' equity</b>		<b>417,972,698.13</b>	<b>360,467,942.67</b>	<b>404,141,937.35</b>	<b>354,868,888.47</b>
<b>Total liabilities and shareholders' equity</b>		<b>503,977,073.94</b>	<b>430,578,513.81</b>	<b>491,922,015.03</b>	<b>425,302,583.98</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2014	2013	2014	2013
Services income		500,892,645.09	397,005,270.06	490,521,405.41	396,064,893.44
Cost of services		(336,954,611.30)	(265,312,920.75)	(345,624,112.58)	(269,781,722.67)
Gross profit		163,938,033.79	131,692,349.31	144,897,292.83	126,283,170.77
Other income		4,527,147.21	4,128,798.41	6,474,132.92	4,262,439.65
Administrative expenses		(59,550,976.57)	(49,676,249.23)	(52,585,419.76)	(47,640,981.67)
Finance costs		(393,999.54)	(438,433.83)	(370,884.48)	(428,710.82)
Profit before income tax		108,520,204.89	85,706,464.66	98,415,121.51	82,475,917.93
Income tax expenses	17	(3,463,361.03)	(2,559,645.85)	(1,589,834.23)	(2,037,926.45)
Profit for the year		105,056,843.86	83,146,818.81	96,825,287.28	80,437,991.48
Other comprehensive income (expense)		0.00	0.00	0.00	0.00
Total comprehensive income for the year		105,056,843.86	83,146,818.81	96,825,287.28	80,437,991.48
Total comprehensive income attributable to :					
Owners of the Company		104,898,727.28	83,505,044.12	96,825,287.28	80,437,991.48
Non-controlling interests		158,116.58	(358,225.31)	0.00	0.00
		105,056,843.86	83,146,818.81	96,825,287.28	80,437,991.48
Earnings per share					
Basic earnings per share		1.08	0.87	1.00	0.84
Weighted average number of common shares		97,164,123	95,823,113	97,164,123	95,823,113
Diluted earnings per share	18	1.08	0.86	0.99	0.83
Weighted average number of common shares	18	97,505,167	96,940,085	97,505,167	96,940,085

Notes to financial statements are parts of these financial statements

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

**Consolidated financial statements (Bairt)**

	Note	Owners of the Company							Total owners of the Company	Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve	Retained earnings		Total owners of the Company				
					Appropriated	Unappropriated					
Balance as at December 31, 2012		95,089,535.00	59,344,268.49	699,469.91	10,000,000.00	172,153,355.14	337,286,628.54	2,016,040.07	339,302,668.61		
Changes in shareholders' equity for the year:											
Common shares		0.00	0.00	0.00	0.00	0.00	0.00	75.00	75.00		
Share-based payment	14	0.00	0.00	1,288,839.00	0.00	0.00	1,288,839.00	0.00	1,288,839.00		
Common shares exercised from warrants	14	1,487,750.00	8,508,591.03	(1,486,411.03)	0.00	0.00	8,509,930.00	0.00	8,509,930.00		
Dividend paid	16	0.00	0.00	0.00	0.00	(47,853,592.50)	(47,853,592.50)	0.00	(47,853,592.50)		
Total comprehensive income for the year		0.00	0.00	0.00	0.00	83,505,044.12	83,505,044.12	(358,225.31)	83,146,818.81		
Interim dividend paid	16	0.00	0.00	0.00	0.00	(23,926,796.25)	(23,926,796.25)	0.00	(23,926,796.25)		
Balance as at December 31, 2013		96,577,285.00	67,852,859.52	501,897.88	10,000,000.00	183,878,010.51	358,810,052.91	1,657,889.76	360,467,942.67		
Changes in shareholders' equity for the year:											
Common shares		0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00		
Share-based payment	14	0.00	0.00	1,718,452.00	0.00	0.00	1,718,452.00	0.00	1,718,452.00		
Common shares exercised from warrants	14	1,550,105.00	8,865,205.51	(1,548,709.91)	0.00	0.00	8,866,600.60	0.00	8,866,600.60		
Dividend paid	16	0.00	0.00	0.00	0.00	(38,758,194.00)	(38,758,194.00)	0.00	(38,758,194.00)		
Total comprehensive income for the year		0.00	0.00	0.00	0.00	104,898,727.28	104,898,727.28	158,116.58	105,056,843.86		
Interim dividend paid	16	0.00	0.00	0.00	0.00	(19,379,097.00)	(19,379,097.00)	0.00	(19,379,097.00)		
Balance as at December 31, 2014		98,127,390.00	76,718,065.03	671,639.97	10,000,000.00	230,639,446.79	416,156,541.79	1,816,156.34	417,972,698.13		

Notes to financial statements are parts of these financial statements

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

		Separate financial statements (Bab)					Total shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve	Retained earnings		
					Appropriated	Unappropriated	
		95,089,535.00	59,344,268.49	699,469.91	10,000,000.00	171,279,243.34	336,412,516.74
	Balance as at December 31, 2012						
	Changes in shareholders' equity for the year:						
	Share-based payment	14	0.00	1,288,839.00	0.00	0.00	1,288,839.00
	Common shares from exercised of warrants	14	1,487,750.00	(1,486,411.03)	0.00	0.00	8,509,930.00
	Dividend paid	16	0.00	0.00	0.00	(47,853,592.50)	(47,853,592.50)
	Total comprehensive income for the year	16	0.00	0.00	0.00	80,437,991.48	80,437,991.48
	Interim dividend paid	16	0.00	0.00	0.00	(23,926,796.25)	(23,926,796.25)
	Balance as at December 31, 2013	96,577,285.00	67,852,859.52	501,897.88	10,000,000.00	179,936,846.07	354,868,888.47
	Changes in shareholders' equity for the year:						
	Share-based payment	14	0.00	1,718,452.00	0.00	0.00	1,718,452.00
	Common shares exercised from warrants	14	1,550,105.00	(1,548,709.91)	0.00	0.00	8,866,600.60
	Dividend paid	16	0.00	0.00	0.00	(38,758,194.00)	(38,758,194.00)
	Total comprehensive income for the year	16	0.00	0.00	0.00	96,825,287.28	96,825,287.28
	Interim dividend paid	16	0.00	0.00	0.00	(19,379,097.00)	(19,379,097.00)
	Balance as at December 31, 2014	98,127,390.00	76,718,065.03	671,639.97	10,000,000.00	218,624,842.35	404,141,937.35

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before income tax	108,520,204.89	85,706,464.66	98,415,121.51	82,475,917.93
Adjustments				
Unrealized gain on changes in investment valuation	(384,218.44)	(918,460.49)	(362,189.85)	(918,460.49)
Doubtful accounts	369,313.50	761,091.34	369,313.50	761,091.34
(Increase) Decrease in unbilled service income	13,747,406.09	(28,672,789.97)	15,806,159.65	(28,723,126.71)
Depreciation	27,230,993.70	18,485,956.56	26,859,287.22	18,371,893.91
Loss on disposal of fixed assets	19,359.22	458,089.26	19,874.57	458,089.26
Loss on impairment of assets	0.00	18,136.04	0.00	18,136.04
Reverse of loss on impairment of assets	(10,323.32)	0.00	(10,323.32)	0.00
Write off income tax deducted at source	0.00	39,618.44	0.00	39,618.44
Employee benefits	4,422,499.02	2,489,935.00	4,387,131.00	2,489,935.00
Interest expenses	393,999.54	428,710.82	370,884.48	428,710.82
	<u>154,309,234.20</u>	<u>78,796,751.66</u>	<u>145,855,258.76</u>	<u>75,401,805.54</u>
(Increase) Decrease in portion of operating assets				
Trade and other receivables	(52,340,683.14)	16,202,683.25	(48,543,814.72)	14,171,554.59
Inventories	(161,828.78)	(3,897,732.72)	397,374.12	(2,940,228.07)
Other non-current assets	62,591.32	(662,243.04)	62,591.32	(662,243.04)
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	15,869,874.82	6,004,155.08	17,910,876.55	7,649,128.55
Cash generated (paid) from operation	<u>117,739,188.42</u>	<u>96,443,614.23</u>	<u>115,682,286.03</u>	<u>93,620,017.57</u>
Interest paid	(393,999.54)	(428,710.82)	(370,884.48)	(428,710.82)
Income tax received (paid)	(5,338,018.49)	(2,908,825.95)	(3,644,796.80)	(2,557,967.60)
<b>Net cash provided by (used in) operating activities</b>	<u>112,007,170.39</u>	<u>93,106,077.46</u>	<u>111,666,604.75</u>	<u>90,633,339.15</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2014

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Decrease (Increase) in current investment	(12,250,483.84)	29,773,491.70	(6,250,483.84)	29,773,491.70
Increase in short-term loans	0.00	0.00	(1,000,000.00)	0.00
Payments for acquire of ordinary share of subsidiary	0.00	0.00	(2,499,850.00)	(1,249,925.00)
Increase in pledged bank deposit	(5,245,574.47)	(4,458,077.02)	(5,245,574.47)	(4,458,077.02)
Proceeds from sales of fixed assets	1,235,123.74	1,394,127.55	1,223,297.74	1,394,127.55
Payments for fixed assets acquisition	(53,737,484.36)	(36,474,133.67)	(53,184,200.12)	(35,494,084.34)
<b>Net cash provided by (used in) investing activities</b>	<b>(69,998,418.93)</b>	<b>(9,764,591.44)</b>	<b>(66,956,810.69)</b>	<b>(10,034,467.11)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans	500,000.00	0.00	0.00	0.00
Decrease in financial lease liabilities	(3,954,639.95)	(3,314,692.98)	(3,816,787.01)	(3,270,759.99)
Dividend paid	(58,137,291.00)	(71,780,388.75)	(58,137,291.00)	(71,780,388.75)
Proceeds from exercised of warrants to purchase ordinary shares	8,866,600.60	8,509,930.00	8,866,600.60	8,509,930.00
Proceeds for non-controlling interests	150.00	75.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>(52,725,180.35)</b>	<b>(66,585,076.73)</b>	<b>(53,087,477.41)</b>	<b>(66,541,218.74)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(10,716,428.89)</b>	<b>16,756,409.29</b>	<b>(8,377,683.35)</b>	<b>14,057,653.30</b>
<b>Cash and cash equivalents as at January 1</b>	<b>38,744,385.05</b>	<b>21,987,975.76</b>	<b>33,309,761.23</b>	<b>19,252,107.93</b>
<b>Cash and cash equivalents as at December 31</b>	<b>28,027,956.16</b>	<b>38,744,385.05</b>	<b>24,932,077.88</b>	<b>33,309,761.23</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

**1. GENERAL INFORMATION**

- 1.1 The Company was registered as a company limited on February 11, 1991 with registration No. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration No. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and two branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi and at 50, Soi Pattanakarn 57, Prawet, Bangkok.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

**2. PREPARATION OF FINANCIAL STATEMENTS BASIS**

- 2.1 The financial statements have been prepared in conformity with Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

- 2.2 The issued and revised financial reporting standards that are mandatorily effective for the current year

Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee which are expected to be effective for the financial statements beginning on or after January 1, 2014 as detailed following :

Accounting Standards

- TAS 1 (Revised 2012) Presentation of Financial Statements
- TAS 7 (Revised 2012) Statement of Cash Flows
- TAS 12 (Revised 2012) Income Taxes

### Accounting Standards

- TAS 17 (Revised 2012) Leases
- TAS 18 (Revised 2012) Revenue
- TAS 19 (Revised 2012) Employee Benefits
- TAS 21 (Revised 2012) The Effects of Changes in Foreign Exchange Rate
- TAS 24 (Revised 2012) Related Party Disclosures
- TAS 28 (Revised 2012) Investments in Associates
- TAS 31 (Revised 2012) Interests in Joint Venture
- TAS 34 (Revised 2012) Interim Financial Reporting
- TAS 36 (Revised 2012) Impairment of Assets
- TAS 38 (Revised 2012) Intangible Assets

### Financial Reporting Standards

- TFRS 2 (Revised 2012) Share - Based Payments
- TFRS 3 (Revised 2012) Business Combinations
- TFRS 5 (Revised 2012) Non-current Held for Sale and Discontinued Operations
- TFRS 8 (Revised 2012) Operating Segments

### Standing Interpretations committee

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

### Financial Reporting Interpretations committee

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangement contains a Lease
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental

#### Rehabilitation Funds

- TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in*

#### *Hyperinflationary Economies*

- TFRIC 10 Interim Financial Reporting and Impairment

Financial Reporting Interpretations Committee

TFRIC 13 Customers Loyalty Programmes

TFRIC 17 Distributions of Non-cash Assets to Owners

TFRIC 18 Transfer of Assets from Customers

The above accounting standards, financial reporting standards, standing interpretations committee and financial interpretations committee will have no significantly impacts on these financial statements.

2.3 Financial reporting standards in issue but not yet effective

The Company has not adopted the following new and revised TFRS that have been issued as at the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial statements period beginning on or after 1 January in the year indicated following.

<u>Financial Reporting Standards</u>	<u>Contents</u>	<u>Effective year</u>
	Conceptual Framework for Financial Reporting (Revised 2014)	2015
<u>Accounting Standards</u>		
TAS 1 (Revised 2014)	Presentation of Financial Statements	2015
TAS 2 (Revised 2014)	Inventories	2015
TAS 7 (Revised 2014)	Statement of Cash Flows	2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (Revised 2014)	Events After the Reporting Period	2015
TAS 11 (Revised 2014)	Construction Contracts	2015
TAS 12 (Revised 2014)	Income Taxes	2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	2015
TAS 17 (Revised 2014)	Leases	2015
TAS 18 (Revised 2014)	Revenue	2015
TAS 19 (Revised 2014)	Employee Benefits	2015
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015

	<u>Contents</u>	<u>Effective year</u>
<u>Accounting Standards</u>		
TAS 23 (Revised 2014)	Borrowing Costs	2015
TAS 24 (Revised 2014)	Related Party Disclosures	2015
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (Revised 2014)	Separate Financial Statements	2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Venture	2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economics	2015
TAS 33 (Revised 2014)	Earnings per Share	2015
TAS 34 (Revised 2014)	Interim Financial Reporting	2015
TAS 36 (Revised 2014)	Impairment of Assets	2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (Revised 2014)	Intangible Assets	2015
TAS 40 (Revised 2014)	Investment Property	2015
<u>Financial Reporting Standards</u>		
TFRS 2 (Revised 2014)	Share-Based Payments	2015
TFRS 3 (Revised 2014)	Business Combinations	2015
TFRS 4 (Revised 2014)	Insurance Contracts	2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8 (Revised 2014)	Operating Segments	2015
TFRS 10 (Revised 2014)	Consolidated Financial Statements	2015
TFRS 11 (Revised 2014)	Joint Arrangements	2015
TFRS 12 (Revised 2014)	Disclosure of Interests in Other Entities	2015
TFRS 13 (Revised 2014)	Fair Value Measurement	2015

	<u>Contents</u>	<u>Effective year</u>
<u>Standing Interpretations Committee</u>		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	2015
<u>Financial Reporting Interpretations Committee</u>		
TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (Revised 2014)	Determining Whether an Arrangement Contains a Lease	2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 <i>(revised 2014) Financial Reporting in Hyperinflationary Economies</i>	2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmers	2015
TFRIC 14 (Revised 2014)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 <i>Employee Benefits</i>	2015

<u>Contents</u>		<u>Effective year</u>
<u>Financial Reporting Interpretations Committee</u>		
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (Revised 2014)	Distributions of Non – cash Assets to Owners	2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20 (Revised 2014)	Stripping Costs in the Production Phase of a Surface Mine	2015

The management expects that the Company will apply and adopt the issued and revised financial reporting standards in accordance with the notification of the Federation of Accounting Professions and is being evaluated the effect of those issued and revised financial reporting standards on the Company's financial statements which expected that they will have no significantly impacts on the financial statements in the year in which they are initially applied.

### 3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

3.1 The consolidated financial statements have been prepared by including the financial statements of subsidiaries on which Qualitech Public Company Limited has ability to control in making financial and operating decisions upto the controllable is ceased as below :

	<u>Percentage of investment %</u>		<u>Type of business</u>
	2014	2013	
QLT International Limited	99.99	99.99	Providing engineering services in both Thailand and overseas and engage in relevant business
Qualitech Myanmar Limited	50.99	50.99	Providing safety engineering services in Myanmar and other related business

3.2 The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

3.3 The balance of accounts and transactions between Qualitech Public Company Limited and subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.



#### 4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Income and Expenses Recognition

4.1.1 Revenues and expenses are recognized on an accrual basis.

4.1.2 Core revenues of the Company and subsidiaries are derived from billing under contracts that provide for specific time, material and equipment charges which will be billed ranging from daily to monthly. The Company and subsidiaries recognize such revenues based on the period or lump-sum as stipulated in the contract and on the percentage of completion work for long-term mega-contract. Under this method, the Company and subsidiaries estimate contract revenues based on the actual costs incurred as a percentage of total estimated costs. The factors that affect total estimated costs are changes in the cost of materials and labor, productivity, planning, external factors including weather other factors outside the Company and subsidiaries control, may affect the progress and estimated cost of completion. These factors had impact on revenues recognition. The Company and subsidiaries routinely review estimates related to contracts when the total contract costs indicates exceeding contract revenues, the Company and subsidiaries thus, will recognize the contingent loss as expenses and reflect revision immediately.

##### 4.2 Cash and Cash Equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

##### 4.3 Investments

Investments in securities for trading are stated at fair value. Gain or loss on changes in fair value is recognized as income or expenses in the statements of comprehensive income.

##### 4.4 Trade and Other Receivables

Trade and other receivables are stated at the rights to receive amount / invoice amount less allowance for doubtful accounts.

The Company and subsidiaries provided allowance for doubtful accounts by considering the overdue period of the accounts receivable from the abilities to repay the debts of each accounts receivable.

#### 4.5 Inventory

Supplies are valued at the lower of cost on a first - in first - out (FIFO) basis or net realizable value.

#### 4.6 Property, Plant and Equipment

4.6.1 Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any). Cost of assets including the dismantlement, removal and restoration the site on which it is located, the obligation for which the Company incurs.

4.6.2 Building and equipment are depreciation on a straight-line basis over the estimated useful lives of the assets, and the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are as follows :

	Number of years
Building	20
Building improvement	20
Office furniture and fixture	5
Tools and technical equipment	5
Office equipment	3, 5
Utilities system	5
Vehicles	5

Except for tools and technical equipment acquired from October 23, 1999 to December 31, 2003 and acquired after December 31, 2005 were depreciated on double declining balance method (5 years period) for parts of tools and technical equipment since such tools and technical equipment are made up of technology component. Such technology has greatly developed to be raised the efficiency all the time and the Company must use such tools and technical equipment for performing its work in the customers' office, thus, the tools and technical equipment may possible be obsolete or damage from the performance.

Land and assets under construction were not depreciated.

#### 4.7 Impairment of Assets

The Company and subsidiaries have considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company and subsidiaries will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of comprehensive income for the period. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

#### 4.8 Transactions in Foreign Currencies

The Company and subsidiaries record their transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

#### 4.9 Financial Instruments

Financial instruments are presented in statements of financial position, consist of cash and cash equivalents, current investment, trade accounts receivable, other receivables, trade account payable, other payables and financial lease liabilities. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

#### 4.10 Long-Term Lease Agreement

The Company and subsidiaries record vehicles under purchase agreement as assets and liabilities in an amount equal to the fair value of the leased assets or the present value of the minimum payments under the agreements.

Interest expenses are recorded to each period over the term of the agreement.

#### 4.11 Employee Benefits

##### 4.11.1 Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

##### 4.11.2 Post-Employee benefits

The Company and subsidiaries provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the financial statements is estimated on an actuarial basis using Projected Unit Credit Method by the independent experts (Actuary). The calculation was made by utilizing various assumptions about future events. The Company and subsidiaries are responsible for the selection of appropriate assumptions.

The principal actuarial assumptions used for employee benefits calculation were summarized as follows;

Discount rate	4 per annum
Employee turnover	Age-related scale and kind of employees and daily staff
Mortality	According to Thailand TMO2008 male and female tables

#### 4.12 Income Tax and Deferred tax

1. Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or 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 reporting 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 not recognized that it is probable that they will not utilize in the foreseeable future.

2. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.
3. In determining the amount of current and deferred tax, the Company and subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Company and subsidiaries believe 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 judgments about future events. New information may become available that causes the Company and subsidiaries to change its judgment 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.
4. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company and subsidiaries intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
5. 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 4.13 Accounting Estimates

Preparation of financial statements in conformity with the financial reporting standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from those estimates.

#### 4.14 Provisions

The Company and subsidiaries recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and subsidiaries settle the obligation. The amount recognized should not exceed the amount of the provision.

#### 4.15 Earnings per Share

Basic earnings per share is determined by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing net profit for the year by the weighted average of common share issued during the year added by the number of common shares issued for offering to warrant holders of the Company.

### 5. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

#### 5.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Cash	390,439.24	420,501.88	326,936.48	276,376.48
Cash at bank - current accounts	34,000.00	34,000.00	34,000.00	34,000.00
Cash at bank - savings deposit	27,603,516.92	38,145,285.28	24,571,141.40	32,854,786.86
Cash at bank - fixed deposit	0.00	144,597.89	0.00	144,597.89
<b>Total</b>	<b>28,027,956.16</b>	<b>38,744,385.05</b>	<b>24,932,077.88</b>	<b>33,309,761.23</b>

## 5.2 Non-cash transaction

### For the year 2014

#### Parent company

The Company entered into hire purchase vehicles agreement of Baht 5.28 million which was already made the initial installment in the amount of Baht 1.32 million. The remaining is presented as financial lease liabilities.

### For the year 2013

#### Parent company

The Company entered into hire purchase vehicles agreement of Baht 5.03 million which was already made the initial installment in the amount of Baht 1.25 million. The remaining is presented as financial lease liabilities.

#### Subsidiary

The subsidiary entered into hire purchase vehicles agreement of Baht 0.78 million which was already made the initial installment in the amount of Baht 0.19 million. The remaining is presented as financial lease liabilities.

## 6. CURRENT INVESTMENT

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2014	2013	2014	2013
Investment in open-end fund :-				
Krung Thai Savings Fund (KTSS)	20,108,016.28	1,526,780.94	20,108,016.28	1,526,780.94
T - Cash Fund	20,109,438.69	0.00	20,109,438.69	0.00
Thai Cash Management Fund	20,115,565.85	0.00	20,115,565.85	0.00
K-Money	20,005,949.98	0.00	20,005,949.98	0.00
Aberdeen Cash Creation Fund	6,022,028.59	0.00	0.00	0.00
Thanachart Capital Protection				
Government Bond 3M/3 Fund	0.00	26,583,814.27	0.00	26,583,814.27
UOB Income Dairy	0.00	11,090,452.98	0.00	11,090,452.98
UOB FI Plus Plus 3/7	0.00	15,064,800.00	0.00	15,064,800.00
<b>Total investment in</b>				
open-end fund	86,360,999.39	54,265,848.19	80,338,970.80	54,265,848.19
Cash at bank-fixed deposit 6 months	1,454,666.39	20,915,115.31	1,454,666.39	20,915,115.31
<b>Total</b>	<b>87,815,665.78</b>	<b>75,180,963.50</b>	<b>81,793,637.19</b>	<b>75,180,963.50</b>

Such fund invested in debt securities which had minimal risk.

## 7. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Trade accounts receivable	121,786,639.00	73,069,143.37	118,719,620.79	72,675,874.83
Other receivables	10,145,910.52	6,522,723.01	8,468,526.38	5,968,457.62
<b>Total</b>	<b>131,932,549.52</b>	<b>79,591,866.38</b>	<b>127,188,147.17</b>	<b>78,644,332.45</b>
Less Allowance for doubtful accounts				
- Trade accounts receivable	(13,913,010.71)	(13,543,697.21)	(13,913,010.71)	(13,543,697.21)
<b>Net</b>	<b>118,019,538.81</b>	<b>66,048,169.17</b>	<b>113,275,136.46</b>	<b>65,100,635.24</b>

### Billed trade accounts receivable separated on aging

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Undue trade accounts receivable	58,354,824.73	25,483,298.52	60,398,737.37	25,344,521.78
Overdue trade accounts receivable				
- Less than 3 months	38,629,869.54	29,724,983.69	36,951,263.69	29,692,543.69
- Over 3 months to 6 months	9,426,840.71	4,773,344.34	5,994,515.71	4,708,464.34
- Over 6 months to 9 months	2,528,409.00	91,150.00	2,528,409.00	91,150.00
- Over 9 months to 12 months	0.00	0.00	0.00	0.00
- Over 12 months	12,846,695.02	12,996,366.82	12,846,695.02	12,839,195.02
<b>Total</b>	<b>121,786,639.00</b>	<b>73,069,143.37</b>	<b>118,719,620.79</b>	<b>72,675,874.83</b>



## 8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)	
			2014	2013	2014	2013	2014	2013
QLT International Limited	Providing engineering services in both Thailand and overseas and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding	5,000,000.00	2,500,000.00	99.99	99.99	4,999,700.00	2,499,850.00
Qualitech Myanmar Limited	Security engineering services in Myanmar and engage in relevant business	The Company held 50.99% share capital, director and management have common-shareholding	2,000,000.00	2,000,000.00	50.99	50.99	1,019,700.00	1,019,700.00
Total							6,019,400.00	3,519,550.00

8.1 During the year 2014, QLT International Limited has called for and received the payment of common shares amount of Baht 2.50 million (50,000 common shares of Baht 50 each), resulting to subsidiary has 100% issued and paid-up share capital equal to the registration amount of Baht 5.00 million (50,000 common shares of Baht 100 each).

8.2 The financial statements for the year ended December 31, 2014 and 2013 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

### 8.3 Share capital - Qualitech Myanmar Limited

According to the minutes of shareholders' extraordinary meeting No. 2/2014, passed the resolution to increase share capital for another amount of Baht 4 million totally Baht 6 million (60,000 common shares at par value of Baht 100 each) that the subsidiary has registered the increase share capital with the Ministry of Commerce on May 30, 2014. But the subsidiary still has not received the payment for such increase share capital that subsidiary subsequently proposed to the shareholders for decreasing such share capital and at the shareholders' extraordinary meeting No. 3/2014 held on June 25, 2014, passed the resolution to decrease share capital for the amount of Baht 4 million, the remaining share capital amount of Baht 2 million (20,000 common shares at par value of Baht 100 each), the subsidiary has registered the decrease share capital with the Ministry of Commerce on August 21, 2014.

## 9. PLEDGED BANK DEPOSIT

As at December 31, 2014 and 2013, the Company has deposits at a bank amount of Baht 19.20 million and Baht 13.96 million respectively which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 26).

10. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (Baht)

	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at December 31, 2012	18,719,000.00	27,498,717.99	7,904,913.42	6,687,899.17	126,127,756.98	9,523,372.20	1,291,122.36	47,099,389.70	0.00	244,852,171.82
Acquisition	16,361,000.00	5,564,000.00	752,268.04	1,031,122.53	11,087,636.21	1,824,223.44	0.00	6,589,665.00	2,006,864.52	45,216,779.74
Disposal	0.00	0.00	0.00	(40,374.30)	(10,511,079.29)	(757,551.21)	0.00	(4,221,625.61)	0.00	(15,530,630.41)
As at December 31, 2013	35,080,000.00	33,062,717.99	8,657,181.46	7,678,647.40	126,704,313.90	10,590,044.43	1,291,122.36	49,467,429.09	2,006,864.52	274,538,321.15
Acquisition	0.00	0.00	89,690.72	899,455.40	38,322,812.77	3,420,431.48	0.00	9,470,125.86	2,745,994.33	54,948,510.56
Disposal	0.00	0.00	0.00	(336,831.52)	(16,814,136.77)	(1,132,743.75)	0.00	(5,801,414.04)	(22,276.93)	(24,107,403.01)
Transfer	0.00	0.00	2,303,212.52	0.00	89,683.71	0.00	0.00	0.00	(2,392,896.23)	0.00
As at December 31, 2014	35,080,000.00	33,062,717.99	11,050,084.70	8,241,271.28	148,302,673.61	12,877,732.16	1,291,122.36	53,136,140.91	2,337,685.69	305,379,428.70
Accumulated depreciation :										
As at December 31, 2012	0.00	5,615,061.50	1,018,921.06	3,614,888.85	89,986,498.64	6,877,283.47	1,291,118.36	29,714,872.89	0.00	138,118,644.77
Depreciation for the year	0.00	1,527,544.55	396,488.86	891,500.35	12,869,117.47	1,319,559.86	0.00	1,481,745.47	0.00	18,485,956.56
Depreciation - write off	0.00	0.00	0.00	(34,876.64)	(8,502,498.27)	(430,824.07)	0.00	(3,393,622.44)	0.00	(12,361,821.42)
As at December 31, 2013	0.00	7,142,606.05	1,415,409.92	4,471,512.56	94,353,117.84	7,766,019.26	1,291,118.36	27,802,995.92	0.00	144,242,779.91
Depreciation for the year	0.00	1,606,508.88	542,063.03	1,074,580.30	18,520,888.90	1,753,653.59	0.00	3,733,299.00	0.00	27,230,993.70
Depreciation - write off	0.00	0.00	0.00	(331,968.66)	(15,647,941.56)	(1,060,679.97)	0.00	(5,184,917.29)	0.00	(22,225,507.48)
As at December 31, 2014	0.00	8,749,114.93	1,957,472.95	5,214,124.20	97,226,065.18	8,458,992.88	1,291,118.36	26,351,377.63	0.00	149,248,266.13
Net book value										
As at December 31, 2013	35,080,000.00	25,920,111.94	7,241,771.54	3,207,134.84	32,351,196.06	2,824,025.17	4.00	21,664,433.17	2,006,864.52	130,295,541.24
As at December 31, 2014	35,080,000.00	24,313,603.06	9,092,611.75	3,027,147.08	51,076,608.43	4,418,739.28	4.00	26,784,763.28	2,337,685.69	156,131,162.57

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Separate financial statements (Baht)

	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
<b>Assets - cost :</b>										
As at December 31, 2012	18,719,000.00	27,498,717.99	7,904,913.42	6,687,899.17	126,074,408.58	9,523,372.20	1,291,122.36	47,099,389.70	0.00	244,798,823.42
Acquisition	16,361,000.00	5,564,000.00	752,268.04	1,027,522.53	10,979,935.66	1,450,224.66	0.00	5,510,665.00	2,006,864.52	43,652,480.41
Disposal	0.00	0.00	0.00	(40,374.30)	(10,511,079.29)	(757,551.21)	0.00	(4,221,625.61)	0.00	(15,530,630.41)
As at December 31, 2013	35,080,000.00	33,062,717.99	8,657,181.46	7,675,047.40	126,543,264.95	10,216,045.65	1,291,122.36	48,388,429.09	2,006,864.52	272,920,673.42
Acquisition	0.00	0.00	89,690.72	860,095.59	38,022,519.82	3,206,800.00	0.00	9,470,125.86	2,745,994.33	54,395,226.32
Disposal	0.00	0.00	0.00	(336,831.52)	(16,790,758.52)	(1,132,743.75)	0.00	(5,801,414.04)	(22,276.93)	(24,084,024.76)
Transfer	0.00	0.00	2,303,212.52	0.00	89,683.71	0.00	0.00	0.00	(2,392,896.23)	0.00
As at December 31, 2014	35,080,000.00	33,062,717.99	11,050,084.70	8,198,311.47	147,864,709.96	12,290,101.90	1,291,122.36	52,057,140.91	2,337,685.69	303,231,874.98
<b>Accumulated depreciation :</b>										
As at December 31, 2012	0.00	5,615,061.50	1,018,921.06	3,614,888.85	89,978,483.02	6,877,283.47	1,291,118.36	29,714,872.89	0.00	138,110,629.15
Depreciation for the year	0.00	1,527,544.55	396,488.86	891,443.16	12,851,783.47	1,272,686.76	0.00	1,431,947.11	0.00	18,371,893.91
Depreciation - write off	0.00	0.00	0.00	(34,876.64)	(8,502,498.27)	(430,824.07)	0.00	(3,393,622.44)	0.00	(12,361,821.42)
As at December 31, 2013	0.00	7,142,606.05	1,415,409.92	4,471,455.37	94,327,768.22	7,719,146.16	1,291,118.36	27,753,197.56	0.00	144,120,701.64
Depreciation for the year	0.00	1,606,508.88	542,063.03	1,070,602.88	18,435,654.99	1,606,958.44	0.00	3,597,499.00	0.00	26,859,287.22
Depreciation - write off	0.00	0.00	0.00	(331,968.66)	(15,635,873.96)	(1,060,679.97)	0.00	(5,184,917.29)	0.00	(22,213,439.88)
As at December 31, 2014	0.00	8,749,114.93	1,957,472.95	5,210,089.59	97,127,549.25	8,265,424.63	1,291,118.36	26,165,779.27	0.00	148,766,548.98
<b>Net book value</b>										
As at December 31, 2013	35,080,000.00	25,920,111.94	7,241,771.54	3,203,592.03	32,215,496.73	2,496,899.49	4.00	20,635,231.53	2,006,864.52	128,799,971.78
As at December 31, 2014	35,080,000.00	24,313,603.06	9,092,611.75	2,988,221.88	50,737,160.71	4,024,677.27	4.00	25,891,361.64	2,337,685.69	154,465,326.00

Tools and technical equipment as at December 31, 2014

(Unit : Baht)

Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight-line method			
- Before October 23, 1999	1,974,030.39	(1,973,952.39)	78.00
- 2004 until present	53,568,073.02	(36,621,625.40)	16,946,447.62
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	3,886,156.75	(3,886,099.75)	57.00
- 2006 until present	88,436,449.80	(54,645,871.71)	33,790,578.09
Total	<u>147,864,709.96</u>	<u>(97,127,549.25)</u>	<u>50,737,160.71</u>

Tools and technical equipment as at December 31, 2013

(Unit : Baht)

Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight-line method			
- Before October 23, 1999	2,279,464.99	(2,279,373.99)	91.00
- 2004 until present	46,808,030.44	(33,468,062.37)	13,339,968.07
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	4,567,694.17	(4,567,635.17)	59.00
- 2006 until present	72,888,075.35	(54,012,696.69)	18,875,378.66
Total	<u>126,543,264.95</u>	<u>(94,327,768.22)</u>	<u>32,215,496.73</u>

Depreciation for the year ended December 31, 2014 and 2013 were Baht 18.44 million and Baht 12.85 million respectively.

## 11. OTHER NON-CURRENT ASSETS

	Consolidated and Separate financial statements (Baht)	
	2014	2013
Deposit receivable under contract	4,504,826.99	4,557,094.99
Others	14,081.73	24,405.05
<b>Total</b>	<b>4,518,908.72</b>	<b>4,581,500.04</b>
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Less Provision for impairment of assets	(14,081.73)	(24,405.05)
<b>Net</b>	<b>882,262.92</b>	<b>934,530.92</b>

## 12. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Trade accounts payable	13,875,856.91	8,213,563.52	23,963,519.57	11,567,703.14
Other payables				
Accrued expenses	43,120,916.19	35,913,594.06	36,551,558.66	34,117,301.48
Assets payable	768,792.62	4,100,983.99	727,597.62	4,100,983.99
Others	6,258,203.88	3,299,139.58	6,191,826.28	3,111,023.34
<b>Total</b>	<b>64,023,769.60</b>	<b>51,527,281.15</b>	<b>67,434,502.13</b>	<b>52,897,011.95</b>

## 13. FINANCIAL LEASE LIABILITIES

13.1 Financial lease liabilities excluded future interest expenses as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Hire purchase payable	7,990,089.62	7,987,729.57	7,587,625.55	7,447,412.56
Less Current portion of long-term liabilities	(3,731,710.71)	(3,289,373.24)	(3,587,008.64)	(3,151,524.79)
<b>Net</b>	<b>4,258,378.91</b>	<b>4,698,356.33</b>	<b>4,000,616.91</b>	<b>4,295,887.77</b>

13.2 The Company and subsidiaries' fixed assets at cost are being made the payment as indicated in agreement as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Vehicles	22,611,037.38	17,335,037.38	21,832,037.38	16,556,037.38
Office equipment	0.00	242,780.16	0.00	242,780.16
Total	<u>22,611,037.38</u>	<u>17,577,817.54</u>	<u>21,832,037.38</u>	<u>16,798,817.54</u>

13.3 The minimum amount to be paid under financial lease as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Within 1 year	4,045,749.00	3,664,223.88	3,884,781.00	3,503,255.88
Over 1 year less than 3 years	4,129,914.00	4,647,199.97	3,861,634.00	4,217,951.97
Over 3 years less than 5 years	208,810.00	236,391.00	208,810.00	236,391.00
Total	<u>8,384,473.00</u>	<u>8,547,814.85</u>	<u>7,955,225.00</u>	<u>7,957,598.85</u>
Less Future interest expenses of				
financial lease	<u>(394,383.38)</u>	<u>(560,085.28)</u>	<u>(367,599.45)</u>	<u>(510,186.29)</u>
Present value of financial lease				
liabilities	<u>7,990,089.62</u>	<u>7,987,729.57</u>	<u>7,587,625.55</u>	<u>7,447,412.56</u>

## 14. SHARE CAPITAL

14.1 The increase and decrease of share capital for the year ended December 31, 2014 and 2013 are as follow :

	Authorized share capital		Issued and paid-up share capital	
	Number of shares	Amount (Baht)	Number of shares	Amount (Baht)
Balance as at January 1, 2013	99,000,000	99,000,000.00	95,089,535	95,089,535.00
Common shares issued from exercise				
of warrants ( QLT -ESOP )	0	0.00	1,487,750	1,487,750.00
Balance as at December 31, 2013	99,000,000	99,000,000.00	96,577,285	96,577,285.00
Common shares issued from exercise				
of warrants ( QLT -ESOP )	0	0.00	1,550,105	1,550,105.00
Balance as at December 31, 2014	99,000,000	99,000,000.00	98,127,390	98,127,390.00

### 14.2 Warrants

On July 4, 2012, the Company issued 4.30 million units of warrants to the Company's management and/or a employees without offering price at the exercised ratio of 1 unit of warrant per 1 ordinary share at the price of Baht 5.72 each. The exercise period is 3 years from the date of issuance and offering (in the 1st and 2nd year can be exercised right not exceed 30% and the remaining can be exercised in the 3rd year). The exercise right will be made on the 15th of March and September.

Estimated fair value of exercised right of warrants equal to Baht 0.9991 by using Black-Scholes Model such as stock price equal to Baht 6.40, exercise price is Baht 5.72, index volatility at 24.29%, dividend yield at the rate 5.47%, time to maturity 3 years and interest rate at 3.08%.

For the year ended December 31, 2014 and 2013, the Company recorded expenses for the issuance of warrants to purchase common shares (QLT -ESOP) to the Company's management and employees amount of Baht 1.72 million and Baht 1.29 million per year respectively which included in employee benefit expenses and recorded "Equity-settled share-based payment reserve" in shareholders' equity.

The increase and decrease of warrants to purchase the Company's ordinary shares ( QLT -ESOP ) for the year ended December 31, 2014 and 2013 are as follow :

	Number of units
Balance as at January 1, 2013	3,710,100
Exercise of warrants	(1,487,750)
Balance as at December 31, 2013	<u>2,222,350</u>
Exercise of warrants	(1,550,105)
Balance as at December 31, 2014	<u><u>672,245</u></u>

#### 15. LEGAL RESERVE

By virtue of the Public Company Limited Act, the Company is required to set aside the reserve as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of authorized share capital. The reserve is not available for dividend distribution.

#### 16. RETAINED EARNINGS APPROPRIATION

##### For the year 2014

According to the annual general shareholders' meeting for the year 2014 held on April 9, 2014, the shareholders passed the resolution to pay dividend from the result of 2013 profit to the shareholders at Baht 0.65 per share, total amount of Baht 62.68 million by making interim dividend payment at Baht 0.25 per share for 95.71 million ordinary shares, total amount of Baht 23.93 million, thus, the remaining annual dividend payment at Baht 0.40 per share for 96.90 million ordinary shares, total amount of Baht 38.75 million. During the year, the Company has fully paid such dividend.

According to the minutes of Board of Directors' meeting No. 4/2014 held on August 9, 2014, passed the resolution to pay dividend from the result of profit for the six months of 2014 to the shareholders at Baht 0.20 per share total amount of Baht 19.38 million. During the year, the Company has fully paid such dividend.

##### For the year 2013

According to the annual general shareholders' meeting for the year 2013 held on April 10, 2013, the shareholders passed the resolution to pay dividend from the result of 2012 profit to the shareholders at Baht 0.70 per share, total amount of Baht 66.75 million by making interim dividend payment at Baht 0.20 per share for 94.50 million ordinary shares, total amount of Baht 18.90 million, thus, the remaining annual dividend payment at Baht 0.50 per share for 95.71 million ordinary shares, total amount of Baht 47.85 million. During the year, the Company has fully paid the dividend.

According to the minutes of Board of directors' meeting No. 3/2013 held on August 10, 2013, passed the resolution to pay dividend from the result of profit for the six months of 2013 to the shareholders at Baht 0.25 per share total amount of Baht 23.93 million. During the year, the Company has fully paid such dividend.



## 17. INCOME TAX

### 17.1 The calculation of current income taxes

#### Parent company

For the year 2014 and 2013, the Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses for the year and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 23).

#### Subsidiary

For the year 2014 and 2013, subsidiary calculated corporate income tax at the rate of 15 - 20% of profit (loss) before deducting with tax expenses for the year and added back other expenses which shall not be allowed as expenses in tax calculation (if any).

### 17.2 Income tax recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
<b>Current tax</b>				
For the current year	3,463,361.03	2,559,645.85	1,589,834.23	2,037,926.45
<b>Deferred tax</b>				
Changes in temporary differences	0.00	0.00	0.00	0.00
<b>Total income tax</b>	<b>3,463,361.03</b>	<b>2,559,645.85</b>	<b>1,589,834.23</b>	<b>2,037,926.45</b>

As at December 31, 2014 and 2013, allowance for doubtful accounts amount of Baht 13.91 million and Baht 13.54 million respectively are allowance for doubtful accounts of trade accounts receivable granted from promotional investment which have no impacts on deferred tax.

### 17.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Profit before income tax	108,520,204.89	85,706,464.66	98,415,121.51	82,475,917.93
Income tax rate (%)	20	20	20	20
Income tax	21,571,318.76	17,185,687.76	19,683,024.30	16,495,183.59
Prohibited taxable expenses	1,239,796.53	1,105,338.71	1,228,395.28	1,105,338.71
Additional taxable expenses	(445,208.26)	(379,142.94)	(444,023.66)	(379,142.94)
Promoted profit	(18,877,561.69)	(15,183,452.91)	(18,877,561.69)	(15,183,452.91)
<b>Profit (Loss) for the year</b>				
in subsidiaries	(24,984.31)	(168,784.77)	0.00	0.00
<b>Total income tax</b>	<b>3,463,361.03</b>	<b>2,559,645.85</b>	<b>1,589,834.23</b>	<b>2,037,926.45</b>
<b>Income tax rate (%)</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>

## 18. EARNINGS PER SHARE

Consolidated financial statements						
	Profit		Number of shares		Earnings / share	
	2014	Baht	2013	2014	2013	2014 Baht 2013
Basic earnings per share						
Net profit of common shareholders	104,898,727.28	83,505,044.12	97,164,123	95,823,113	1.08	0.87
Effects of potential common						
share (exercise rights)	-	-	341,044	1,116,972		
Diluted earnings per share						
Net profit of common shareholders assumed						
as conversion to common share	104,898,727.28	83,505,044.12	97,505,167	96,940,085	1.08	0.86
Separate financial statements						
	Profit		Number of shares		Earnings / share	
	2014	Baht	2013	2014	2013	2014 Baht 2013
Basic earnings per share						
Net profit of common shareholders	96,825,287.28	80,437,991.48	97,164,123	95,823,113	1.00	0.84
Effects of potential common						
share (exercise rights)	-	-	341,044	1,116,972		
Diluted earnings per share						
Profit of common shareholders assumed						
as conversion to common share	96,825,287.28	80,437,991.48	97,505,167	96,940,085	0.99	0.83

## 19. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Part of the Company and subsidiaries' assets, liabilities, revenues and expenses arose from transaction with persons and related parties. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

### 19.1 General information

Name	Relationship	Description	Pricing policy
<b>Related persons</b>			
Mr. Sumet Techachainiran	The Company's director and shareholder	Guarantee	Non-service charge
Mrs. Monta Chaiyaban	Spouses of the Company's director and shareholder	Office rental	At the agreed rate of Baht 8,500 starting in June 2008
		Land and office building acquisition	At the value appraised by the independent appraiser plus Baht 1.5 million
<b>Subsidiary companies</b>			
Qualitech Myanmar Limited	The Company held 50.99% share capital, director and management have common shareholding	Income - wages	Close to market value
		Income - management service fee	At agreed price
		Interest income	At the rate of 6.75% per annum
		Wages	At agreed price
QLT International Limited	The Company held 99.99% share capital, director and management have common shareholding	Income - wages	Close to market value
		Income - rental	At agreed price of Baht 24,299.07 per month
		Income - management service fee	At the agreed price
		Wages	At the agreed price
		Materials supply	At the agreed price
<b>Related company</b>			
Parami Energy Service Co., Ltd.	Director and shareholder of subsidiary	Income - wages	At agreed price
		Wages	At agreed price
		Office rental	At agreed price of USD 1,000.00

19.2 Assets and liabilities transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
<b>Trade and other receivables</b>				
Qualitech Myanmar Limited	0.00	0.00	530,524.43	1,500.00
QLT International Limited	0.00	0.00	66,000.00	22,020.00
Parami Energy Service Co., Ltd.	3,874,410.13	392,113.68	0.00	0.00
<b>Total</b>	<b>3,874,410.13</b>	<b>392,113.68</b>	<b>596,524.43</b>	<b>23,520.00</b>
<b>Unbilled services income</b>				
Qualitech Myanmar Limited	0.00	0.00	82,200.00	0.00
QLT International Limited	0.00	0.00	37,383.18	80,000.00
	0.00	0.00	119,583.18	80,000.00
<b>Short-term loans</b>				
Qualitech Myanmar Limited	0.00	0.00	1,000,000.00	0.00

The increase and decrease of short-term loans for the year ended December 31, 2014 are as follow :

	Separate financial statements (Baht)
Balance as at January 1, 2014	0.00
Increase during the period	1,000,000.00
Balance as at December 31, 2014	1,000,000.00

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
<b>Trade and other payables</b>				
Qualitech Myanmar Limited	0.00	0.00	59,035.65	107,836.74
QLT International Limited	0.00	0.00	10,081,221.79	3,985,101.44
Parami Energy Service Co., Ltd.	713,093.80	612,397.37	0.00	0.00
<b>Total</b>	<b>713,093.80</b>	<b>612,397.37</b>	<b>10,140,257.44</b>	<b>4,092,938.18</b>
<b>Short-term loans</b>				
Parami Energy Service Co., Ltd.	500,000.00	0.00	0.00	0.00

The increase and decrease of short-term loans for the year ended December 31, 2014 are as follow :

	Consolidated financial statements (Baht)
Balance as at January 1, 2014	0.00
Increase during the period	500,000.00
Balance as at December 31, 2014	500,000.00

19.3 Revenues and expenses transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Service income - wages				
Qualitech Myanmar Limited	0.00	0.00	199,295.40	1,401.87
QLT International Limited	0.00	0.00	384,000.00	6,000.00
Parami Energy Service Co., Ltd.	3,748,389.40	0.00	0.00	0.00
Total	3,748,389.40	0.00	583,295.40	7,401.87
Other income - rental				
QLT International Limited	0.00	0.00	291,588.84	87,476.64
Other income - management fee				
Qualitech Myanmar Limited	0.00	0.00	964,775.00	0.00
QLT International Limited	0.00	0.00	443,364.51	80,000.00
Total	0.00	0.00	1,408,139.51	80,000.00
Other income - tools rental				
Qualitech Myanmar Limited	0.00	0.00	298,892.22	0.00
Other income - interest				
Qualitech Myanmar Limited	0.00	0.00	32,270.56	0.00

	Consolidated financial statements'(Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Cost of services - wages				
Qualitech Myanmar Limited	0.00	0.00	305,142.29	447,096.50
QLT International Limited	0.00	0.00	23,675,824.73	8,135,882.00
Parami Energy Service Co., Ltd.	303,609.20	503,203.45	0.00	0.00
Total	<u>303,609.20</u>	<u>503,203.45</u>	<u>23,980,967.02</u>	<u>8,582,978.50</u>
Cost of services - material supply				
QLT International Limited	<u>0.00</u>	<u>0.00</u>	<u>2,700,902.00</u>	<u>0.00</u>
Cost of services - travelling				
Parami Energy Service Co., Ltd.	<u>44,892.28</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Administrative expenses - management fee				
Parami Energy Service Co., Ltd.	<u>391,898.50</u>	<u>251,912.13</u>	<u>0.00</u>	<u>0.00</u>
Administrative expenses - travelling				
Qualitech Myanmar Limited	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>33,612.27</u>
Administrative expenses - office rental				
Mrs. Monta Chaiyaban	<u>0.00</u>	<u>8,500.00</u>	<u>0.00</u>	<u>8,500.00</u>

19.4 Fixed assets acquisition with related persons and parties are as follows :

For the first quarter of 2013, according to the minutes of Board of directors' meeting No. 1/2013 held on February 16, 2013, the Board of directors ratified involving land and office building acquisition instead of lease from spouses of the Company's director and shareholder (Mrs. Monta Chaiyaban). The Company acquired such land with its office building in the price of Baht 7.50 million which is higher than the appraisal value amount of Baht 1.50 million that the management deems that this price is appropriated, caused by the Company can save the cost of removal and renovation of its office.

## 20. DIRECTORS' REMUNERATION

Directors' remuneration represent the benefits paid to the Company's directors in accordance with section 90 of the Public Companies Act, excluding salaries and related benefits payable to executive directors.

## 21. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses relating salaries, remunerations and other benefits paid to the directors and management, in accordance with the definitions of the Office of Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels. Some of management benefit expenses are included in cost of services.

## 22. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Employee benefit expenses	228,994,350.72	193,314,452.45	222,645,730.74	190,947,813.97
Depreciation	27,230,993.70	18,485,956.56	26,859,287.22	18,371,893.91
Supplies used	42,050,518.86	27,020,091.74	38,024,542.98	26,690,468.90
Contractor wage	27,710,081.90	17,954,519.52	49,452,782.39	25,868,303.05
Travelling and accommodation expenses	14,197,129.41	11,112,936.58	12,698,362.80	10,814,544.43
Office expenses	8,030,039.34	6,896,379.17	7,631,326.00	6,790,920.06
Fee and consulting fee	3,087,071.22	2,699,650.36	2,322,875.73	2,574,175.02
Repairs and maintenance expenses	5,634,588.32	4,722,770.26	5,554,023.92	4,716,880.34
Directors' remuneration	2,613,000.00	2,272,753.64	2,613,000.00	2,272,753.64
Management benefit expenses	25,396,527.99	18,265,504.03	18,778,277.99	17,146,994.03

## 23. PROMOTIONAL PRIVILEGES

23.1 The Company was granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 and the Board of Investment approved the activities under four promotion certificate for services providing of testing of welding and metal identification as the scientific testing, the certificate No. 1 dated December 28, 2005, No. 2 dated June 18, 2007, No. 3 dated August 4, 2008 and No. 4 dated March 4, 2013. The significant privileges are as follows:

23.1.1 To exempt the customs duties for imported machinery as approved by the Board of Investment.

23.1.2 To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings derives from the promoted activity. In the case where a loss has been incurred during the period of receiving exemption, the annual loss was granted permission to deduct with net profit accrued after the expiration of the period of exemption of income tax for a period of 5 years.

23.1.3 The Company's shareholders will be exempted the corporate income tax for dividend received from the Company all duration of income tax exemption of the Company.

The Company must to comply with the certain conditions and terms as stipulated in promotional certificate.

23.2 The results of operation of the Company and subsidiaries for the year ended December 31, 2014 and 2013 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2014	2013	2014	2013	2014	2013
Services income	387,363,874.07	330,601,989.72	113,528,771.02	66,403,280.34	500,892,645.09	397,005,270.06
Cost of services	(254,791,603.90)	(218,013,275.77)	(82,163,007.40)	(47,299,644.98)	(336,954,611.30)	(265,312,920.75)
Gross profit	132,572,270.17	112,588,713.95	31,365,763.62	19,103,635.36	163,938,033.79	131,692,349.31
Other income	0.00	0.00	4,527,147.21	4,128,798.41	4,527,147.21	4,128,798.41
Administrative expenses	(40,952,090.53)	(39,343,312.41)	(18,598,886.04)	(10,332,936.82)	(59,550,976.57)	(49,676,249.23)
Finance costs	(289,067.36)	(354,041.90)	(104,932.18)	(84,391.93)	(393,999.54)	(438,433.83)
Profit before income tax	91,331,112.28	72,891,359.64	17,189,092.61	12,815,105.02	108,520,204.89	85,706,464.66
Income tax expenses	0.00	0.00	(3,463,361.03)	(2,559,645.85)	(3,463,361.03)	(2,559,645.85)
Profit for the year	91,331,112.28	72,891,359.64	13,725,731.58	10,255,459.17	105,056,843.86	83,146,818.81



## 24. OPERATING SEGMENTS

24.1 Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker of the Company has been identified as the President of executive directors.

24.2 The Company and subsidiaries' operations involve virtually in a single in services providing for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment in both domestic and an overseas geographical segment since the overseas segment had services income less than 10% of services volume, therefore, the financial information by geographical segment has not been presented.

24.3 Revenues separated by nature of services are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2014	2013
Non-Destructive Testing	275.71	215.43
Inspection and certificate	225.18	181.57

## 25. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

### 1) Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements No. 4.9.

### 2) Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The Company and subsidiaries have policy to hedge this credit risk by reviewing the financial status of customers and collecting based on the percentage of completion. Financial assets shown in statements of financial position at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

### 3) Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its deposits at bank and financial lease liabilities. The Company and subsidiaries do not use derivative financial instruments to hedge such risk.

#### 4) Fair value of financial instruments

Financial assets shown in statements of financial position consist of cash and cash equivalents and current investment, trade and other receivables, short-term loans, long-term investments and pledged bank deposits. Financial liabilities shown in statements of financial position consist of trade and other payables, short-term loans and financial lease liabilities.

Book value of financial assets and liabilities are close to their fair value.

## 26. COMMITMENT AND CONTINGENT LIABILITIES

26.1 The Company and subsidiaries have commitment under fixed assets acquisition agreement with several seller as at December 31, 2014 and 2013, the balance is as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
US Dollar	0.00	17,500.00	0.00	17,500.00
Baht	1,591,222.50	102,989.70	692,722.50	102,989.70

26.2 The subsidiary has commitment under lease office building agreement as at December 31, 2014 and 2013 for the amount of Baht 0.16 million and Baht 0.10 million respectively.

26.3 The Company has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, as at December 31, 2014 and 2013 total amount of Baht 15.76 million and Baht 13.34 million respectively. Contingent liabilities are guaranteed by bank deposits (Note 9).

## 27. PROVIDENT FUND

On February 8, 2006, the Company has joined to be a member of provident fund named "Peum Kuan Mun Kong Registered Provident fund" which registered in accordance with the Provident Fund Act B.E. 2530 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3-9% based on length of works. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

This fund is managed by Kasikorn Thai Assets Management Company Limited. For the year 2014 and 2013, the Company has contribution expenses in the amount of Baht 3.24 million and Baht 3.08 million respectively.

## **28. CAPITAL MANAGEMENT**

The objective of financial management of the Company is to preserve the ability to continue its operation as a going concern and the capital structure to be properly appropriated.

## **29. FINANCIAL STATEMENTS APPROVAL**

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 14, 2015.