

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
(UNAUDITED/REVIEWED ONLY)



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 September 30, 2018, the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the nine-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 Thai 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 Thai 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 Thai 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 Thai Accounting Standard No.34 Interim Financial Reporting.

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

November 10, 2018

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		32,458,901.37	47,089,196.95	27,381,059.99	42,016,263.49
Current investment	5	101,285,153.28	117,867,695.67	72,964,183.85	92,312,386.07
Trade and other current receivables	6	66,168,633.68	82,159,915.13	57,190,548.49	77,254,341.93
Unbilled services income	7	67,877,662.80	43,460,352.05	67,577,054.82	43,676,371.18
Inventories		4,446,467.67	6,622,838.74	3,647,739.86	4,983,164.15
Total current assets		272,236,818.80	297,199,998.54	228,760,587.01	260,242,526.82
Non-current assets					
Investment in subsidiaries	8	0.00	0.00	14,348,985.00	11,668,185.00
Bank deposits with obligations	9	4,469,600.00	3,500,000.00	3,500,000.00	3,500,000.00
Property, plant and equipment	10	186,056,423.83	194,648,738.23	182,830,988.08	190,153,761.27
Other intangible assets		2,210,608.74	2,138,871.46	2,210,608.74	2,138,871.46
Deferred tax assets		1,158,441.10	1,642,199.03	1,155,731.84	1,154,145.28
Income tax for refund		9,705,532.94	6,298,451.95	9,692,744.97	6,298,451.95
Others non-current assets	11	856,899.69	404,142.27	856,899.69	404,142.27
Total non-current assets		204,457,506.30	208,632,402.94	214,595,958.32	215,317,557.23
Total assets		476,694,325.10	505,832,401.48	443,356,545.33	475,560,084.05

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT SEPTEMBER 30, 2018

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2018 (Unaudited but reviewed)	December 31, 2017 (Audited)	September 30, 2018 (Unaudited but reviewed)	December 31, 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	12	28,958,657.22	34,882,934.66	27,167,815.79	31,795,014.87
Current portion of long-term liabilities	13	2,146,734.14	2,384,371.47	2,066,217.35	2,146,993.15
Current income tax payable		241,301.79	441,371.98	0.00	0.00
Total current liabilities		31,346,693.15	37,708,678.11	29,234,033.14	33,942,008.02
Non-current liabilities					
Financial lease liabilities	13	2,433,715.74	2,181,134.72	2,433,715.74	2,159,726.02
Non-current provisions for employee benefit	14	13,822,979.93	16,027,125.01	13,809,433.61	13,932,646.00
Total non-current liabilities		16,256,695.67	18,208,259.73	16,243,149.35	16,092,372.02
Total liabilities		47,603,388.82	55,916,937.84	45,477,182.49	50,034,380.04
Shareholders' equity					
Share capital	15				
Authorized share capital					
98,568,485 common shares of Baht 1 each		98,568,485.00		98,568,485.00	
103,468,485 common shares of Baht 1 each			103,468,485.00		103,468,485.00
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
Share premium on ordinary shares		75,175,543.40	75,175,543.40	75,175,543.40	75,175,543.40
Equity-settled share-based payment reserve	16	10,680,188.03	5,273,407.30	10,680,188.03	5,273,407.30
Retained earnings					
Appropriated - legal reserve		10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
Unappropriated	17	233,087,324.17	262,113,054.48	202,375,958.20	236,854,764.99
Other components of shareholders' equity		1,036,418.79	(1,948,160.60)	732,339.71	(693,345.18)
Total owners of the Company		428,894,807.89	449,529,178.08	397,879,362.84	425,525,704.01
Non-controlling interests		196,128.39	386,285.56	0.00	0.00
Total shareholders' equity		429,090,936.28	449,915,463.64	397,879,362.84	425,525,704.01
Total liabilities and shareholders' equity		476,694,325.10	505,832,401.48	443,356,545.33	475,560,084.05

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 SEPTEMBER 30, 2018

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017 (Restated)	2018	2017
Services income		83,483,455.59	93,079,638.89	82,687,999.11	92,498,975.53
Cost of services		(75,924,056.01)	(70,002,198.37)	(75,199,624.78)	(70,063,963.58)
Gross profit		7,559,399.58	23,077,440.52	7,488,374.33	22,435,011.95
Other income					
Gain on sale of segment	19	9,393,985.90	0.00	0.00	0.00
Dividend income		0.00	0.00	0.00	19,998,800.00
Others		777,580.57	987,247.97	767,263.50	937,025.24
Administrative expenses		(18,503,731.98)	(15,523,942.43)	(17,132,093.20)	(15,178,007.01)
Finance costs		(126,590.62)	(151,158.88)	(125,941.89)	(148,421.71)
Profit (loss) before income tax expense		(899,356.55)	8,389,587.18	(9,002,397.26)	28,044,408.47
Tax income (expense)	18	(1,211,570.52)	302,628.00	225,901.87	449,084.67
Profit (loss) for the period from continuing operations		(2,110,927.07)	8,692,215.18	(8,776,495.39)	28,493,493.14
Profit (loss) for the period from discontinued operations	19	(1,089,263.34)	1,324,377.78	0.00	0.00
Profit (loss) for the period		(3,200,190.41)	10,016,592.96	(8,776,495.39)	28,493,493.14
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains (losses) on remeasurements of defined					
benefit plans		0.00	0.00	0.00	0.00
- Income tax relating to components of other					
comprehensive income that will not be					
reclassified to profit	18	0.00	413,957.44	0.00	73,475.44
Other comprehensive income (expense) for the period -					
net of tax		0.00	413,957.44	0.00	73,475.44
Total comprehensive income for the period		(3,200,190.41)	10,430,550.40	(8,776,495.39)	28,566,968.58

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)
 FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
 (UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017 (Restated)	2018	2017
Profit (loss) attributable to :					
Owners of the Company					
From continuing operations		(2,527,500.68)	8,772,433.43	(8,776,495.39)	28,493,493.14
From discontinuing operations		(1,089,372.27)	1,324,510.22	0.00	0.00
		<u>(3,616,872.95)</u>	<u>10,096,943.65</u>	<u>(8,776,495.39)</u>	<u>28,493,493.14</u>
Non-controlling interests					
From continuing operations		416,573.61	(80,218.25)	0.00	0.00
From discontinuing operations		108.93	(132.44)	0.00	0.00
		<u>416,682.54</u>	<u>(80,350.69)</u>	<u>0.00</u>	<u>0.00</u>
Grand total		<u><u>(3,200,190.41)</u></u>	<u><u>10,016,592.96</u></u>	<u><u>(8,776,495.39)</u></u>	<u><u>28,493,493.14</u></u>
Total comprehensive income (expense) attributable to :					
Owners of the Company		(3,616,839.80)	10,510,867.04	(8,776,495.39)	28,566,968.58
Non-controlling interests		416,649.39	(80,316.64)	0.00	0.00
		<u><u>(3,200,190.41)</u></u>	<u><u>10,430,550.40</u></u>	<u><u>(8,776,495.39)</u></u>	<u><u>28,566,968.58</u></u>
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) from continuing operations		(0.03)	0.09	(0.09)	0.29
Profit (loss) from discontinuing operations		(0.01)	0.01	0.00	0.00
		<u>(0.04)</u>	<u>0.10</u>	<u>(0.09)</u>	<u>0.29</u>
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017 (Restated)	2018	2017
Services income		267,029,849.70	300,020,379.01	264,840,785.53	298,829,511.15
Cost of services		(226,666,530.86)	(231,186,202.64)	(224,771,991.12)	(233,016,944.56)
Gross profit		40,363,318.84	68,834,176.37	40,068,794.41	65,812,566.59
Other income					
Gain on sale of segment	19	9,393,985.90	0.00	0.00	0.00
Dividend income		0.00	0.00	0.00	19,998,800.00
Other income		2,102,804.57	2,469,470.99	2,128,191.02	2,390,111.21
Administrative expenses		(48,871,236.71)	(50,250,823.06)	(46,838,412.30)	(48,704,951.89)
Finance costs		(362,924.39)	(462,696.02)	(370,572.09)	(452,844.16)
Profit before income tax expense		2,625,948.21	20,590,128.28	(5,011,998.96)	39,043,681.75
Tax income (expense)	18	(1,371,108.72)	(1,165,701.55)	103,737.67	(494,046.35)
Profit (loss) for the period from continuing operations		1,254,839.49	19,424,426.73	(4,908,261.29)	38,549,635.40
Profit (loss) for the period from discontinued operations	19	(1,206,137.38)	5,484,490.50	0.00	0.00
Profit (loss) for the period		48,702.11	24,908,917.23	(4,908,261.29)	38,549,635.40
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains (losses) on remeasurements of defined benefit plans	14	3,476,649.01	(2,733,789.00)	1,527,836.00	(1,031,379.00)
- Income tax relating to components of other comprehensive income that will not be reclassified to profit	18	(491,913.71)	413,957.44	(102,151.11)	73,475.44
Other comprehensive income (expense) for the period - net of tax		2,984,735.30	(2,319,831.56)	1,425,684.89	(957,903.56)
Total comprehensive income for the period		3,033,437.41	22,589,085.67	(3,482,576.40)	37,591,731.84

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)
 FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
 (UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2018	2017	2018	2017
			(Restated)		
Profit (loss) attributable to :					
Owners of the Company					
From continuing operations		1,751,073.18	19,698,083.08	(4,908,261.29)	38,549,635.40
From discontinuing operations		(1,206,257.99)	5,485,038.95	0.00	0.00
		544,815.19	25,183,122.03	(4,908,261.29)	38,549,635.40
Non-controlling interests					
From continuing operations		(496,233.69)	(273,656.35)	0.00	0.00
From discontinuing operations		120.61	(548.45)	0.00	0.00
		(496,113.08)	(274,204.80)	0.00	0.00
Grand total		48,702.11	24,908,917.23	(4,908,261.29)	38,549,635.40
Total comprehensive income (expense) attributable to :					
Owners of the Company		3,529,394.58	22,863,426.66	(3,482,576.40)	37,591,731.84
Non-controlling interests		(495,957.17)	(274,340.99)	0.00	0.00
		3,033,437.41	22,589,085.67	(3,482,576.40)	37,591,731.84
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) from continuing operations		0.02	0.20	(0.05)	0.39
Profit (loss) from discontinuing operations		(0.01)	0.06	0.00	0.00
		0.01	0.26	(0.05)	0.39
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
 (UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)

Note	Owners of the Company						Total owners of the Company	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings	Unappropriated	Other components of shareholders' equity			
			Appropriated	Unappropriated	Other comprehensive income	Gains (losses) on remeasurements of defined benefit plans			
Beginning balance of the period 2018	98,568,485.00	75,175,543.40	10,346,848.50	262,113,054.48	(1,948,160.60)		449,529,178.08	386,285.56	449,915,463.64
Changes in shareholders' equity for the nine-month periods:									
Common shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	305,800.00	305,800.00
Share-based payment	0.00	0.00	0.00	0.00	0.00	0.00	5,406,780.73	0.00	5,406,780.73
Dividend paid	0.00	0.00	0.00	(29,570,545.50)	0.00	0.00	(29,570,545.50)	0.00	(29,570,545.50)
Profit (loss) for the period	0.00	0.00	0.00	544,815.19	0.00	0.00	544,815.19	(496,113.08)	48,702.11
Other comprehensive income for the period	0.00	0.00	0.00	0.00	0.00	2,984,579.39	2,984,579.39	155.91	2,984,735.30
Ending balance of the period 2018	98,568,485.00	75,175,543.40	10,346,848.50	233,087,324.17	1,036,418.79		428,894,807.89	196,128.39	429,090,936.28
Beginning balance of the period 2017	98,568,485.00	75,175,543.40	10,000,000.00	255,783,708.10	374,992.00		443,967,916.53	4,346.00	443,972,262.53
Changes in shareholders' equity for the nine-month periods:									
Common shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	683,849.99	683,849.99
Share-based payment	0.00	0.00	0.00	0.00	0.00	0.00	652,438.41	0.00	652,438.41
Legal reserve	0.00	0.00	0.00	(346,848.50)	0.00	0.00	0.00	0.00	0.00
Dividend paid	0.00	0.00	0.00	(14,785,272.75)	0.00	0.00	(14,785,272.75)	0.00	(14,785,272.75)
Profit (loss) for the period	0.00	0.00	0.00	25,183,122.03	0.00	0.00	25,183,122.03	(274,204.80)	24,908,917.23
Other comprehensive expense for the period	0.00	0.00	0.00	0.00	(2,319,695.37)	0.00	(2,319,695.37)	(136.19)	(2,319,831.56)
Interim dividend paid	0.00	0.00	0.00	(4,928,424.25)	0.00	0.00	(4,928,424.25)	(1,200.00)	(4,929,624.25)
Ending balance of the period 2017	98,568,485.00	75,175,543.40	10,346,848.50	260,906,284.63	(1,944,703.37)		447,770,084.60	412,655.00	448,182,739.60

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
 (UNAUDITED/REVIEWED ONLY)

Note	Separate financial statements (Baht)							Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings	Unappropriated	Other components of shareholders' equity	Other comprehensive income	
				Appropriated				
					Gains (losses) on remeasurements of defined benefit plans			
Beginning balance of the period 2018	98,568,485.00	75,175,543.40	5,273,407.30	10,346,848.50	236,854,764.99	(693,345.18)		425,525,704.01
Changes in shareholders' equity for the nine-month periods:								
Share-based payment	0.00	0.00	5,406,780.73	0.00	0.00	0.00		5,406,780.73
Dividend paid	0.00	0.00	0.00	0.00	(29,570,545.50)	0.00		(29,570,545.50)
Profit (loss) for the period	0.00	0.00	0.00	0.00	(4,908,261.29)	0.00		(4,908,261.29)
Other comprehensive income for the period	0.00	0.00	0.00	0.00	0.00	1,425,684.89		1,425,684.89
Ending balance of the period 2018	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	202,375,958.20	732,339.71		397,879,362.84
Beginning balance of the period 2017	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	218,477,438.76	267,879.42		406,554,534.61
Changes in shareholders' equity for the nine-month periods:								
Share-based payment	0.00	0.00	652,438.41	0.00	0.00	0.00		652,438.41
Legal reserve	0.00	0.00	0.00	346,848.50	(346,848.50)	0.00		0.00
Dividend paid	0.00	0.00	0.00	0.00	(14,785,272.75)	0.00		(14,785,272.75)
Profit (loss) for the period	0.00	0.00	0.00	0.00	38,549,635.40	0.00		38,549,635.40
Other comprehensive expense for the period	0.00	0.00	0.00	0.00	0.00	(957,903.56)		(957,903.56)
Interim dividend paid	0.00	0.00	0.00	0.00	(4,928,424.25)	0.00		(4,928,424.25)
Ending balance of the period 2017	98,568,485.00	75,175,543.40	4,717,626.44	10,346,848.50	236,966,528.66	(690,024.14)		425,085,007.86

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before income tax from continuing operations	2,625,948.21	20,590,128.28	(5,011,998.96)	39,043,681.75
Add (Less) Profit (loss) before income tax from discontinued operations	(1,206,137.38)	6,897,916.39	0.00	0.00
Profit (loss) before income tax	1,419,810.83	27,488,044.67	(5,011,998.96)	39,043,681.75
Adjustments				
Unrealized gain on changes in investment valuation	(748,819.16)	(263,966.23)	(601,957.93)	(135,944.68)
Unrealized loss on exchange rate	5,156.64	3,135.42	5,156.64	3,135.42
Doubtful accounts	246,219.18	276,581.99	5,799.18	276,581.99
(Increase) Decrease in unbilled service income	(24,585,950.75)	3,727,981.51	(23,828,903.64)	3,063,107.71
Depreciation	20,470,579.95	23,065,340.14	19,720,658.13	22,374,182.17
(Gain) loss on sale of segment	(9,393,985.90)	0.00	0.00	0.00
(Gain) loss on disposal of fixed assets	158,185.74	(396,341.93)	149,529.53	(487,683.37)
Loss on impairment of assets	9,551.10	82,179.91	9,551.10	82,179.91
Amortized other intangible assets	262,054.18	225,916.94	262,054.18	225,916.94
Provision for employee benefits	1,159,976.58	2,174,542.38	1,157,464.16	1,937,414.88
Share-based payment	5,406,780.73	0.00	5,406,780.73	0.00
Dividend received	0.00	0.00	0.00	(19,998,800.00)
Interest expenses	377,410.26	492,678.92	370,572.09	452,844.16
	(5,213,030.62)	56,876,093.72	(2,355,294.79)	46,836,616.88
(Increase) Decrease in portion of operating assets				
Trade and other current receivables	22,365,265.63	(1,297,066.30)	18,641,457.62	6,042.52
Inventories	2,176,371.07	(676,947.76)	1,335,424.29	(956,818.53)
Other intangible assets	(333,791.46)	(78,300.00)	(333,791.46)	(78,300.00)
Other non-current assets	(452,259.58)	(24,869.49)	(452,259.58)	(24,869.49)

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Increase (Decrease) in portion of operating liabilities				
Trade and other current payables	(6,438,751.68)	(5,215,924.28)	(5,227,915.32)	(11,940,087.05)
Cash generated (paid) from operation	12,103,803.36	49,582,985.89	11,607,620.76	33,842,584.33
Employee benefit paid	(2,158,140.05)	0.00	0.00	0.00
Interest paid	(127,689.41)	(174,044.88)	(123,412.64)	(159,743.12)
Income tax paid	(4,986,415.68)	(6,467,029.28)	(3,394,293.02)	(3,757,002.09)
Income tax received	0.00	2,771,176.18	0.00	2,771,176.18
Net cash provided by (used in) operating activities	4,831,558.22	45,713,087.91	8,089,915.10	32,697,015.30
Cash flows from investing activities				
(Increase) Decrease in current investment	17,331,361.55	(21,145,767.57)	19,950,160.15	(30,532,749.00)
Payments for acquire of increase ordinary share of subsidiary	0.00	0.00	(1,341,200.00)	(1,418,800.00)
Dividend received from subsidiary	0.00	0.00	0.00	19,998,800.00
(Increase) Decrease in bank deposits with obligations	(969,600.00)	13,170,434.01	0.00	12,738,934.01
Proceeds from sale of segment	6,544,000.00	0.00	0.00	0.00
Proceeds from sales of fixed assets	921,530.39	858,777.57	287,971.04	785,132.71
Payments for fixed assets acquisition	(12,111,843.93)	(16,510,384.80)	(10,317,218.21)	(14,141,406.81)
Net cash provided by (used in) investing activities	11,715,448.01	(23,626,940.79)	8,579,712.98	(12,570,089.09)
Cash flows from financing activities				
Payments for financial lease liabilities	(1,912,556.31)	(2,375,563.12)	(1,734,286.08)	(2,100,005.88)
Payments for dividend	(29,570,545.50)	(19,714,897.00)	(29,570,545.50)	(19,713,697.00)
Proceeds from non-controlling interests	305,800.00	683,849.99	0.00	0.00
Net cash provided by (used in) financing activities	(31,177,301.81)	(21,406,610.13)	(31,304,831.58)	(21,813,702.88)
Net increase (decrease) in cash and cash equivalents	(14,630,295.58)	679,536.99	(14,635,203.50)	(1,686,776.67)
Cash and cash equivalents as at January 1	47,089,196.95	42,989,813.61	42,016,263.49	37,649,151.26
Cash and cash equivalents as at September 30	32,458,901.37	43,669,350.60	27,381,059.99	35,962,374.59

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
(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 three branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi, at 50, Soi Pattanakarn 57, Prawet, Bangkok, and at 83/50 Moo 10, Nongkham, Siracha, Chonburi.
- 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 2017) "Interim Financial Reporting", guidelines promulgated by the Federation of Accounting Professions (FAP) 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 New Financial Reporting Standards

a. Financial report standards that became effective in the current year

During the period, the Company and subsidiaries have adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the period beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of those financial reporting standards does not have any significant impacts on the Company and subsidiaries' financial statements.

b. Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers and a set of Financial Instruments which are effective for the financial statements for the period beginning on or after January 1, 2019 and 2020. The Group has not applied these financial reporting standards in the preparation of interim financial statements before effective date.

TFRS 15 Revenue from Contracts with Customers establishes for the entity to use in accounting for revenue arising from contracts with customers, the core principle is that the entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled. This standard introduces a five-step model to revenue recognition and requires the exercise of judgment for taking into consideration of the principle in each step of model applying. TFRS 15 supersedes TAS 18 Revenue, TAS 11 Construction Contracts and the related interpretations.

The set of Thai Financial Reporting Standards relating to Financial Instruments, which comprise five issues of accounting standards and interpretations as below:

Thai Financial Reporting Standards

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards Interpretations

TFRIC 16 Hedges of a Net Investments in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument. When this set of TFRSs are effective, as a result, some currently effective accounting standards, interpretations and guidance will be cancelled.

At present, the Management of the Company and subsidiaries is being assessed the impacts of those financial reporting standards which will be effective in the future on the 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
		September 30, 2018	December 31, 2017	
QLT International Company Limited	Thailand	99.99	99.99	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar	80.00	80.00	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 OF 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, 2017.

5. CURRENT INVESTMENTS

Movements of investment for trading during the period consisted of the following item :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Book value at the beginning period	117,867,695.67	45,752,533.44	92,312,386.07	15,002,794.52
Increase during the period	11,002,000.00	147,200,000.00	2,000.00	102,000,000.00
Decrease during the period	(28,405,174.40)	(75,844,317.30)	(20,000,000.00)	(25,051,698.60)
Changes in fair value of				
investment for trading	820,632.01	759,479.53	649,797.78	361,290.15
Book value at the ending period	<u>101,285,153.28</u>	<u>117,867,695.67</u>	<u>72,964,183.85</u>	<u>92,312,386.07</u>

As at September 30, 2018 and December 31, 2017, fair value of investment for trading is as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Cost	100,536,334.14	117,387,335.02	72,362,225.94	92,024,577.53
Unrealized gain	748,819.16	480,360.65	601,957.91	287,808.54
Total	<u>101,285,153.30</u>	<u>117,867,695.67</u>	<u>72,964,183.85</u>	<u>92,312,386.07</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Trade accounts receivable	68,062,517.45	88,919,241.07	65,789,686.59	83,661,294.64
Other current receivables	15,245,905.58	10,302,884.23	8,540,651.25	10,655,257.46
Total	83,308,423.03	99,222,125.30	74,330,337.84	94,316,552.10
Less Allowance for doubtful accounts				
- Trade accounts receivable	(17,139,789.35)	(17,062,210.17)	(17,139,789.35)	(17,062,210.17)
Net	66,168,633.68	82,159,915.13	57,190,548.49	77,254,341.93

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Undue trade accounts receivable	19,692,726.90	42,526,655.79	18,628,964.92	39,593,777.80
Overdue trade accounts receivable				
- Less than 3 months	28,570,804.24	27,660,456.45	27,396,645.36	25,502,631.54
- Over 3 months to 6 months	2,670,521.74	1,752,052.18	2,635,611.74	1,584,808.65
- Over 6 months to 9 months	227,434.21	321,730.47	227,434.21	321,730.47
- Over 9 months to 12 months	387,544.02	0.00	387,544.02	0.00
- Over 12 months	16,513,486.34	16,658,346.18	16,513,486.34	16,658,346.18
Total	68,062,517.45	88,919,241.07	65,789,686.59	83,661,294.64

7. UNBILLED SERVICES INCOME

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Unbilled services income	67,928,662.80	43,823,552.05	67,628,054.82	44,039,571.18
Less Allowance for doubtful accounts	(51,000.00)	(363,200.00)	(51,000.00)	(363,200.00)
Net	67,877,662.80	43,460,352.05	67,577,054.82	43,676,371.18

8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital		Percentage of shareholding		Separate financial statements (Baht)	
			September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
QLT International Company Limited	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding	10,250,000 Baht	10,250,000 Baht	99.99	99.99	10,249,385.00	10,249,385.00
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital have common director and management	150,000 USD	50,000 USD	80.00	80.00	4,099,600.00	1,418,800.00
Total							<u>14,348,985.00</u>	<u>11,668,185.00</u>

8.1 Qualitech Myanmar Company Limited

8.1.1 According to the minutes of Board of Directors' meeting No.6/2017 held on August 9, 2017, passed the resolution to increase the registered share capital of Qualitech Myanmar Company Limited from USD 50,000 to USD 200,000 USD by issuing 1,500 ordinary shares at par value of USD 100 each. The subsidiary has registered share capital on February 8, 2018.

8.1.2 In the fourth quarter of 2017, the subsidiary has called for and received the payment for increase share capital amount of USD 50,000, total paid-up share capital amount of USD 100,000 (1,000 ordinary shares of USD 100 each). The subsidiary has registered the paid-up share capital on March 23, 2018. As at December 31, 2017, the Company presented such payment for the increase share capital as other receivable from prepayment for share capital.

8.1.3 In the third quarter of 2018, the subsidiary has called for and received the payment for increase share capital amount of USD 50,000, total paid-up share capital amount of USD 150,000 (1,500 ordinary shares of USD 100 each). The subsidiary has registered the paid-up share capital on September 11, 2018.

8.2 The financial statements for the three-month and nine-month periods ended September 30, 2018 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

9. BANK DEPOSIT WITH OBLIGATIONS

As at September 30, 2018 and December 31, 2017, the Company has deposits at a bank amount of Baht 4.47 million and Baht 3.50 million in the consolidated and amount of Baht 3.50 million in the separate financial statements respectively which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 25).

10. PROPERTY, PLANT AND EQUIPMENT

10.1 The increase and decrease of property, plant and equipment for the nine-month periods ended September 30, 2018 are as follow :

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at January 1, 2018	194,648,738.23	190,153,761.27
Purchase during the period - cost	14,555,725.62	12,845,434.45
Disposal during the period - net book value as at disposal date	(2,677,460.07)	(447,549.51)
Depreciation for the period	(20,470,579.95)	(19,720,658.13)
Net book value as at September 30, 2018	<u>186,056,423.83</u>	<u>182,830,988.08</u>

10.2 Tools and technical equipment as at September 30, 2018

	(Unit : Baht)		
Assets acquired	Cost	Accumulated depreciation	Net cost
Depreciation by straight-line method			
- Before October 23, 1999	1,094,861.17	(1,094,825.17)	36.00
- 2004 until present	84,161,769.74	(54,314,332.16)	29,847,437.58
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	2,151,097.75	(2,151,061.75)	36.00
- 2006 until present	93,071,718.24	(75,762,733.90)	17,308,984.34
Total	<u>180,479,446.90</u>	<u>(133,322,952.98)</u>	<u>47,156,493.92</u>

Depreciation for the nine-month periods ended September 30, 2018 and 2017 were Baht 11.76 million and Baht 14.21 million respectively.

10.3 As at September 30, 2018 and December 31, 2017, land and building at cost of Baht 36.43 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million and letter of guarantee line amount of Baht 30 million.

11. OTHER NON-CURRENT ASSETS

	Consolidated and	
	Separate financial statements (Baht)	
	September 30, 2018	December 31, 2017
Deposit receivable under contract	4,478,965.38	4,026,705.80
Others	100,085.40	90,036.46
Total	4,579,050.78	4,116,742.26
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Less Provision for impairment of assets	(99,587.02)	(90,035.92)
Net	856,899.69	404,142.27

12. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
	Trade accounts payable	9,763,795.70	8,629,783.52	9,343,212.70
Other current payables				
Accrued expenses	15,525,731.86	20,393,931.75	14,698,297.05	17,072,039.69
Assets payables	1,143,714.44	629,240.20	1,143,714.44	542,998.20
Others	2,525,415.22	5,229,979.19	1,982,591.60	5,092,323.47
Total	28,958,657.22	34,882,934.66	27,167,815.79	31,795,014.87

13. FINANCIAL LEASE LIABILITIES

13.1 Financial lease liabilities excluded future interest expenses as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Hire purchase payable	4,580,449.88	4,565,506.19	4,499,933.09	4,306,719.17
Less Current portion of				
long-term liabilities	<u>(2,146,734.14)</u>	<u>(2,384,371.47)</u>	<u>(2,066,217.35)</u>	<u>(2,146,993.15)</u>
Net	<u>2,433,715.74</u>	<u>2,181,134.72</u>	<u>2,433,715.74</u>	<u>2,159,726.02</u>

13.2 The increase and decrease of financial lease liabilities for the nine-month periods ended September 30, 2018 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, 2018	4,565,506.19	4,306,719.17
Increase during the period	1,927,500.00	1,927,500.00
Repayment during the period	<u>(1,912,556.31)</u>	<u>(1,734,286.08)</u>
Book value as at September 30, 2018	<u>4,580,449.88</u>	<u>4,499,933.09</u>

13.3 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>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Vehicles	<u>13,890,000.00</u>	<u>15,508,000.00</u>	<u>12,692,000.00</u>	<u>14,310,000.00</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Within 1 year	2,355,997.00	2,527,354.00	2,274,865.00	2,283,958.00
Over 1 year less than 3 years	2,057,734.00	2,105,771.00	2,057,734.00	2,085,488.00
Over 3 years less than 5 years	428,092.00	150,228.00	428,092.00	150,228.00
Total	4,841,823.00	4,783,353.00	4,760,691.00	4,519,674.00
Less Future interest expenses				
of financial lease	(261,373.12)	(217,846.81)	(260,757.91)	(212,954.83)
Present value of financial				
lease liabilities	4,580,449.88	4,565,506.19	4,499,933.09	4,306,719.17

14. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The increase and decrease of non-current provisions for employee benefit for the nine-month periods ended September 30, 2018 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, 2018	16,027,125.01	13,932,646.00
Gains on remeasurement of defined benefit plans	(3,476,649.01)	(1,527,836.00)
Employee benefit, decrease	(137,193.50)	0.00
Current cost of services and interest	1,409,697.43	1,404,623.61
Book value as at September 30, 2018	<u>13,822,979.93</u>	<u>13,809,433.61</u>

15. SHARE CAPITAL

According to the minutes of the shareholders' extraordinary meeting No. 1/2018 held on July 19, 2018, passed the resolution to decrease share capital from Baht 103.47 million to Baht 98.57 million by reducing 4.90 million ordinary shares at the par value of Baht 1 each for which have to issue to the holders of warrants to purchase ordinary shares since the Company has already cancelled the Company's warrants to purchase ordinary shares (note 16).

The Company has registered such decrease share capital with the Ministry of Commerce on August 2, 2018.

16. CAPITAL RESERVE FROM SHARE-BASE PAYMENT

According to the minutes of the shareholders' extraordinary meeting No. 1/2018 held on July 19, 2018, passed the resolution to cancel the issuance of 4.90 million units of warrants No. 2 (ESOP-W2) of the Company. The effects of warrants cancellation, resulting to the Company has to recognize expenses in the amount of Baht 4.31 million in statements of comprehensive income immediately.

17. RETAINED EARNINGS APPROPRIATION

According to the annual general shareholders' meeting for the year 2018 held on April 11, 2018, passed the resolution to pay dividend from profit for the year 2017 to the shareholders at Baht 0.35 per share, amounting to Baht 34.50 million which was already paid interim dividend at Baht 0.05 per share, amounting to Baht 4.93 million, the remaining to be paid at Baht 0.30 per share for 98.57 million shares, totally Baht 29.57 million. Such dividend had already paid on April 27, 2018.

18. INCOME TAX

18.1 The calculation of current income taxes

Parent company

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 23).

Subsidiaries

Subsidiaries 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).

18.2 Tax expense (income) recognized in profit or loss for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Current income tax				
For the current year	1,219,648.18	848,715.23	(159,616.32)	641,355.46
Deferred tax				
Changes in temporary differences	(8,077.66)	(1,151,343.23)	(66,285.55)	(1,090,440.13)
Total tax expense (income)	<u>1,211,570.52</u>	<u>(302,628.00)</u>	<u>(225,901.87)</u>	<u>(449,084.67)</u>

	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Current income tax				
For the current year	1,379,264.50	2,317,044.78	0.00	1,584,486.48
Deferred tax				
Changes in temporary differences	(8,155.78)	(1,151,343.23)	(103,737.67)	(1,090,440.13)
Total tax expense (income)	<u>1,371,108.72</u>	<u>1,165,701.55</u>	<u>(103,737.67)</u>	<u>494,046.35</u>

18.3 Income tax recognized in other comprehensive income for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
(Gains) losses on remeasurements of				
defined benefits plans before tax	0.00	0.00	0.00	0.00
Tax expense (income)	<u>0.00</u>	<u>(413,957.44)</u>	<u>0.00</u>	<u>(73,475.44)</u>
Net	<u>0.00</u>	<u>(413,957.44)</u>	<u>0.00</u>	<u>(73,475.44)</u>

	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
(Gains) losses on remeasurements of defined benefits plans before tax	(3,476,649.01)	2,733,789.00	(1,527,836.00)	1,031,379.00
Tax expense (income)	491,913.71	(413,957.44)	102,151.11	(73,475.44)
Net	<u>(2,984,735.30)</u>	<u>2,319,831.56</u>	<u>(1,425,684.89)</u>	<u>957,903.56</u>

19. DISCONTINUED OPERATIONS OF SUBSIDIARY

On September 1, 2018, the subsidiary (QLT International Company Limited) entered into agreement to sell in business of Inspecting and Fumigating of Agricultural products to a company in accordance with the Board of directors' meeting of the parent company No. 6/2018 held on August 31, 2018 in the price of Baht 11.41 million and the subsidiary has already transferred such segment to the buyer on September 5, 2018. As a result, the subsidiary has gain on sale of segment amount of Baht 9.39 million. As at September 30, 2018, the subsidiary has received the payment in the amount of Baht 6.54 million already.

Transactions included in statements of comprehensive income for the three-month and nine-month periods of discontinued operations are as follows :

	Consolidated financial statements (Baht)			
	For the three-month periods		For the nine-month periods	
	2018	2017	2018	2017
Total revenues	3,819,513.44	10,079,893.29	15,931,450.69	30,684,692.78
Total costs	(3,989,095.74)	(6,478,022.46)	(13,322,392.79)	(18,709,734.08)
Total other income	1.55	2.07	41.75	7.77
Total expenses	(919,682.59)	(1,935,875.14)	(3,815,237.03)	(5,077,050.08)
Profit (loss) before income tax expense	(1,089,263.34)	1,665,997.76	(1,206,137.38)	6,897,916.39
Tax expense	0.00	(341,619.98)	0.00	(1,413,425.89)
Profit (loss) for the period from discontinued operations	<u>(1,089,263.34)</u>	<u>1,324,377.78</u>	<u>(1,206,137.38)</u>	<u>5,484,490.50</u>
Basic earnings per share				
Profit (loss) from discontinued operations	<u>(0.01)</u>	<u>0.01</u>	<u>(0.01)</u>	<u>0.06</u>

20. ADDITIONAL DISCLOSURE OF STATEMENTS OF CASH FLOWS

20.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Cash	866,440.22	795,332.32	714,987.79	737,879.16
Cash at bank - current accounts	56,902.34	36,576.32	34,000.00	34,000.00
Cash at bank - savings deposit	31,535,558.81	41,340,753.50	26,632,072.20	33,693,806.97
Cash at bank - fixed deposit	0.00	1,496,688.46	0.00	1,496,688.46
Total	32,458,901.37	43,669,350.60	27,381,059.99	35,962,374.59

20.2 Non-cash transaction

For the year 2018

Parent company

The Company entered into hire purchase vehicles agreement of Baht 2.49 million which was already made the initial installment in the amount of Baht 0.56 million. The remaining is presented as financial lease liabilities.

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
Ms. Yanakorn Rattakham	The Company's director and shareholder's daughter	Rental	At agreed price

Name	Relationship	Description	Pricing policy
Subsidiary			
QLT International Company Limited	The Company held 99.99% share capital, director and management have common shareholding	Income wages Income rental Income management service fee Wages Materials supply	Close to market value At agreed price At agreed price At agreed price At agreed price
Qualitech Myanmar Company Limited	The Company held 80% share capital, have director and management	Income wages	Close to market value

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	24,800.00	72,893.00
Unbilled services income	0.00	0.00	18,691.59	530,691.59
Trade and other current payables	0.00	0.00	659,220.20	2,564,280.31
Qualitech Myanmar Company Limited				
Unbilled services income	0.00	0.00	0.00	648,800.00

21.3 Revenues and expenses transaction with related persons and parties for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Ms. Yanakorn Rattakham				
Cost of services - rental	69,473.67	46,315.78	0.00	0.00
QLT International Company Limited				
Other income - rental	0.00	0.00	21,869.16	41,181.30
Other income - management fee	0.00	0.00	56,074.77	56,074.77
Cost of services - wages	0.00	0.00	(140,765.90)	1,807,124.73
Cost of services - material supply	0.00	0.00	910,115.00	372,300.00
	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Ms. Yanakorn Rattakham				
Cost of services - rental	185,263.12	208,421.01	0.00	0.00
QLT International Company Limited				
Services income - wages	0.00	0.00	7,500.00	0.00
Other income - rental	0.00	0.00	74,018.70	123,543.90
Other income - management fee	0.00	0.00	168,224.31	168,224.31
Cost of services - wages	0.00	0.00	24,278.36	7,057,795.84
Cost of services - material supply	0.00	0.00	2,159,200.24	1,204,524.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	206,995.00	0.00

22. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Employee benefit expenses	60,129,956.65	52,802,049.42	53,992,486.08	46,793,162.29
Depreciation	6,865,006.07	7,538,775.26	6,620,292.17	7,320,108.24
Supplies used	7,316,219.21	6,960,898.02	5,103,585.29	5,255,367.93
Contractor wage	11,367,542.66	7,180,460.55	12,231,878.66	8,972,756.28
Travelling and accommodation expenses	3,560,545.88	3,437,474.23	2,767,709.84	2,685,848.66
Office expenses	2,411,039.71	2,448,861.36	2,276,594.20	2,329,187.54
Official fee and consultant fee	749,392.31	814,472.72	678,115.18	702,610.04
Repairs and maintenance expenses	845,098.65	1,028,530.81	841,706.16	995,533.68
Directors' remuneration	586,700.00	430,700.00	586,700.00	430,700.00
Management benefit expenses	5,233,717.94	7,385,687.86	4,474,804.69	6,626,774.60
	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Employee benefit expenses	173,452,272.09	169,232,943.43	156,039,648.77	152,120,753.95
Depreciation	20,489,465.24	23,065,340.14	19,720,637.27	22,374,182.17
Supplies used	19,626,507.86	24,422,682.60	15,614,620.43	19,422,093.98
Contractor wage	37,969,624.42	28,073,712.60	37,673,508.35	35,018,783.04
Travelling and accommodation expenses	10,564,122.10	10,053,964.53	8,267,721.55	7,948,149.56
Office expenses	7,173,534.26	7,993,515.09	6,561,283.62	7,261,863.81
Official fee and consultant fee	2,288,246.57	3,028,484.63	2,022,437.27	2,735,168.19
Repairs and maintenance expenses	2,316,758.59	3,310,834.51	2,272,825.99	3,247,830.27
Directors' remuneration	1,828,300.02	1,617,400.00	1,828,300.02	1,617,400.00
Management benefit expenses	15,886,816.91	20,472,761.28	13,696,282.00	18,282,226.37

23. PROMOTIONAL RIGHTS AND PRIVILEGES

The results of operation of the Company for the nine-month periods ended September 30, 2018 and 2017 separated by rights and privileged in accordance with the promotional certificate as follows :

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2018	2017	2018	2017	2018	2017
Services income	174,785,855.95	189,517,761.54	108,175,444.44	141,187,310.26	282,961,300.39	330,705,071.80
Cost of services	(146,893,587.23)	(146,151,572.99)	(93,095,336.42)	(103,744,363.73)	(239,988,923.65)	(249,895,936.72)
Gross profit	27,892,268.72	43,366,188.55	15,080,108.02	37,442,946.53	42,972,376.74	80,809,135.08
Other income						
Revenue from sale of segment	0.00	0.00	9,393,985.90	0.00	9,393,985.90	0.00
Others	203,474.88	0.00	1,899,371.44	2,469,478.76	2,102,846.32	2,469,478.76
Administrative expenses	(30,720,332.01)	(31,356,248.03)	(21,951,655.86)	(23,941,642.22)	(52,671,987.87)	(55,297,890.25)
Finance costs	(229,432.46)	(291,541.07)	(147,977.80)	(201,137.85)	(377,410.26)	(492,678.92)
Profit before income tax expense	(2,854,020.87)	11,718,399.45	4,273,831.70	15,769,645.22	1,419,810.83	27,488,044.67
Tax expense	0.00	0.00	(1,371,108.72)	(2,579,127.44)	(1,371,108.72)	(2,579,127.44)
Profit for the period	(2,854,020.87)	11,718,399.45	2,902,722.98	13,190,517.78	48,702.11	24,908,917.23

Unidentifiable cost of services, administrative expenses and finance costs were allocated to the separately income segment.

24. OPERATING SEGMENTS

Revenues separated by nature of services for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated financial statements (Million Baht)			
	For the three-month periods		For the nine-month periods	
	2018	2017	2018	2017
Non-Destructive Testing	34.55	31.20	112.93	116.34
Inspection and certificate	49.40	71.27	158.35	213.32
Mechanical Test	3.02	0.69	11.36	1.05

25. COMMITMENT AND CONTINGENT LIABILITIES

25.1 As at September 30, 2018 and December 31, 2017, the Company and subsidiaries have commitment under purchase and hire agreement with several seller as follow :

	Consolidated and	
	Separate financial statements	
	September 30, 2018	December 31, 2017
Baht	18,253,831.45	8,233,270.88
US Dollar	1,537.50	290.00

25.2 The subsidiary has commitment under lease office building agreement as at December 31, 2017 for the amount of Baht 0.22 million.

25.3 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 September 30, 2018 and December 31, 2017 total amount of Baht 17.17 million and Baht 14.15 million in the consolidated and separate financial statements. Contingent liabilities are guaranteed by bank deposits (note 9).

26. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on November 10, 2018.