

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016  
(UNAUDITED/REVIEWED ONLY)



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D I A INTERNATIONAL AUDIT CO., LTD.

A Member Of  
Moore Stephens  
International Limited

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AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders of

Qualitech Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited as at March 31, 2016, and the related 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 three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with accounting standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

**Scope of Review**

I conducted my review in accordance with standard on review engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on this reviewed interim financial information.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting standard No.34 Interim Financial Reporting.

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

May 7, 2016

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		29,588,722.87	27,623,950.41	21,451,165.23	20,734,312.57
Current investment	5	91,990,242.97	112,918,740.24	76,387,610.42	97,355,552.25
Trade and other receivables	6	96,851,778.39	105,712,912.37	87,420,476.13	95,154,294.46
Unbilled services income		85,091,410.56	67,978,456.23	85,212,748.23	65,704,914.41
Inventories		8,699,034.99	12,107,154.17	6,915,315.86	9,610,272.75
<b>Total current assets</b>		<b>312,221,189.78</b>	<b>326,341,213.42</b>	<b>277,387,315.87</b>	<b>288,559,346.44</b>
<b>Non-current assets</b>					
Investment in subsidiaries	7	0.00	0.00	11,269,085.00	11,269,085.00
Pledged bank deposits	8	28,926,933.39	30,669,924.49	27,332,683.39	29,075,674.49
Property, plant and equipment	9	170,649,506.73	167,257,100.47	167,974,498.91	164,464,507.17
Intangible assets		2,388,603.00	2,463,046.84	2,388,603.00	2,463,046.84
Income tax deducted at source		9,398,595.11	9,381,743.60	9,381,213.46	9,364,361.95
Others non-current assets	10	398,001.92	421,110.92	398,001.92	421,110.92
<b>Total non-current assets</b>		<b>211,761,640.15</b>	<b>210,192,926.32</b>	<b>218,744,085.68</b>	<b>217,057,786.37</b>
<b>Total assets</b>		<b>523,982,829.93</b>	<b>536,534,139.74</b>	<b>496,131,401.55</b>	<b>505,617,132.81</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 MARCH 31, 2016

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2016 (Unaudited but reviewed)	December 31, 2015 (Audited)	March 31, 2016 (Unaudited but reviewed)	December 31, 2015 (Audited)
<b>Liabilities and shareholders' equity</b>					
Current liabilities					
Trade and other payables	11	33,847,115.66	60,294,704.62	37,282,213.19	58,779,224.38
Current portion of long-term liabilities	12	3,932,094.32	4,328,424.67	3,557,184.33	3,957,582.33
Short-term loans		554,028.13	566,465.63	0.00	0.00
Accrued income tax		2,452,494.05	2,365,622.71	0.00	0.00
<b>Total current liabilities</b>		<b>40,785,732.16</b>	<b>67,555,217.63</b>	<b>40,839,397.52</b>	<b>62,736,806.71</b>
Non-current liabilities					
Financial lease liabilities	12	4,517,602.66	5,333,823.15	4,020,801.76	4,741,682.46
Employee benefit obligations	13	13,366,095.51	15,366,594.01	12,689,248.00	15,150,642.00
<b>Total non-current liabilities</b>		<b>17,883,698.17</b>	<b>20,700,417.16</b>	<b>16,710,049.76</b>	<b>19,892,324.46</b>
<b>Total liabilities</b>		<b>58,669,430.33</b>	<b>88,255,634.79</b>	<b>57,549,447.28</b>	<b>82,629,131.17</b>
Shareholders' equity					
Share capital					
Authorized share capital					
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					
98,568,485 common shares of					
Baht 1 each		98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Premium on share capital		75,175,543.40	75,175,543.40	75,175,543.40	75,175,543.40
Equity-settled share-based payment reserve		4,065,188.03	4,065,188.03	4,065,188.03	4,065,188.03
Retained earnings					
Appropriated - legal reserve		10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated		277,088,429.65	259,926,492.94	250,772,737.84	235,178,785.21
<b>Total owners of the Company</b>		<b>464,897,646.08</b>	<b>447,735,709.37</b>	<b>438,581,954.27</b>	<b>422,988,001.64</b>
Non-controlling interests		415,753.52	542,795.58	0.00	0.00
<b>Total shareholders' equity</b>		<b>465,313,399.60</b>	<b>448,278,504.95</b>	<b>438,581,954.27</b>	<b>422,988,001.64</b>
<b>Total liabilities and shareholders' equity</b>		<b>523,982,829.93</b>	<b>536,534,139.74</b>	<b>496,131,401.55</b>	<b>505,617,132.81</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2016	2015	2016	2015
Services income		113,096,415.65	130,949,018.70	108,880,922.50	127,612,407.35
Cost of services		(80,245,675.06)	(81,075,320.93)	(80,484,633.55)	(81,888,606.20)
Gross profit		32,850,740.59	49,873,697.77	28,396,288.95	45,723,801.15
Other income		1,444,759.60	4,124,027.91	1,607,606.16	4,549,912.86
Administrative expenses		(17,910,684.12)	(17,188,084.00)	(16,043,864.61)	(15,882,153.17)
Finance costs		(188,299.93)	(124,817.88)	(164,156.65)	(79,583.87)
Profit before income tax		16,196,516.14	36,684,823.80	13,795,873.85	34,311,976.97
Income tax expenses	14	(1,626,234.49)	(1,664,520.97)	(1,085,884.22)	(1,199,453.60)
Profit for the period		14,570,281.65	35,020,302.83	12,709,989.63	33,112,523.37
Other comprehensive income (expense)					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (losses) on defined employee benefit obligations	13	2,464,613.00	0.00	2,883,963.00	0.00
Total comprehensive income for the period		17,034,894.65	35,020,302.83	15,593,952.63	33,112,523.37
Profit (loss) attributable to :					
Owners of the Company		14,697,281.77	34,697,320.18	12,709,989.63	33,112,523.37
Non-controlling interests		(127,000.12)	322,982.65	0.00	0.00
		14,570,281.65	35,020,302.83	12,709,989.63	33,112,523.37
Total comprehensive income attributable to :					
Owners of the Company		17,161,936.71	34,697,320.18	15,593,952.63	33,112,523.37
Non-controlling interests		(127,042.06)	322,982.65	0.00	0.00
		17,034,894.65	35,020,302.83	15,593,952.63	33,112,523.37
Earnings per share					
Basic earnings per share		0.15	0.35	0.13	0.34
Weighted average number of common shares		98,568,485	98,178,110	98,568,485	98,178,110

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
 FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016  
 (UNAUDITED/REVIEWED ONLY)

**Consolidated financial statements (Baht)**

Note	Owners of the Company										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	Non-controlling interests	Total			
				Appropriated	Unappropriated						
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			
Changes in shareholders' equity for the three-month periods:											
Total comprehensive income for the period	0.00	0.00	0.00	0.00	17,161,936.71	17,161,936.71	(127,042.06)	17,034,894.65			
Balance as at March 31, 2016	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	277,088,429.65	464,897,646.08	415,753.52	465,313,399.60			
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 three-month periods:											
Common shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	315.00	315.00	
Common shares exercised from warrants	380,400.00	1,795,488.00	0.00	0.00	0.00	2,175,888.00	0.00	2,175,888.00	0.00	2,175,888.00	
Total comprehensive income for the period	0.00	0.00	0.00	0.00	34,697,320.18	34,697,320.18	322,982.65	35,020,302.83			
Balance as at March 31, 2015	98,507,790.00	74,889,063.00	4,296,130.00	10,000,000.00	265,336,766.97	453,029,749.97	2,139,453.99	455,169,203.96			

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016

(UNAUDITED/REVIEWED ONLY)

Separate financial statements (Baht)

Note	Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
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
Changes in shareholders' equity for the three-month periods:						
Total comprehensive income for the period	0.00	0.00	0.00	0.00	15,593,952.63	15,593,952.63
Balance as at March 31, 2016	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	250,772,737.84	438,581,954.27
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 three-month periods:						
Common shares exercised from warrants	380,400.00	1,795,488.00	0.00	0.00	0.00	2,175,888.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	33,112,523.37	33,112,523.37
Balance as at March 31, 2015	98,507,790.00	74,889,063.00	4,296,130.00	10,000,000.00	251,737,365.72	439,430,348.72

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before income tax	16,196,516.14	36,684,823.80	13,795,873.85	34,311,976.97
Adjustments				
Unrealized gain on changes in investment valuation	(541,730.15)	(439,014.82)	(502,285.59)	(408,357.50)
Unrealized (gain) loss on exchange rate	18,996.36	0.00	(16,479.28)	0.00
Doubtful accounts	609,144.25	0.00	509,490.99	0.00
Reversed doubtful accounts	0.00	(489,775.65)	0.00	(489,775.65)
Increase in unbilled service income	(17,112,954.33)	(24,973,248.86)	(19,507,833.82)	(26,697,429.86)
Depreciation	7,045,372.23	7,102,874.84	6,859,253.10	6,968,667.17
(Gain) Loss on disposal of fixed assets	70,320.98	(3,150,691.14)	70,320.98	(3,150,691.14)
Loss on impairment of assets	0.00	47,444.31	0.00	47,444.31
Reversed loss on impairment of assets	(393.26)	0.00	(393.26)	0.00
Amortized intangible assets	74,443.84	17,042.73	74,443.84	17,042.73
Employee benefits	377,583.75	634,506.44	342,040.75	589,978.88
Interest expenses	188,299.93	124,817.88	164,156.65	79,583.87
	<u>6,925,599.74</u>	<u>15,558,779.53</u>	<u>1,788,588.21</u>	<u>11,268,439.78</u>
(Increase) Decrease in portion of operating assets				
Trade and other receivables	8,195,108.56	32,388,906.91	7,240,806.62	35,581,073.90
Inventories	3,408,119.18	(1,976,524.04)	2,694,956.89	(1,250,594.54)
Other non-current assets	23,502.26	(301,444.31)	23,502.26	(301,444.31)
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	(27,375,856.40)	(31,792,237.45)	(22,450,725.94)	(32,620,702.79)
Cash generated (paid) from operation	(8,823,526.66)	13,877,480.64	(10,702,871.96)	12,676,772.04
Interest paid	(101,769.18)	(124,817.88)	(83,628.40)	(79,583.87)
Income tax paid	(1,556,214.66)	(2,362,160.63)	(1,102,735.73)	(2,070,321.79)
<b>Net cash provided by (used in) operating activities</b>	<u>(10,481,510.50)</u>	<u>11,390,502.13</u>	<u>(11,889,236.09)</u>	<u>10,526,866.38</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 THREE-MONTH PERIODS ENDED MARCH 31, 2016

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
(Increase) Decrease in current investment	21,470,227.42	(19,545,333.61)	21,470,227.42	(13,545,333.61)
Increase in short-term loans	0.00	0.00	0.00	(1,000,000.00)
Payments for acquire of ordinary share of subsidiary	0.00	0.00	0.00	(5,249,685.00)
(Increase) Decrease in pledged bank deposit	1,742,991.10	(509,250.00)	1,742,991.10	0.00
Proceeds from sales of fixed assets	0.00	14,200,585.48	0.00	14,200,585.48
Payments for fixed assets acquisition	(9,554,384.72)	(8,014,845.88)	(9,485,851.07)	(7,668,025.24)
<b>Net cash provided by (used in) investing activities</b>	<b>13,658,833.80</b>	<b>(13,868,844.01)</b>	<b>13,727,367.45</b>	<b>(13,262,458.37)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans	0.00	1,000,000.00	0.00	0.00
Decrease in financial lease liabilities	(1,212,550.84)	(1,184,053.51)	(1,121,278.70)	(1,113,065.13)
Proceeds from exercised of warrants to purchase ordinary shares	0.00	2,175,888.00	0.00	2,175,888.00
Proceeds for non-controlling interests	0.00	315.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>(1,212,550.84)</b>	<b>1,992,149.49</b>	<b>(1,121,278.70)</b>	<b>1,062,822.87</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,964,772.46</b>	<b>(486,192.39)</b>	<b>716,852.66</b>	<b>(1,672,769.12)</b>
<b>Cash and cash equivalents as at January 1</b>	<b>27,623,950.41</b>	<b>28,027,956.16</b>	<b>20,734,312.57</b>	<b>24,932,077.88</b>
<b>Cash and cash equivalents as at March 31</b>	<b>29,588,722.87</b>	<b>27,541,763.77</b>	<b>21,451,165.23</b>	<b>23,259,308.76</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONDENSED NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2016

(UNAUDITED/REVIEWED ONLY)

**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 INTERIM FINANCIAL STATEMENTS BASIS**

- 2.1 The financial statements have been prepared in conformity with TAS 34 (Revised 2015) "Interim Financial Reporting", enunciated under the Accounting Professions Act B.E. 2547 and presented 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.

These interim financial statements have been prepared for the purpose to provide the update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows are presented the same as previous annual financial statements. Therefore, these interim financial statements should access to the most recent annual financial statements.

## 2.2 Accounting standards and financial reporting standards adoption during the period

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee which are effective for the financial statements beginning on or after January 1, 2016 as detailed below:

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#### Accounting Standards

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting

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TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

Financial Reporting Standards

TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

Standing Interpretations Committee

TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs

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TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) <i>Employee Benefits</i>
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2015)	Levies

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

### 3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

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

	Registration in	Percentage of investment %		Type of business
		March 31, 2016	December 31, 2015	
QLT International Limited	Thailand	99.99	99.99	Providing engineering services in both Thailand and overseas and engage in relevant business
Qualitech Myanmar Limited	Thailand	50.99	50.99	Providing safety engineering services in Myanmar and engage in relevant business

3.2 The interim 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 its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the interim consolidated financial statements.

#### 4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2015.

#### 5. CURRENT INVESTMENT

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Open-end fund	91,990,242.97	111,445,172.12	76,387,610.42	95,881,984.13
Cash at bank - fixed deposit				
with 6 months maturity	0.00	1,473,568.12	0.00	1,473,568.12
<b>Total</b>	<b>91,990,242.97</b>	<b>112,918,740.24</b>	<b>76,387,610.42</b>	<b>97,355,552.25</b>

The increase and decrease of current investment for the three-month periods ended March 31, 2016 are as follow :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2016	112,918,740.24	97,355,552.25
Sales of investment during the period	(21,598,241.50)	(21,598,241.50)
Gain on changes in fair value	669,744.23	630,299.67
<b>Book value as at March 31, 2016</b>	<b>91,990,242.97</b>	<b>76,387,610.42</b>

Such fund invested in debt securities which had minimal risk.

6. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Trade accounts receivable	100,782,840.43	110,343,110.28	91,249,808.20	98,823,338.81
Other receivables	12,035,337.67	10,727,057.55	10,380,509.86	10,031,306.59
<b>Total</b>	<b>112,818,178.10</b>	<b>121,070,167.83</b>	<b>101,630,318.06</b>	<b>108,854,645.40</b>
Less Allowance for doubtful accounts				
- Trade accounts receivable	(15,966,399.71)	(15,357,255.46)	(14,209,841.93)	(13,700,350.94)
<b>Net</b>	<b>96,851,778.39</b>	<b>105,712,912.37</b>	<b>87,420,476.13</b>	<b>95,154,294.46</b>

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Undue trade accounts receivable	46,106,397.00	45,909,563.63	44,753,527.10	37,725,061.13
Overdue trade accounts receivable				
- Less than 3 months	24,939,453.39	44,692,415.15	19,866,046.99	44,563,495.15
- Over 3 months to 6 months	11,969,218.17	819,867.00	11,969,218.17	819,867.00
- Over 6 months to 9 months	47,519.71	2,791,185.00	47,519.71	2,791,185.00
- Over 9 months to 12 months	1,708,457.29	3,304,884.48	1,708,457.29	98,535.51
- Over 12 months	16,011,794.87	12,825,195.02	12,905,038.94	12,825,195.02
<b>Total</b>	<b>100,782,840.43</b>	<b>110,343,110.28</b>	<b>91,249,808.20</b>	<b>98,823,338.81</b>



**7. INVESTMENTS IN SUBSIDIARIES**

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)	
			March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
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	10,250,000.00	99.99	99.99	10,249,385.00	10,249,385.00
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	11,269,085.00

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

7.2 The financial statements for the three-month periods ended March 31, 2016 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

**8. PLEDGED BANK DEPOSIT**

As at March 31, 2016 and December 31, 2015, the Company has deposits at a bank amount of Baht 28.93 million and Baht 30.67 million in the consolidated financial statements and Baht 27.33 million and Baht 29.08 million in the separate financial statements respectively which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 21).

## 9. PROPERTY, PLANT AND EQUIPMENT

9.1 The increase and decrease of property, plant and equipment for the three-month periods ended March 31, 2016 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Net book value as at January 1, 2016	167,234,244.55	164,464,507.17
Purchase during the period - cost	10,508,099.47	10,439,565.82
Disposal during the period - net book value as at disposal date	(70,320.98)	(70,320.98)
Depreciation for the period	(7,022,516.31)	(6,859,253.10)
Net book value as at March 31, 2016	<u>170,649,506.73</u>	<u>167,974,498.91</u>

9.2 Tools and technical equipment as at March 31, 2016

	(Unit : Baht)		
<b>Assets acquired</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net cost</b>
Depreciation by straight-line method			
- Before October 23, 1999	1,491,340.39	(1,491,297.39)	43.00
- 2004 until present	54,176,003.48	(35,563,485.14)	18,612,518.34
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	3,543,027.17	(3,542,961.17)	66.00
- 2006 until present	92,858,642.41	(64,347,563.36)	28,511,079.05
Total	<u>152,069,013.45</u>	<u>(104,945,307.06)</u>	<u>47,123,706.39</u>

Depreciation for the three-month periods ended March 31, 2016 and 2015 were Baht 4.49 million and Baht 4.99 million respectively.

**10. OTHER NON-CURRENT ASSETS**

	<b>Consolidated and</b>	
	<b>Separate financial statements (Baht)</b>	
	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Deposit receivable under contract	4,020,565.99	4,043,674.99
Others	11,420.89	11,814.15
<b>Total</b>	<b>4,031,986.88</b>	<b>4,055,489.14</b>
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Provision for impairment of assets	(11,420.89)	(11,814.15)
<b>Net</b>	<b>398,001.92</b>	<b>421,110.92</b>

**11. TRADE AND OTHER PAYABLES**

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>March 31, 2016</b>	<b>December 31, 2015</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	Trade accounts payable	10,972,003.88	15,791,741.98	17,848,865.30
Other payables				
Accrued expenses	14,949,329.23	39,452,950.51	12,799,372.46	34,204,093.37
Assets payables	1,866,138.85	912,424.10	1,866,138.85	912,424.10
Others	6,059,643.70	4,137,588.03	4,767,836.58	3,980,934.53
<b>Total</b>	<b>33,847,115.66</b>	<b>60,294,704.62</b>	<b>37,282,213.19</b>	<b>58,779,224.38</b>

## 12. FINANCIAL LEASE LIABILITIES

12.1 Financial lease liabilities excluded future interest expenses as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Hire purchase payable	8,449,696.98	9,662,247.82	7,577,986.09	8,699,264.79
Less Current portion of				
long-term liabilities	(3,932,094.32)	(4,328,424.67)	(3,557,184.33)	(3,957,582.33)
Net	<u>4,517,602.66</u>	<u>5,333,823.15</u>	<u>4,020,801.76</u>	<u>4,741,682.46</u>

12.2 The increase and decrease of financial lease liabilities for the three-month periods ended March 31, 2016 are as follow :

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Book value as at January 1, 2016	9,662,247.82	8,699,264.79
Repayment during the period	(1,212,550.84)	(1,121,278.70)
Book value as at March 31, 2016	<u>8,449,696.98</u>	<u>7,577,986.09</u>

12.3 The Company's assets at cost are under the payment as indicated in agreement as follows:

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Vehicles	<u>24,843,000.00</u>	<u>24,843,000.00</u>	<u>22,866,000.00</u>	<u>22,866,000.00</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2016</b>	<b>December 31, 2015</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Within 1 year	4,198,785.00	4,640,947.00	3,794,421.00	4,236,583.00
Over 1 year less than 3 years	4,199,603.00	4,710,885.00	3,686,307.00	4,116,781.00
Over 3 years less than 5 years	501,560.00	854,113.00	501,560.00	833,830.00
<b>Total</b>	<b>8,899,948.00</b>	<b>10,205,945.00</b>	<b>7,982,288.00</b>	<b>9,187,194.00</b>
Less Future interest expenses				
of financial lease	(450,251.02)	(543,697.18)	(404,301.91)	(487,929.21)
<b>Present value of financial</b>				
<b>lease liabilities</b>	<b>8,449,696.98</b>	<b>9,662,247.82</b>	<b>7,577,986.09</b>	<b>8,699,264.79</b>

### 13. EMPLOYEE BENEFIT OBLIGATIONS

The increase and decrease of employee benefit obligations for the three-month periods ended March 31, 2016 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<u>financial statements</u>	<u>financial statements</u>
Book value as at January 1, 2016	15,366,594.01	15,150,642.00
Current cost of services and interest	464,114.50	422,569.00
Actuarial (gain)/losses	(2,464,613.00)	(2,883,963.00)
<b>Book value as at March 31, 2016</b>	<b>13,366,095.51</b>	<b>12,689,248.00</b>

## 14. INCOME TAX

### 14.1 The calculation of current income taxes

#### Parent company

For the first quarter of 2016, the Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses 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 19).

#### Subsidiaries

For the first quarter of 2016, subsidiaries calculated corporate income tax at the rate of 15 -20% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any).

### 14.2 Income tax recognized in profit or loss for the three-month periods ended March 31, 2016 and 2015 are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2016	2015	2016	2015
<b>Current income tax</b>				
For the current year	1,626,234.49	1,664,520.97	1,085,884.22	1,199,453.60
<b>Deferred tax</b>				
Changes in temporary				
differences of deferred tax	0.00	0.00	0.00	0.00
<b>Total income tax</b>	<u>1,626,234.49</u>	<u>1,664,520.97</u>	<u>1,085,884.22</u>	<u>1,199,453.60</u>

As at March 31, 2016, allowance for doubtful accounts amount of Baht 14.21 million is allowance for doubtful accounts of trade accounts receivable granted from promotional investment which have no impacts on deferred tax.

## 15. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash	665,422.96	653,473.19	521,457.99	564,967.45
Cash at bank - current accounts	31,159.37	34,000.00	31,159.37	34,000.00
Cash at bank - savings deposit	27,418,092.20	25,399,061.38	19,424,499.53	21,205,112.11
Cash at bank - fixed deposit	1,474,048.34	1,455,229.20	1,474,048.34	1,455,229.20
<b>Total</b>	<b>29,588,722.87</b>	<b>27,541,763.77</b>	<b>21,451,165.23</b>	<b>23,259,308.76</b>

## 16. 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 :

### 16.1 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
		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

Name	Relationship	Description	Pricing policy
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

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Trade and other receivables				
Qualitech Myanmar Limited	0.00	0.00	18,981.80	95,497.50
QLT International Limited	0.00	0.00	55,600.00	0.00
Parami Energy Service Co., Ltd.	3,229,496.37	3,331,877.55	0.00	0.00
Total	<u>3,229,496.37</u>	<u>3,331,877.55</u>	<u>74,581.80</u>	<u>95,497.50</u>
Unbilled services income				
Qualitech Myanmar Limited	0.00	0.00	17,490.00	90,075.00
QLT International Limited	0.00	0.00	159,033.18	161,383.18
	<u>0.00</u>	<u>0.00</u>	<u>176,523.18</u>	<u>251,458.18</u>
Trade and other payables				
QLT International Limited	0.00	0.00	11,653,201.92	8,538,759.54
Parami Energy Service Co., Ltd.	830,718.46	879,968.75	0.00	0.00
Total	<u>830,718.46</u>	<u>879,968.75</u>	<u>11,653,201.92</u>	<u>8,538,759.54</u>
Short-term loans				
Parami Energy Service Co., Ltd.	<u>554,028.13</u>	<u>566,465.63</u>	<u>0.00</u>	<u>0.00</u>

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

	Consolidated financial statements (Baht)
Balance as at January 1, 2016	566,465.63
Gain on exchange rate	(12,437.50)
Balance as at March 31, 2016	<u>554,028.13</u>



16.3 Revenues and expenses transaction with related persons and parties for the three-month periods ended March 31, 2016

and 2015 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2016	2015	2016	2015
Service income - wages				
Qualitech Myanmar Limited	0.00	0.00	0.00	59,186.23
QLT International Limited	0.00	0.00	0.00	36,000.00
Parami Energy Service Co., Ltd.	0.00	1,517,359.90	0.00	0.00
Total	0.00	1,517,359.90	0.00	95,186.23
Other income - rental				
QLT International Limited	0.00	0.00	43,738.32	63,177.58
Other income - management fee				
Qualitech Myanmar Limited	0.00	0.00	52,990.00	245,225.00
QLT International Limited	0.00	0.00	112,149.54	112,149.54
Total	0.00	0.00	165,139.54	357,374.54
Cost of services - wages				
Qualitech Myanmar Limited	0.00	0.00	0.00	246,125.00
QLT International Limited	0.00	0.00	9,809,805.00	3,992,546.48
Parami Energy Service Co., Ltd.	0.00	78,760.00	0.00	0.00
Total	0.00	78,760.00	9,809,805.00	4,238,671.48
Cost of services - material supply				
QLT International Limited	0.00	0.00	476,814.00	144,296.11
Administrative expenses - management fee				
Parami Energy Service Co., Ltd.	0.00	98,450.00	0.00	0.00
Finance costs - interest expenses				
Parami Energy Service Co., Ltd.	8,321.92	35,414.39	0.00	0.00

## 17. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month periods ended March 31, 2016 and 2015 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2016	2015	2016	2015
Employee benefit expenses	55,083,846.20	57,499,181.56	52,731,730.23	55,676,192.42
Depreciation	7,022,516.31	7,102,874.84	6,859,253.10	6,968,667.17
Supplies used	6,967,134.42	9,457,431.83	6,703,734.25	8,727,429.40
Contractor wage	10,636,006.19	3,025,211.31	13,896,393.19	8,569,877.52
Travelling and accommodation expenses	3,480,663.18	3,295,032.90	3,117,923.76	2,914,740.56
Office expenses	2,086,495.37	2,130,343.24	2,017,612.51	2,054,811.85
Fee and consulting fee	1,025,337.44	620,532.07	921,744.74	495,246.74
Repairs and maintenance expenses	695,800.27	975,939.08	688,891.42	965,271.92
Directors' remuneration	758,000.00	851,033.75	758,000.00	851,033.75
Management benefit expenses	7,682,480.86	7,962,007.56	6,242,480.86	7,125,407.56

## 18. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the three-month periods ended March 31, 2016 and 2015 separated into promoted business and non-promoted business as follows :

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2016	2015	2016	2015	2016	2015
Services income	66,601,533.79	98,812,569.41	46,494,881.86	32,136,449.29	113,096,415.65	130,949,018.70
Cost of services	(47,451,672.58)	(58,671,794.24)	(32,794,002.48)	(22,403,526.69)	(80,245,675.06)	(81,075,320.93)
Gross profit	19,149,861.21	40,140,775.17	13,700,879.38	9,732,922.60	32,850,740.59	49,873,697.77
Other income	0.00	0.00	1,444,759.60	4,124,027.91	1,444,759.60	4,124,027.91
Administrative expenses	(10,612,589.30)	(11,875,085.93)	(7,298,094.82)	(5,312,998.07)	(17,910,684.12)	(17,188,084.00)
Finance costs	(108,582.10)	(59,504.86)	(79,717.83)	(65,313.02)	(188,299.93)	(124,817.88)
Profit before income tax	8,428,689.81	28,206,184.38	7,767,826.33	8,478,639.42	16,196,516.14	36,684,823.80
Income tax expenses	0.00	0.00	(1,626,234.49)	(1,664,520.97)	(1,626,234.49)	(1,664,520.97)
Profit for the period	8,428,689.81	28,206,184.38	6,141,591.84	6,814,118.45	14,570,281.65	35,020,302.83

## 19. OPERATING SEGMENTS

Revenues separated by nature of services for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2016	2015
Non-Destructive Testing	41.86	86.23
Inspection and certificate	71.24	44.72

## 20. COMMITMENT AND CONTINGENT LIABILITIES

20.1 The Company has commitment under agreement (building construction, fixed assets acquisition, hire of work and others) with several seller as at March 31, 2016 and December 31, 2015, total amount of Baht 35.67 million and Baht 13.31 million respectively.

20.2 The Company and 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 March 31, 2016 and December 31, 2015 total amount of Baht 26.80 million and Baht 26.81 million in the consolidated financial statements and Baht 25.21 million and Baht 25.22 million in the separate financial statements respectively. Contingent liabilities are guaranteed by bank deposits (note 8).

## 21. EVENTS AFTER THE REPORTING PERIOD

According to the annual general shareholders' meeting for the year 2016 held on April 21, 2016, the shareholders passed the resolution as follow :

- 1) Pay dividend to the shareholders at Baht 0.65 per share, total amount of Baht 64.07 million by making interim dividend payment at Baht 0.25 per share, total amount of Baht 24.64 million, thus, the remaining annual dividend payment at Baht 0.40 per share for 98.57 million ordinary shares, total amount of Baht 39.43 million will be paid on May 10, 2016.
- 2) Decrease the registered shares capital from Baht 99 million to Baht 98.57 million by deducting unissued 0.43 million shares at par value of Baht 1 each, the Company registered the decrease share capital with the Ministry of Commerce on May 4, 2016.

## 22. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on May 7, 2016.