

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015



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, 2015, 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, 2015, and the consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.



(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 20, 2016

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Current assets					
Cash and cash equivalents	6	27,623,950.41	28,027,956.16	20,734,312.57	24,932,077.88
Current investment	7	112,918,740.24	87,815,665.78	97,355,552.25	81,793,637.19
Trade and other receivables	8	105,712,912.37	118,019,538.81	95,154,294.46	113,275,136.46
Unbilled services income		67,978,456.23	78,072,154.03	65,704,914.41	76,063,737.21
Short-term loans		0.00	0.00	0.00	1,000,000.00
Inventories		12,107,154.17	9,210,307.66	9,610,272.75	7,693,600.11
Total current assets		326,341,213.42	321,145,622.44	288,559,346.44	304,758,188.85
Non-current assets					
Investment in subsidiaries	9	0.00	0.00	11,269,085.00	6,019,400.00
Pledged bank deposits	10	30,669,924.49	19,203,651.49	29,075,674.49	19,203,651.49
Property, plant and equipment	11	167,257,100.47	156,131,162.57	164,464,507.17	154,465,326.00
Intangible assets		2,463,046.84	0.00	2,463,046.84	0.00
Income tax deducted at source		9,381,743.60	6,614,374.52	9,364,361.95	6,593,185.77
Others non-current assets	12	421,110.92	882,262.92	421,110.92	882,262.92
Total non-current assets		210,192,926.32	182,831,451.50	217,057,786.37	187,163,826.18
Total assets		536,534,139.74	503,977,073.94	505,617,132.81	491,922,015.03

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, 2015

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Current liabilities					
Trade and other payables	13	60,294,704.62	64,023,769.60	58,779,224.38	67,434,502.13
Current portion of long-term liabilities	14	4,328,424.67	3,731,710.71	3,957,582.33	3,587,008.64
Short-term loans		566,465.63	500,000.00	0.00	0.00
Accrued income tax		2,365,622.71	697,198.57	0.00	0.00
Total current liabilities		67,555,217.63	68,952,678.88	62,736,806.71	71,021,510.77
Non-current liabilities					
Financial lease liabilities	14	5,333,823.15	4,258,378.91	4,741,682.46	4,000,616.91
Employee benefit obligations	15	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.00
Total non-current liabilities		20,700,417.16	17,051,696.93	19,892,324.46	16,758,566.91
Total liabilities		88,255,634.79	86,004,375.81	82,629,131.17	87,780,077.68
Shareholders' equity					
Share capital					
Authorized share capital	16				
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	16				
98,568,485 common shares of					
Baht 1 each		98,568,485.00		98,568,485.00	
98,127,390 common shares of					
Baht 1 each			98,127,390.00		98,127,390.00
Premium on share capital		75,175,543.40	73,093,575.00	75,175,543.40	73,093,575.00
Equity-settled share-based payment reserve		4,065,188.03	4,296,130.00	4,065,188.03	4,296,130.00
Retained earnings					
Appropriated - legal reserve	17	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated	18	259,926,492.94	230,639,446.79	235,178,785.21	218,624,842.35
Total owners of the Company		447,735,709.37	416,156,541.79	422,988,001.64	404,141,937.35
Non-controlling interests		542,795.58	1,816,156.34	0.00	0.00
Total shareholders' equity		448,278,504.95	417,972,698.13	422,988,001.64	404,141,937.35
Total liabilities and shareholders' equity		536,534,139.74	503,977,073.94	505,617,132.81	491,922,015.03

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, 2015

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Services income		510,023,863.25	500,892,645.09	491,540,567.44	490,521,405.41
Cost of services		(333,763,516.33)	(336,954,611.30)	(339,931,991.74)	(345,624,112.58)
Gross profit		176,260,346.92	163,938,033.79	151,608,575.70	144,897,292.83
Other income		7,410,147.69	4,527,147.21	8,687,940.99	6,474,132.92
Administrative expenses		(73,207,372.73)	(59,550,976.57)	(64,923,898.29)	(52,585,419.76)
Finance costs		(1,013,821.54)	(393,999.54)	(844,361.65)	(370,884.48)
Profit before income tax		109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Income tax expenses	19	(6,976,635.70)	(3,463,361.03)	(3,478,071.06)	(1,589,834.23)
Profit for the year		102,472,664.64	105,056,843.86	91,050,185.69	96,825,287.28
Other comprehensive income (expense)					
Items that will not be reclassified subsequently to profit or loss					
Employee benefit obligation actuarial gains (losses)	15	(568,663.00)	0.00	(605,611.58)	0.00
Total comprehensive income for the year		101,904,001.64	105,056,843.86	90,444,574.11	96,825,287.28
Profit (loss) attributable to :					
Owners of the Company		103,746,340.40	104,898,727.28	91,050,185.69	96,825,287.28
Non-controlling interests		(1,273,675.76)	158,116.58	0.00	0.00
		102,472,664.64	105,056,843.86	91,050,185.69	96,825,287.28
Total comprehensive income attributable to :					
Owners of the Company		103,177,677.40	104,898,727.28	90,444,574.11	96,825,287.28
Non-controlling interests		(1,273,675.76)	158,116.58	0.00	0.00
		101,904,001.64	105,056,843.86	90,444,574.11	96,825,287.28
Earnings per share					
Basic earnings per share	20	1.05	1.08	0.92	1.00
Weighted average number of common shares	20	98,455,100	97,164,123	98,455,100	97,164,123
Diluted earnings per share	20	1.05	1.08	0.92	0.99
Weighted average number of common shares	20	98,455,100	97,505,167	98,455,100	97,505,167

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, 2015

Consolidated financial statements (Baht)

Note	Owners of the Company							Total		
	Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve		Retained earnings		Total owners of the Company		Non-controlling interests	Total shareholders' equity
			share-based	payment reserve	Appropriated	Unappropriated				
Balance as at December 31, 2013	96,577,285.00	65,777,079.40	2,577,678.00	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	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	1,550,105.00	7,316,495.60	0.00	0.00	0.00	8,866,600.60	0.00	8,866,600.60		
Dividend paid	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	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	73,093,575.00	4,296,130.00	10,000,000.00	230,639,446.79	416,156,541.79	1,816,156.34	417,972,698.13		
Changes in shareholders' equity for the year:										
Common shares	0.00	0.00	0.00	0.00	0.00	0.00	315.00	315.00		
Common shares exercised from warrants	441,095.00	2,081,968.40	0.00	0.00	0.00	2,523,063.40	0.00	2,523,063.40		
Share-based payment	0.00	0.00	(230,941.97)	0.00	0.00	(230,941.97)	0.00	(230,941.97)		
Dividend paid	0.00	0.00	0.00	0.00	(49,253,845.00)	(49,253,845.00)	0.00	(49,253,845.00)		
Total comprehensive income for the year	0.00	0.00	0.00	0.00	103,177,677.40	103,177,677.40	(1,273,675.76)	101,904,001.64		
Interim dividend paid	0.00	0.00	0.00	0.00	(24,636,786.25)	(24,636,786.25)	0.00	(24,636,786.25)		
Balance as at December 31, 2015	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	259,926,492.94	447,735,709.37	542,795.58	448,278,504.95		

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, 2015

Note	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Equity-settled		Retained earnings		
			share-based payment reserve	Appropriated	Unappropriated		
Balance as at December 31, 2013	96,577,285.00	65,777,079.40	2,577,678.00	10,000,000.00	179,936,846.07	354,868,888.47	
Changes in shareholders' equity for the year:							
Share-based payment	16	0.00	0.00	1,718,452.00	0.00	1,718,452.00	
Common shares exercised from warrants	16	1,550,105.00	7,316,495.60	0.00	0.00	8,866,600.60	
Dividend paid	18	0.00	0.00	0.00	(38,758,194.00)	(38,758,194.00)	
Total comprehensive income for the year		0.00	0.00	0.00	96,825,287.28	96,825,287.28	
Interim dividend paid	18	0.00	0.00	0.00	(19,379,097.00)	(19,379,097.00)	
Balance as at December 31, 2014	98,127,390.00	73,093,575.00	4,296,130.00	10,000,000.00	218,624,842.35	404,141,937.35	
Changes in shareholders' equity for the year:							
Common shares exercised from warrants	16	441,095.00	2,081,968.40	0.00	0.00	2,523,063.40	
Share-based payment	16	0.00	0.00	(230,941.97)	0.00	(230,941.97)	
Dividend paid	18	0.00	0.00	0.00	(49,253,845.00)	(49,253,845.00)	
Total comprehensive income for the year		0.00	0.00	0.00	90,444,574.11	90,444,574.11	
Interim dividend paid	18	0.00	0.00	0.00	(24,636,786.25)	(24,636,786.25)	
Balance as at December 31, 2015	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	235,178,785.21	422,988,001.64	

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, 2015

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before income tax	109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Adjustments				
Unrealized gain on changes in investment valuation	(660,032.39)	(384,218.44)	(518,872.99)	(362,189.85)
Unrealized gain on exchange rate	(180,260.67)	0.00	(10,741.26)	0.00
Doubtful accounts	1,444,244.75	369,313.50	0.00	369,313.50
Reversed doubtful accounts	0.00	0.00	(212,659.77)	0.00
Increase in unbilled service income	10,093,697.80	13,747,406.09	10,358,822.80	15,806,159.65
Depreciation	29,738,091.25	27,230,993.70	29,126,081.54	26,859,287.22
(Gain) Loss on disposal of fixed assets	(3,799,059.27)	19,359.22	(3,799,059.27)	19,874.57
Reversed loss on impairment of assets	(2,267.58)	(10,323.32)	(2,267.58)	(10,323.32)
Amortized intangible assets	531,070.66	0.00	531,070.66	0.00
Write off income tax deducted at source	978.61	0.00	0.00	0.00
Employee benefits	1,261,938.02	4,422,499.02	1,048,669.45	4,387,131.00
Interest expenses	1,013,821.54	393,999.54	844,361.65	370,884.48
	148,891,523.06	154,309,234.20	131,893,661.98	145,855,258.76
(Increase) Decrease in portion of operating assets				
Trade and other receivables	11,188,036.94	(52,340,683.14)	18,344,243.03	(48,543,814.72)
Inventories	(2,896,846.51)	(161,828.78)	(1,916,672.64)	397,374.12
Intangible assets	(535,100.00)	0.00	(535,100.00)	0.00
Other non-current assets	163,919.58	62,591.32	463,419.58	62,591.32
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	(3,992,820.41)	15,869,874.82	(8,840,104.23)	17,910,876.55
Cash generated (paid) from operation	152,818,712.66	117,739,188.42	139,409,447.72	115,682,286.03
Interest paid	(502,088.54)	(393,999.54)	(336,892.65)	(370,884.48)
Income tax paid	(8,076,559.25)	(5,338,018.49)	(6,249,247.24)	(3,644,796.80)
Net cash provided by (used in) operating activities	144,240,064.87	112,007,170.39	132,823,307.83	111,666,604.75

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, 2015

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in current investment	(24,443,042.07)	(12,250,483.84)	(15,043,042.07)	(6,250,483.84)
(Increase) Decrease in short-term loans	0.00	0.00	1,000,000.00	(1,000,000.00)
Payments for acquire of ordinary share of subsidiary	0.00	0.00	(5,249,685.00)	(2,499,850.00)
Increase in pledged bank deposit	(11,466,273.00)	(5,245,574.47)	(9,872,023.00)	(5,245,574.47)
Proceeds from sales of fixed assets	14,942,823.23	1,235,123.74	14,942,823.23	1,223,297.74
Payments for fixed assets acquisition	(47,846,734.13)	(53,737,484.36)	(47,305,967.69)	(53,184,200.12)
Net cash provided by (used in) investing activities	(68,813,225.97)	(69,998,418.93)	(61,527,894.53)	(66,956,810.69)
Cash flows from financing activities				
Increase in short-term loans	0.00	500,000.00	0.00	0.00
Decrease in financial lease liabilities	(4,463,591.80)	(3,954,639.95)	(4,125,610.76)	(3,816,787.01)
Dividend paid	(73,890,631.25)	(58,137,291.00)	(73,890,631.25)	(58,137,291.00)
Proceeds from exercised of warrants to purchase ordinary shares	2,523,063.40	8,866,600.60	2,523,063.40	8,866,600.60
Proceeds for non-controlling interests	315.00	150.00	0.00	0.00
Net cash provided by (used in) financing activities	(75,830,844.65)	(52,725,180.35)	(75,493,178.61)	(53,087,477.41)
Net increase (decrease) in cash and cash equivalents	(404,005.75)	(10,716,428.89)	(4,197,765.31)	(8,377,683.35)
Cash and cash equivalents as at January 1	28,027,956.16	38,744,385.05	24,932,077.88	33,309,761.23
Cash and cash equivalents as at December 31	27,623,950.41	28,027,956.16	20,734,312.57	24,932,077.88

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, 2015

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.

Measurement of fair values

A number of the Company and subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. observable prices).
- Level 3 : inputs are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and subsidiaries recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised accounting standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the former accounting standard allows the entity to recognize such gains and losses immediately in either profit or loss or other comprehensive income, or to recognize them gradually in profit or loss.

This revised accounting standard does not have any significantly impact on the financial statements of the Company and its subsidiaries.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this financial reporting standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This financial reporting standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the Company is to recognize its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This financial reporting standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 13 Fair Value Measurement

This financial reporting standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this financial reporting standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this financial reporting standard are to be recognized prospectively.

(b) Thai Financial Reporting Standards that have been issued but are not yet effective

The Company and its subsidiaries have not adopted the revised financial reporting standards that have been issued but are not yet effective. The revised financial reporting standards will become effective for annual financial periods beginning on or after January 1, in the year indicated in the following table:

	<u>Contents</u>	<u>Effective year</u>
<u>Accounting Standards</u>		
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Accounting Standards</u>		
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
<u>Financial Reporting Standards</u>		
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Standing Interpretations Committee</u>		
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
<u>Financial Reporting Interpretations Committee</u>		
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Standing Interpretations Committee</u>		
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 <i>(Revised 2015) Employee Benefits</i>	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21 (revised 2015)	Levies	2016

Management has preliminary assessed of the potential initial impact on the Company and its subsidiaries' financial statements of the revised financial reporting standards and expects that they will have no material impacts on the financial statements in the period of initial application.

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>
	2015	2014	
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 engage in relevant 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 estimated contract revenues based on the actual costs incurred as a percentage of total estimated costs. The factors affect to 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 Intangible Assets

Intangible assets are valued at cost less accumulated amortization and provision for impairment of assets (if any).

Amortization is determined on a straight-line basis 10 years.

4.8 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.

4.9 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.

4.10 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 accounts payable, other payables and financial lease liabilities. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

4.11 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.

4.12 Employee Benefits

4.12.1 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.

4.12.2 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 statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle and determines discount rate by reference to market yield of government bonds should have terms to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees' salaries, turnover, length of services and other factors. Changes in actuarial gains or losses are recognized in the period in which they are incurred in other comprehensive income. Expenses related to employee benefits shall be recorded in profit or loss for sharing such expenses throughout the period of services rendering.

4.13 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.

4.14 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.

4.15 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.

4.16 Earnings per Share

Basic earnings per share is determined by dividing the net profit (loss) 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 (loss) 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. EFFECTS OF RECLASSIFICATION

The certain accounts in the 2014 financial statements have been reclassified for corresponding with the presentation in the 2015 financial statements as follows:

	<u>Consolidated and Separate financial statements (Baht)</u>		
	<u>Before reclassify</u>	<u>Reclassified</u>	<u>After reclassify</u>
<u>Statements of financial position</u>			
Premium on share capital	76,718,065.03	(3,624,490.03)	73,093,575.00
Equity-settled share-based payment reserve	671,639.97	3,624,490.03	4,296,130.00

6. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

6.1 Cash and cash equivalents

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	467,682.13	390,439.24	321,939.47	326,936.48
Cash at bank - current accounts	34,000.00	34,000.00	34,000.00	34,000.00
Cash at bank - savings deposit	27,122,268.28	27,603,516.92	20,378,373.10	24,571,141.40
Total	<u>27,623,950.41</u>	<u>28,027,956.16</u>	<u>20,734,312.57</u>	<u>24,932,077.88</u>

6.2 Non-cash transaction

For the year 2015

Parent company

The Company entered into hire purchase vehicles agreement of Baht 6.98 million which was already made the initial installment in the amount of Baht 1.75 million. The remaining is presented as financial lease liabilities.

Subsidiary

The subsidiary entered into hire purchase vehicles agreement of Baht 1.20 million which was already made the initial installment in the amount of Baht 0.30 million. The remaining is presented as financial lease liabilities.

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.

7. CURRENT INVESTMENT

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Investment in open-end fund :-				
Aberdeen Cash Creation Fund	15,563,187.99	6,022,028.59	0.00	0.00
KT-ST	30,518,619.59	0.00	30,518,619.59	0.00
T-TSARN	30,268,501.87	0.00	30,268,501.87	0.00
T-TSB	15,098,203.35	0.00	15,098,203.35	0.00
TMBABF	19,996,659.32	0.00	19,996,659.32	0.00
Krung Thai Savings Fund (KTSS)	0.00	20,108,016.28	0.00	20,108,016.28
T - Cash Fund	0.00	20,109,438.69	0.00	20,109,438.69
Thai Cash Management Fund	0.00	20,115,565.85	0.00	20,115,565.85
K-Money	0.00	20,005,949.98	0.00	20,005,949.98
Total investment in				
open-end fund	111,445,172.12	86,360,999.39	95,881,984.13	80,338,970.80
Cash at bank-fixed deposit 6 months	1,473,568.12	1,454,666.39	1,473,568.12	1,454,666.39
Total	112,918,740.24	87,815,665.78	97,355,552.25	81,793,637.19

Such fund invested in debt securities which had minimal risk.

8. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade accounts receivable	110,343,110.28	121,786,639.00	98,823,338.81	118,719,620.79
Other receivables	10,727,057.55	10,145,910.52	10,031,306.59	8,468,526.38
Total	121,070,167.83	131,932,549.52	108,854,645.40	127,188,147.17
Less Allowance for doubtful accounts				
- Trade accounts receivable	(15,357,255.46)	(13,913,010.71)	(13,700,350.94)	(13,913,010.71)
Net	105,712,912.37	118,019,538.81	95,154,294.46	113,275,136.46

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Undue trade accounts receivable	45,909,563.63	58,354,824.73	37,725,061.13	60,398,737.37
Overdue trade accounts receivable				
- Less than 3 months	44,692,415.15	38,629,869.54	44,563,495.15	36,951,263.69
- Over 3 months to 6 months	819,867.00	9,426,840.71	819,867.00	5,994,515.71
- Over 6 months to 9 months	2,791,185.00	2,528,409.00	2,791,185.00	2,528,409.00
- Over 9 months to 12 months	3,304,884.48	0.00	98,535.51	0.00
- Over 12 months	12,825,195.02	12,846,695.02	12,825,195.02	12,846,695.02
Total	110,343,110.28	121,786,639.00	98,823,338.81	118,719,620.79

9. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)	
			2015	2014	2015	2014	2015	2014
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	10,250,000.00	5,000,000.00	99.99	99.99	10,249,385.00	4,999,700.00
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							11,269,085.00	6,019,400.00

9.1 Share capital - QLT International Limited

9.1.1 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).

9.1.2 According to the minutes of shareholders' extraordinary meeting No. 1/2015 held on March 12, 2015, passed the resolution to increase share capital amount of Baht 15 million totally Baht 20 million (200,000 common shares at par value of Baht 100 each) in the existing shareholders ratio that the subsidiary has registered the increase share capital with the Ministry of Commerce on March 24, 2015. The subsidiary has called for and received the payment of common shares amount of Baht 5.25 million (150,000 common shares of Baht 35 each), resulting to subsidiary has issued and paid-up share capital amount of Baht 10.25 million.

9.2 Qualitech Myanmar Limited

9.2.1 Qualitech Myanmar Limited joint with a person which the Company has ability to control in making financial and operating decisions.

9.2.2 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.

9.3 The financial statements for the year ended December 31, 2015 and 2014 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

10. PLEDGED BANK DEPOSIT

As at December 31, 2015 and 2014, the Company and its subsidiary have deposits at a bank amount of Baht 30.67 million and Baht 19.20 million in the consolidated financial statements, and Baht 29.08 million and Baht 19.20 million in the separate financial statements respectively which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 28).

11. 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, 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	38,372,812.77	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
Acquisition	21,425,000.00	0.00	0.00	569,460.14	20,233,185.45	1,367,123.99	0.00	8,206,371.03	2,665,670.00	54,466,810.61
Disposal	(11,000,000.00)	0.00	0.00	(159,528.05)	(14,315,572.06)	(419,613.11)	0.00	(3,594,875.14)	0.00	(29,489,588.36)
Transfer to intangible assets	0.00	0.00	0.00	0.00	0.00	(129,410.00)	0.00	0.00	(2,329,607.50)	(2,459,017.50)
As at December 31, 2015	45,505,000.00	33,062,717.99	11,050,084.70	8,651,203.37	154,220,287.00	13,695,833.04	1,291,122.36	57,747,636.80	2,673,748.19	327,897,633.45
Accumulated depreciation :										
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
Depreciation for the year	0.00	1,536,761.09	550,013.95	1,155,418.83	21,178,790.37	2,024,532.78	0.00	3,292,574.23	0.00	29,738,091.25
Depreciation - write off	0.00	0.00	0.00	(105,836.49)	(13,974,170.88)	(675,234.13)	0.00	(3,590,582.90)	0.00	(18,345,824.40)
As at December 31, 2015	0.00	10,285,876.02	2,507,486.90	6,263,706.54	104,430,684.67	9,808,291.53	1,291,118.36	26,053,368.96	0.00	160,640,532.98
Net book value										
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
As at December 31, 2015	45,505,000.00	22,776,841.97	8,542,597.80	2,387,496.83	49,789,602.33	3,887,541.51	4.00	31,694,267.84	2,673,748.19	167,257,100.47

11. 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
Assets - cost :										
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
Acquisition	21,425,000.00	0.00	0.00	507,997.44	19,793,085.45	1,332,320.25	0.00	7,003,971.03	2,665,670.00	52,728,044.17
Disposal	(11,000,000.00)	0.00	0.00	(159,528.05)	(14,315,572.06)	(419,613.11)	0.00	(3,594,875.14)	0.00	(29,489,588.36)
Transfer to intangible assets	0.00	0.00	0.00	0.00	0.00	(129,410.00)	0.00	0.00	(2,329,607.50)	(2,459,017.50)
As at December 31, 2015	45,505,000.00	33,062,717.99	11,050,084.70	8,546,780.86	153,342,223.35	13,073,399.04	1,291,122.36	55,466,236.80	2,673,748.19	324,011,313.29
Accumulated depreciation :										
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
Depreciation for the year	0.00	1,536,761.09	550,013.95	1,136,819.59	21,015,109.46	1,836,476.44	0.00	3,050,901.01	0.00	29,126,081.54
Depreciation - write off	0.00	0.00	0.00	(105,836.49)	(13,974,170.88)	(675,234.13)	0.00	(3,590,582.90)	0.00	(18,345,824.40)
As at December 31, 2015	0.00	10,285,876.02	2,507,486.90	6,241,072.69	104,168,487.83	9,426,666.94	1,291,118.36	25,626,097.38	0.00	159,546,806.12
Net book value										
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
As at December 31, 2015	45,505,000.00	22,776,841.97	8,542,597.80	2,305,708.17	49,173,735.52	3,646,732.10	4.00	29,840,139.42	2,673,748.19	164,464,507.17

Tools and technical equipment as at December 31, 2015

(Unit : Baht)

Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight-line method			
- Before October 23, 1999	1,491,340.39	(1,491,297.39)	43.00
- 2004 until present	54,930,998.85	(34,612,190.17)	20,318,808.68
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	3,623,327.17	(3,623,258.17)	69.00
- 2006 until present	93,296,556.94	(64,441,742.10)	28,854,814.84
Total	153,342,223.35	(104,168,487.83)	49,173,735.52

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	147,864,709.96	(97,127,549.25)	50,737,160.71

Depreciation for the year ended December 31, 2015 and 2014 were Baht 21.02 million and Baht 18.44 million respectively.

12. OTHER NON-CURRENT ASSETS

	Consolidated and	
	Separate financial statements (Baht)	
	2015	2014
Deposit receivable under contract	4,043,674.99	4,504,826.99
Others	11,814.15	14,081.73
Total	4,055,489.14	4,518,908.72
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Less Provision for impairment of assets	(11,814.15)	(14,081.73)
Net	421,110.92	882,262.92

13. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade accounts payable	15,791,741.98	13,875,856.91	19,681,772.38	23,963,519.57
Other payables				
Accrued expenses	39,452,950.51	43,120,916.19	34,204,093.37	36,551,558.66
Assets payable	912,424.10	768,792.62	912,424.10	727,597.62
Others	4,137,588.03	6,258,203.88	3,980,934.53	6,191,826.28
Total	60,294,704.62	64,023,769.60	58,779,224.38	67,434,502.13

14. FINANCIAL LEASE LIABILITIES

14.1 Financial lease liabilities excluded future interest expenses as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Hire purchase payable	9,662,247.82	7,990,089.62	8,699,264.79	7,587,625.55
Less Current portion of long-term liabilities	(4,328,424.67)	(3,731,710.71)	(3,957,582.33)	(3,587,008.64)
Net	5,333,823.15	4,258,378.91	4,741,682.46	4,000,616.91

14.2 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)	
	2015	2014	2015	2014
Vehicles	24,843,000.00	22,611,037.38	22,866,000.00	21,832,037.38

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Within 1 year	4,640,947.00	4,045,749.00	4,236,583.00	3,884,781.00
Over 1 year less than 3 years	4,710,885.00	4,129,914.00	4,116,781.00	3,861,634.00
Over 3 years less than 5 years	854,113.00	208,810.00	833,830.00	208,810.00
Total	10,205,945.00	8,384,473.00	9,187,194.00	7,955,225.00
Less Future interest expenses of				
financial lease	(543,697.18)	(394,383.38)	(487,929.21)	(367,599.45)
Present value of financial lease				
liabilities	9,662,247.82	7,990,089.62	8,699,264.79	7,587,625.55

15. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long-term service awards.

The defined benefit plans expose the Company and subsidiaries to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follows:

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Present value of obligations	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.00

Movement in the present value of the employee benefit obligations

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
As at 1 January	12,793,318.02	10,089,271.00	12,757,950.00	10,089,271.00
Benefits paid	(14,000.00)	0.00	(14,000.00)	0.00
Current service costs and interest	2,018,612.99	1,621,994.02	1,801,080.42	1,586,626.02
Actuarial losses (gains)	568,663.00	1,082,053.00	605,611.58	1,082,053.00
As at 31 December	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.02
Expense recognized in profit or loss				

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Current service costs	1,492,880.00	1,218,423.02	1,279,611.42	1,200,349.02
Interest on obligation	511,733.00	403,571.00	507,469.00	386,277.00
Actuarial losses (gains)	0.00	1,082,053.00	0.00	1,082,053.00
Total	2,004,613.00	2,704,047.02	1,787,080.42	2,668,679.02

The Company and its subsidiaries recognized the expenses in the following line items in the statement of income

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Cost of services	711,037.74	1,430,378.00	711,037.74	1,430,378.00
Administrative expenses	781,842.26	1,273,669.02	568,573.68	1,238,301.00
Finance costs	511,733.00	0.00	507,469.00	0.00
Total	2,004,613.00	2,704,047.02	1,787,080.42	2,668,679.00

Actuarial losses (gains) recognized in other comprehensive income

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Included in retained earnings :				
As a January 1	0.00	0.00	0.00	0.00
Recognized during the year	568,663.00	0.00	605,611.58	0.00
As at December 31	568,663.00	0.00	605,611.58	0.00

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated		Separate	
	financial statements (%)		financial statements (%)	
	2015	2014	2015	2014
Discount rate	4.00	4.00	4.00	4.00
Future salary increases	6.00	6.00	6.00	6.00

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2008 ("TMO08").

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. Management has assessed and deemed that such sensitivity have no material impacts on the financial statements of the Company and its subsidiaries.

16. SHARE CAPITAL

16.1 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, 2014	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
Common shares issued from exercise				
of warrants (QLT -ESOP)	0	0.00	441,095	441,095.00
Balance as at December 31, 2015	99,000,000	99,000,000.00	98,568,485	98,568,485.00

16.2 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%.

The Company recorded expenses for the issuance of warrants to purchase common shares (QLT -ESOP) to the Company's management and employees which included in employee benefit expenses and recorded "Equity-settled share-based payment reserve" in shareholders' equity.

	Consolidated and Separate	
	financial statements (Baht)	
	2015	2014
Expenses for the issuance of warrants to purchase common shares	(230,941.97)	1,718,452.00

The increase and decrease of warrants to purchase the Company's ordinary shares (QLT -ESOP) for the year ended December 31, 2015 and 2014 are as follow :

	Number of units
Balance as at January 1, 2014	2,222,350
Exercise of warrants	(1,550,105)
Balance as at December 31, 2014	672,245
Exercise of warrants	(441,095)
Expired warrants	(231,150)
Balance as at December 31, 2015	0

17. 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.

18. RETAINED EARNINGS APPROPRIATION

For the year 2015

According to the annual general shareholders' meeting for the year 2015 held on April 9, 2015, the shareholders passed the resolution to pay dividend to the shareholders at Baht 0.70 per share, total amount of Baht 68.63 million by making interim dividend payment at Baht 0.20 per share for 96.90 million ordinary shares, total amount of Baht 19.38 million, thus, the remaining annual dividend payment at Baht 0.50 per share for 98.51 million ordinary shares, total amount of Baht 49.25 million. During the year, the Company has paid such dividend in fully amount.

According to the minutes of Board of Directors' meeting No. 6/2015 held on August 8, 2015, passed the resolution to pay dividend from the result of six-months profit for the year 2015 to the shareholders at Baht 0.25 per share total amount of Baht 24.64 million. During the year, the Company has paid such dividend in fully amount.

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.

19. INCOME TAX

19.1 The calculation of current income taxes

For the year 2015 and 2014, the Company and its subsidiaries 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 25).

19.2 Income tax recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Current tax				
For the current year	6,976,635.70	3,463,361.03	3,478,071.06	1,589,834.23
Deferred tax				
Changes in temporary differences	0.00	0.00	0.00	0.00
Total income tax	6,976,635.70	3,463,361.03	3,478,071.06	1,589,834.23

As at December 31, 2015 and 2014, allowance for doubtful accounts amount of Baht 13.70 million and Baht 13.91 million respectively are allowance for doubtful accounts of trade accounts receivable granted from promotional investment which have no impacts on deferred tax.

19.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Profit before income tax	109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Income tax rate (%)	20	20	20	20
Income tax	22,413,031.47	21,571,318.76	18,905,651.35	19,683,024.30
Prohibited taxable expenses	841,873.73	1,239,796.53	534,557.37	1,228,395.28
Additional taxable expenses	(485,526.08)	(445,208.26)	(485,526.08)	(444,023.66)
Promoted profit	(15,639,251.35)	(18,877,561.69)	(15,476,611.57)	(18,877,561.69)
Profit (Loss) for the year				
in subsidiaries	(153,492.07)	(24,984.31)	0.00	0.00
Total income tax	6,976,635.70	3,463,361.03	3,478,071.07	1,589,834.23
Income tax rate (%)	6	3	4	2

20. EARNINGS PER SHARE

Consolidated financial statements						
	Net profit		Number of shares		Earnings / share	
	2015	Baht	2014	2015	share	2014
Basic earnings per share						
Net profit of common shareholders	103,746,340.40	104,898,727.28	98,455,100	97,164,123	1.05	1.08
Effects of potential common						
share (exercise rights)	-	-	0	341,044		
Diluted earnings per share						
Net profit of common shareholders assumed						
as conversion to common share	103,746,340.40	104,898,727.28	98,455,100	97,505,167	1.05	1.08

Separate financial statements						
	Net profit		Number of shares		Earnings / share	
	2015	Baht	2014	2015	share	2014
Basic earnings per share						
Net profit of common shareholders	91,050,185.69	96,825,287.28	98,455,100	97,164,123	0.92	1.00
Effects of potential common						
share (exercise rights)	-	-	0	341,044		
Diluted earnings per share						
Profit of common shareholders assumed						
as conversion to common share	91,050,185.69	96,825,287.28	98,455,100	97,505,167	0.92	0.99

21. 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 :

21.1 General information

Name	Relationship	Description	Pricing policy
Related persons			
Mr. Sumet Techachainiran	The Company's director and shareholder	Guarantee	Non-service charge
Subsidiary companies			
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
		Income - management service fee	At agreed price
		Wages	At agreed price
		Materials supply	At agreed price
Related company			
Parami Energy Service Co., Ltd.	Director and shareholder of subsidiary	Income - wages	At agreed price
		Wages	At agreed price
		Management service fee	At agreed price
		Interest expenses	At the rate of 6.75% per annum

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade and other receivables				
Qualitech Myanmar Limited	0.00	0.00	95,497.50	530,524.43
QLT International Limited	0.00	0.00	0.00	66,000.00
Parami Energy Service Co., Ltd.	3,331,877.55	3,874,410.13	0.00	0.00
Total	<u>3,331,877.55</u>	<u>3,874,410.13</u>	<u>95,497.50</u>	<u>596,524.43</u>
Unbilled services income				
Qualitech Myanmar Limited	0.00	0.00	90,075.00	82,200.00
QLT International Limited	0.00	0.00	161,383.18	37,383.18
	<u>0.00</u>	<u>0.00</u>	<u>251,458.18</u>	<u>119,583.18</u>
Short-term loans				
Qualitech Myanmar Limited	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>

The increase and decrease of short-term loans are as follow :

	Separate financial statements (Baht)	
	2015	2014
Balance as at January 1	1,000,000.00	0.00
Increase during the period	2,000,000.00	1,000,000.00
Decrease during the period	(3,000,000.00)	0.00
Balance as at December 31	<u>0.00</u>	<u>1,000,000.00</u>

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade and other payables				
Qualitech Myanmar Limited	0.00	0.00	0.00	59,035.65
QLT International Limited	0.00	0.00	8,538,759.54	10,081,221.79
Parami Energy Service Co., Ltd.	879,968.75	713,093.80	0.00	0.00
Total	879,968.75	713,093.80	8,538,759.54	10,140,257.44
Short-term loans				
Parami Energy Service Co., Ltd.	566,465.63	500,000.00	0.00	0.00

The increase and decrease of short-term loans are as follow :

	Consolidated financial statements (Baht)	
	2015	2014
Balance as at January 1	500,000.00	0.00
Increase during the period	1,000,000.00	500,000.00
Decrease during the period	(1,000,000.00)	0.00
Loss on exchange rate	66,465.63	0.00
Balance as at December 31	566,465.63	500,000.00

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Service income - wages				
Qualitech Myanmar Limited	0.00	0.00	59,186.23	199,295.40
QLT International Limited	0.00	0.00	160,000.00	384,000.00
Parami Energy Service Co., Ltd.	1,517,359.90	3,748,389.40	0.00	0.00
Total	1,517,359.90	3,748,389.40	219,186.23	583,295.40
Other income - rental				
QLT International Limited	0.00	0.00	194,392.54	291,588.84

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Other income - management fee				
Qualitech Myanmar Limited	0.00	0.00	1,039,300.00	964,775.00
QLT International Limited	0.00	0.00	448,598.16	443,364.51
Total	0.00	0.00	1,487,898.16	1,408,139.51
Other income - tools rental				
Qualitech Myanmar Limited	0.00	0.00	120,000.00	298,892.22
Other income - interest				
Qualitech Myanmar Limited	0.00	0.00	56,028.79	32,270.56
Cost of services - wages				
Qualitech Myanmar Limited	0.00	0.00	225,483.32	305,142.29
QLT International Limited	0.00	0.00	21,549,155.10	23,675,824.73
Parami Energy Service Co., Ltd.	159,784.00	303,609.20	0.00	0.00
Total	159,784.00	303,609.20	21,774,638.42	23,980,967.02
Cost of services - material supply				
QLT International Limited	0.00	0.00	1,738,292.00	2,700,902.00
Cost of services - travelling				
Parami Energy Service Co., Ltd.	0.00	44,892.28	0.00	0.00
Administrative expenses - management fee				
Parami Energy Service Co., Ltd.	199,730.00	391,898.50	0.00	0.00
Finance costs - Interest expenses				
Parami Energy Service Co., Ltd.	63,061.66	0.00	0.00	0.00

22. 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.

23. 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.

24. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Employee benefit expenses	233,099,887.27	229,358,046.18	223,947,637.84	223,009,426.20
Depreciation	29,738,091.25	27,230,993.70	29,126,081.54	26,859,287.22
Supplies used	35,909,282.07	42,050,518.86	35,737,072.33	38,024,542.98
Contractor wage	32,869,469.09	27,710,081.90	49,155,258.43	49,452,782.39
Travelling and accommodation expenses	15,072,987.86	14,197,129.41	13,347,066.92	12,698,362.80
Office expenses	7,892,356.28	8,030,039.34	7,644,015.56	7,631,326.00
Fee and consulting fee	5,059,999.32	3,087,071.22	3,447,052.75	2,322,875.73
Repairs and maintenance expenses	3,667,936.57	5,634,588.32	3,625,246.46	5,554,023.92
Directors' remuneration	2,775,000.00	2,613,000.00	2,775,000.00	2,613,000.00
Management benefit expenses	28,470,764.25	25,032,832.53	24,238,512.75	18,414,582.53

25. PROMOTIONAL PRIVILEGES

25.1 The Company and its subsidiary were 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 five 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, No. 4 dated March 4, 2013 and No. 5 dated February 20, 2014. The significant privileges are as follows:

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

25.1.2 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.

25.1.3 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.

25.2 The results of operation of the Company and subsidiaries for the year ended December 31, 2015 and 2014 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2015	2014	2015	2014	2015	2014
Services income	392,104,183.06	387,363,874.07	117,919,680.19	113,528,771.02	510,023,863.25	500,892,645.09
Cost of services	(260,361,907.69)	(254,791,603.90)	(73,401,608.64)	(82,163,007.40)	(333,763,516.33)	(336,954,611.30)
Gross profit	131,742,275.37	132,572,270.17	44,518,071.55	31,365,763.62	176,260,346.92	163,938,033.79
Other income	152,500.07	0.00	7,257,647.62	4,527,147.21	7,410,147.69	4,527,147.21
Administrative expenses	(53,209,036.41)	(40,952,090.53)	(19,998,336.32)	(18,598,886.04)	(73,207,372.73)	(59,550,976.57)
Finance costs	(690,851.32)	(289,067.36)	(322,970.22)	(104,932.18)	(1,013,821.54)	(393,999.54)
Profit before income tax	77,994,887.71	91,331,112.28	31,454,412.63	17,189,092.61	109,449,300.34	108,520,204.89
Income tax expenses	0.00	0.00	(6,976,635.70)	(3,463,361.03)	(6,976,635.70)	(3,463,361.03)
Profit for the year	77,994,887.71	91,331,112.28	24,477,776.93	13,725,731.58	102,472,664.64	105,056,843.86

26. OPERATING SEGMENTS

26.1 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.

26.2 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.

26.3 Revenues separated by nature of services are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2015	2014
Non-Destructive Testing	285.92	275.71
Inspection and certificate	224.10	225.18

27. 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. 4.10.

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.

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company and its subsidiaries have commitment under fixed assets acquisition agreement with several seller as at December 31, 2015 and 2014 total amount of Baht 13.31 million and Baht 1.59 million in the consolidated financial statements, and Baht 13.31 million and Baht 0.69 million in the separate financial statements respectively.

28.2 The subsidiary has commitment under lease office building agreement as at December 31, 2014 for the amount of Baht 0.16 million.

28.3 The Company and its subsidiaries have 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, 2015 and 2014 total amount of Baht 26.81 million and Baht 15.76 million in the consolidated financial statements, and Baht 25.22 million and Baht 15.76 million in the separate financial statements respectively. Contingent liabilities are guaranteed by bank deposits (note 10).

29. 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 2015 and 2014, the Company has contribution expenses in the amount of Baht 3.72 million and Baht 3.24 million respectively.

30. 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.

31. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 20, 2016.