

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021
(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 June 30, 2021, the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2021, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the six-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

August 14, 2021

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
		(Unaudited /Reviewed only)	(Audited)	(Unaudited /Reviewed only)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		38,478,775.06	27,265,522.09	18,346,364.21	21,665,715.73
Trade and other current receivables	6	65,854,546.64	99,029,961.23	64,971,500.02	97,121,675.48
Contract assets	7	56,186,218.02	66,290,814.88	56,147,200.42	65,857,325.88
Inventories		11,286,553.27	8,835,701.01	5,669,204.88	6,151,373.08
Other current financial assets	8	112,958,896.63	95,763,792.44	112,958,896.63	95,763,792.44
Assets classified as held for sale	9	0.00	13,737,747.24	0.00	10,249,385.00
Total current assets		284,764,989.62	310,923,538.89	258,093,166.16	296,809,267.61
Non-current assets					
Investment in subsidiaries	10	0.00	0.00	28,487,050.00	18,513,100.00
Property, plant and equipment	11	168,570,875.41	177,244,444.08	166,927,476.95	175,547,070.42
Right-of-use assets	12	15,315,186.03	14,924,254.27	15,315,186.03	14,924,254.27
Goodwill		4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill		2,029,205.72	2,260,027.37	2,029,205.72	2,260,027.37
Deferred tax assets		2,122,794.82	2,813,692.50	1,963,271.97	2,654,169.65
Income tax for refund		4,538,306.51	3,359,198.15	4,500,221.37	3,341,124.10
Others non-current assets	13	375,781.38	328,213.38	314,641.38	1,491,073.38
Total non-current assets		197,796,489.24	205,774,169.12	219,537,053.42	218,730,819.19
Total assets		482,561,478.86	516,697,708.01	477,630,219.58	515,540,086.80

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT JUNE 30, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		June 30, 2021 (Unaudited /Reviewed only)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited /Reviewed only)	December 31, 2020 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	14	24,847,585.36	32,929,927.26	23,959,367.39	32,842,146.49
Current portion of lease liabilities	15	3,127,698.47	3,003,458.44	3,127,698.47	3,003,458.44
Liabilities included with asset classified					
as held for sale	9	0.00	276,817.55	0.00	0.00
Total current liabilities		27,975,283.83	36,210,203.25	27,087,065.86	35,845,604.93
Non-current liabilities					
Lease liabilities	15	5,165,015.28	6,028,058.87	5,165,015.28	6,028,058.87
Non-current provisions for employee					
benefit	16	28,795,547.90	27,309,774.24	28,650,041.16	27,183,438.07
Total non-current liabilities		33,960,563.18	33,337,833.11	33,815,056.44	33,211,496.94
Total liabilities		61,935,847.01	69,548,036.36	60,902,122.30	69,057,101.87

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT JUNE 30, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
		June 30, 2021 (Unaudited /Reviewed only)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited /Reviewed only)	December 31, 2020 (Audited)	
Liabilities and shareholders' equity						
Shareholders' equity						
Share capital						
Authorized 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
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	10,680,188.03	10,680,188.03	10,680,188.03	10,680,188.03
Retained earnings						
		Appropriated - legal reserve	10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
	17	Unappropriated	221,927,364.55	252,559,198.09	221,957,032.35	251,711,920.00
		Total owners of the Company	416,698,429.48	447,330,263.02	416,728,097.28	446,482,984.93
		Non-controlling interests	3,927,202.37	(180,591.37)	0.00	0.00
		Total shareholders' equity	420,625,631.85	447,149,671.65	416,728,097.28	446,482,984.93
		Total liabilities and shareholders' equity	482,561,478.86	516,697,708.01	477,630,219.58	515,540,086.80

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 JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Sales and services income		84,644,086.25	90,989,414.95	80,699,469.69	87,561,454.72
Cost of sale and services		(71,107,846.50)	(74,604,619.59)	(69,955,211.64)	(72,074,545.04)
Gross profit		13,536,239.75	16,384,795.36	10,744,258.05	15,486,909.68
Other income		624,286.88	680,818.24	570,496.11	882,844.33
Distribution costs		(2,454,930.50)	(2,082,017.94)	(2,266,809.61)	(1,888,624.71)
Administrative expenses		(15,445,588.49)	(15,013,899.60)	(14,517,326.31)	(14,187,722.92)
Profit (loss) from operating activities		(3,739,992.36)	(30,303.94)	(5,469,381.76)	293,406.38
Finance costs		(174,100.62)	(182,065.50)	(173,606.78)	(181,889.03)
Profit (loss) before income tax expense		(3,914,092.98)	(212,369.44)	(5,642,988.54)	111,517.35
Tax (expense) income	18	(322,154.46)	347,576.81	(223,051.39)	337,049.01
Profit (loss) for the period		(4,236,247.44)	135,207.37	(5,866,039.93)	448,566.36
Other comprehensive income (expense) for the period		0.00	0.00	0.00	0.00
Total comprehensive income (expense) for the period		(4,236,247.44)	135,207.37	(5,866,039.93)	448,566.36
Profit (loss) attributable to :					
Owners of the Company		(4,286,621.69)	231,669.91	(5,866,039.93)	448,566.36
Non-controlling interests		50,374.25	(96,462.54)	0.00	0.00
Total		(4,236,247.44)	135,207.37	(5,866,039.93)	448,566.36
Earnings (loss) per share					
Basic earnings (loss) per share		(0.043)	0.002	(0.060)	0.005
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 SIX-MONTH PERIODS ENDED JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Sales and services income		174,758,596.92	203,375,167.71	166,919,579.52	196,118,106.92
Cost of sale and services		(143,796,717.85)	(156,839,751.71)	(140,527,234.12)	(151,980,456.70)
Gross profit		30,961,879.07	46,535,416.00	26,392,345.40	44,137,650.22
Other income					
Gains (losses) on dissolution of subsidiary		(38,434.21)	0.00	3,136,890.59	0.00
Others		1,111,217.52	1,446,567.66	1,087,873.45	1,652,803.90
Distribution costs		(4,830,420.21)	(5,584,632.10)	(4,472,191.87)	(5,233,953.37)
Administrative expenses		(31,962,727.35)	(34,261,527.95)	(30,214,102.79)	(32,417,716.66)
Profit (loss) from operating activities		(4,758,485.18)	8,135,823.61	(4,069,185.22)	8,138,784.09
Finance costs		(353,665.77)	(352,118.33)	(352,683.50)	(351,761.53)
Profit (loss) before income tax expense		(5,112,150.95)	7,783,705.28	(4,421,868.72)	7,787,022.56
Tax (expense) income	18	(815,398.30)	520,245.52	(690,897.68)	628,881.63
Profit (loss) for the period		(5,927,549.25)	8,303,950.80	(5,112,766.40)	8,415,904.19
Other comprehensive income (expense) for the period		0.00	0.00	0.00	0.00
Total comprehensive income (expense) for the period		(5,927,549.25)	8,303,950.80	(5,112,766.40)	8,415,904.19
Profit (loss) attributable to :					
Owners of the Company		(5,989,712.29)	8,378,586.45	(5,112,766.40)	8,415,904.19
Non-controlling interests		62,163.04	(74,635.65)	0.00	0.00
Total		(5,927,549.25)	8,303,950.80	(5,112,766.40)	8,415,904.19
Earnings (loss) per share					
Basic earnings (loss) per share		(0.061)	0.085	(0.052)	0.085
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 SIX-MONTH PERIODS ENDED JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)

Note	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		Total owners of the Company			
				Appropriated	Unappropriated				
Beginning balance of the year 2021	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,559,198.09	447,330,263.02	(180,591.37)	447,149,671.65	
Changes in shareholders' equity for the six-month periods:									
10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,048,517.00	4,048,517.00
9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,886.30)	(2,886.30)
17	0.00	0.00	0.00	0.00	(24,642,121.25)	(24,642,121.25)	0.00	0.00	(24,642,121.25)
	0.00	0.00	0.00	0.00	(5,989,712.29)	(5,989,712.29)	62,163.04		(5,927,549.25)
Ending balance of the year 2021	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	221,927,364.55	416,698,429.48	3,927,202.37		420,625,631.85
Beginning balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	261,692,265.53	456,463,330.46	33,690.51		456,497,020.97
5	0.00	0.00	0.00	0.00	(5,937,617.62)	(5,937,617.62)	0.00		(5,937,617.62)
Beginning balance of the year 2020, restated	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	255,754,647.91	450,525,712.84	33,690.51		450,559,403.35
Changes in shareholders' equity for the six-month periods:									
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,551.28	5,551.28
Interim dividend paid	0.00	0.00	0.00	0.00	(29,570,545.50)	(29,570,545.50)	0.00		(29,570,545.50)
Profit (loss) for the period	0.00	0.00	0.00	0.00	8,378,586.45	8,378,586.45	(74,635.65)		8,303,950.80
Ending balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	234,562,688.86	429,333,753.79	(35,393.86)		429,298,359.93

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

Separate financial statements (Baht)

Note	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Beginning balance of the year 2021	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	251,711,920.00	446,482,984.93
Changes in shareholders' equity for the six-month periods:						
Dividend paid	17	0.00	0.00	0.00	(24,642,121.25)	(24,642,121.25)
Loss for the period		0.00	0.00	0.00	(5,112,766.40)	(5,112,766.40)
Ending balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	221,957,032.35	416,728,097.28
Beginning balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,069,010.98	446,840,075.91
Effects from accounting policy	5	0.00	0.00	0.00	(5,937,617.62)	(5,937,617.62)
Beginning balance of the year 2020, restated	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	246,131,393.36	440,902,458.29
Changes in shareholders' equity for the six-month periods:						
Interim dividend paid		0.00	0.00	0.00	(29,570,545.50)	(29,570,545.50)
Profit for the period		0.00	0.00	0.00	8,415,904.19	8,415,904.19
Ending balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	224,976,752.05	419,747,816.98

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2021	2020	2021	2020
Cash flows from operating activities					
Profit (loss) for the period		(5,927,549.25)	8,303,950.80	(5,112,766.40)	8,415,904.19
Adjustments					
Gain on revaluation of fair value		(195,104.19)	(324,592.34)	(195,104.19)	(274,948.04)
Unrealized (gain) loss on exchange rate		1,215.15	25,543.89	(7,844.55)	24,111.06
Expected credit losses (reversed)		657,464.36	(232,674.84)	657,464.36	(232,674.84)
(Increase) decrease in unbilled service income		11,086,391.65	23,804,532.89	10,691,920.25	24,225,471.31
(Gains) losses on dissolution of subsidiary		38,434.21	0.00	(3,136,890.59)	0.00
Depreciation		13,252,754.17	13,256,137.02	13,062,118.26	13,025,359.91
(Gains) loss on sale of equipment		869,508.97	(35,629.33)	869,507.97	(32,809.03)
Loss on impairment of properties foreclosed		0.00	938.41	0.00	938.41
Amortized other intangible assets other than goodwill		230,821.65	215,541.98	230,821.65	215,541.98
Amortized other assets		0.00	72.57	0.00	0.00
Provisions for employee benefits		1,282,070.33	1,185,648.82	1,263,882.03	1,178,620.33
Interest expenses		353,665.77	352,118.33	352,683.50	351,761.53
Tax expenses (income)		815,398.30	(520,245.52)	690,897.68	(628,881.63)
		22,465,071.12	46,031,342.68	19,366,689.97	46,268,395.18
(Increase) Decrease in portion of operating assets					
Trade and other current receivables		31,743,133.77	42,492,331.31	30,577,237.34	40,645,688.03
Inventories		(2,450,852.26)	(102,622.04)	482,168.20	217,907.51
Deposit at bank pledged as collateral		0.00	66,660.00	0.00	0.00
Other assets		(47,558.00)	(871,429.67)	(47,558.00)	(810,289.67)
Increase (Decrease) in portion of operating liabilities					
Trade and other current payables		(7,839,521.75)	(21,375,315.23)	(8,665,338.33)	(22,140,645.81)

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Cash generated (paid) from operation		43,870,272.88	66,240,967.05	41,713,199.18	64,181,055.24
Employee benefit paid		0.00	(3,380,408.47)	0.00	(1,789,132.00)
Interest paid		(149,962.44)	(127,913.03)	(149,962.44)	(127,913.03)
Income tax paid		(1,993,637.97)	(2,231,407.21)	(1,973,626.88)	(2,189,844.27)
Proceeds from income tax		814,529.61	6,298,451.95	814,529.61	6,298,451.95
Net cash provided by (used in) operating activities		42,541,202.08	66,799,690.29	40,404,139.47	66,372,617.89
Cash flows from investing activities					
Proceeds from equity securities of other parties		38,000,000.00	66,918,467.50	38,000,000.00	66,918,467.50
Payments for acquire of equity securities of other parties		(55,000,000.00)	(66,114,107.15)	(55,000,000.00)	(66,114,107.15)
Payments for loans to related parties		0.00	0.00	0.00	(3,000,000.00)
Proceeds from dissolution of subsidiary					
net of cash paid		13,422,495.48	0.00	13,386,275.59	0.00
Payments for acquire of subsidiary net of cash received		0.00	(3,878,094.62)	0.00	(5,483,500.00)
Payments for acquire of investment in subsidiaries		0.00	0.00	(8,749,950.00)	0.00
Proceeds from sales of equipment		594,214.96	239,987.87	594,214.96	224,847.68
Payments for equipment acquisition		(5,662,907.94)	(10,622,939.54)	(5,526,246.23)	(10,532,431.05)
Payments for right-of-use assets		(212,878.50)	0.00	(212,878.50)	0.00
Payments for other intangible assets acquisition					
other than goodwill		0.00	(227,000.00)	0.00	(227,000.00)
Net cash provided by (used in) investing activities		(8,859,076.00)	(13,683,685.94)	(17,508,584.18)	(18,213,723.02)
Cash flows from financing activities					
Payments for lease liabilities		(1,573,915.56)	(1,108,583.72)	(1,573,915.56)	(1,108,583.72)
Payments for dividend		(24,642,121.25)	(29,570,545.50)	(24,640,991.25)	(29,570,545.50)
Proceeds from non-controlling interests		3,750,050.00	0.00	0.00	0.00
Payments for non-controlling interests		(2,886.30)	0.00	0.00	0.00
Net cash provided by (used in) financing activities		(22,468,873.11)	(30,679,129.22)	(26,214,906.81)	(30,679,129.22)
Net increase (decrease) in cash and cash equivalents		11,213,252.97	22,436,875.13	(3,319,351.52)	17,479,765.65
Cash and cash equivalents as at the beginning of the period		27,265,522.09	50,103,286.48	21,665,715.73	44,487,687.86
Cash and cash equivalents as at the end of the period	19	38,478,775.06	72,540,161.61	18,346,364.21	61,967,453.51

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED JUNE 31, 2021

(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.

1.4 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

2. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

2.1 The interim financial statements have been prepared and presented the condensed form in conformity with TAS 34 "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

2.2.1 Financial reporting standards that became effective in the current year

The revised financial reporting standards and interpretations, which are effective for the financial statements for fiscal year beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards that included in amendments to references to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material, and Interest Rate Benchmark Reforms.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.2.2 Financial reporting standards that became effective in the future

Financial reporting standards that will become effective for the financial statements for the period beginning on or after January 1, 2022, the Federation of Accounting Professions issued amendments to Thai Financial Reporting Standards No. 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The adoption of these financial reporting standards does not have any significant impact on the Group's 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
		June 30, 2021	December 31, 2020	
QLT International Company Limited	Thailand	0.00	99.99	Providing materials for engineering services, inspection
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
Duwell Intertrade Co., Ltd.	Thailand	99.99	99.99	Providing materials and equipment for engineering services, inspection
Qualitech Solution Energy Company Limited	Thailand	70.00	0.00	Producing and distributing electricity from solar power or other sources of energy

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 the Group unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the interim consolidated financial statements.

3.4 According to the minutes of the Board of directors' meeting No. 6/2020 held on August 12, 2020, passed the resolution to dissolve the operation of subsidiary (QLT International Co., Ltd.). The management of the Company believe that the subsidiary will able to liquidate the dissolution to be completed in the year 2020. Therefore, in the third quarter of 2020, in the consolidated financial statements preparation, the Company has reclassified assets and liabilities in such subsidiary to present as assets classified as held for sale and liabilities included with assets classified as held for sale and reclassified revenues and expenses in subsidiary to present as profit (losses) on discontinued operations (note 9).

On November 17, 2020, the subsidiary has already registered for dissolution and on April 8, 2021, and has completely registered the liquidation.

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, 2020, there is revision as follows :

Trade and other current receivables/contract assets

Accounting Treatment Guidance regarding the "Temporary relief measures on accounting alternatives in response to the impacts of COVID-19 situation" had been announced in the Royal Gazette on April 22, 2020 which is effective for the financial statements preparation for the reporting period ended from January 1, 2020 to December 31, 2020. The Group has elected to apply the temporary relief measures on accounting alternatives which do not take into forward looking information to determine expected credit losses in the case where the Group uses a simplified approach to measure the expected credit losses.

As the accounting guidance already expired on December 31, 2020, the Group has assessed the impact from such temporary relief measures, there was no material impact on the financial statements

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY

During the year 2020, the Group has adopted financial reporting standard related to financial instruments. The cumulative effect of initially applying this standard is recognized as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

Details of the effects to unappropriated retained earnings as at January 1, 2020 from the initial adoption financial reporting standards related to group of financial instruments are as follows :

	Consolidated and Separate financial statements (Baht)
Recognition of expected credit losses :	
Trade and other current receivables	516,879.94
Contract assets	5,773,768.89
Related tax expense	(353,031.21)
Total	<u>5,937,617.62</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Trade accounts receivable	66,797,424.63	97,239,522.96	66,430,794.51	96,133,677.15
Other current receivables				
Retention receivable under				
contracts (Note 7)	10,630,403.45	10,779,219.13	10,630,403.45	10,779,219.13
Prepaid expenses	3,815,120.48	4,458,669.42	3,779,292.86	4,458,669.42
Others	5,065,360.83	5,367,053.32	4,584,771.95	4,564,613.38
Total	86,308,309.39	117,844,464.83	85,425,262.77	115,936,179.08
Less Allowance for expected credit losses				
- Trade accounts receivable	<u>(20,453,762.75)</u>	<u>(18,814,503.60)</u>	<u>(20,453,762.75)</u>	<u>(18,814,503.60)</u>
Net	<u>65,854,546.64</u>	<u>99,029,961.23</u>	<u>64,971,500.02</u>	<u>97,121,675.48</u>

Billed trade accounts receivable separated on aging are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Undue trade accounts receivable	26,533,049.36	45,753,736.41	25,979,138.75	45,235,765.91
Overdue trade accounts receivable				
- Less than 3 months	16,747,466.51	29,835,986.08	16,879,932.88	29,280,279.30
- Over 3 months to 6 months	2,427,633.09	2,454,186.14	2,503,600.21	2,437,392.61
- Over 6 months to 9 months	2,029,455.72	2,170,677.51	2,029,455.72	2,170,677.51
- Over 9 months to 12 months	351,099.67	78,000.00	351,099.67	78,000.00
- Over 12 months	18,708,720.28	16,946,936.82	18,687,567.28	16,931,561.82
Total	<u>66,797,424.63</u>	<u>97,239,522.96</u>	<u>66,430,794.51</u>	<u>96,133,677.15</u>

7. CONTRACT ASSETS/UNBILLED SERVICE INCOME

7.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Unbilled services income	60,049,823.73	71,136,215.38	60,394,326.13	70,702,726.38
Less Allowance for expected credit losses	(3,863,605.71)	(4,845,400.50)	(3,863,605.71)	(4,845,400.50)
Net	56,186,218.02	66,290,814.88	56,530,720.42	65,857,325.88
Retention receivable under contracts (Note 6, 13)	14,252,967.52	14,401,783.20	14,252,967.52	14,401,783.20
Less Allowance for expected credit losses	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Net	10,630,403.45	10,779,219.13	10,630,403.45	10,779,219.13

7.2 Revenues expected to recognize for unsatisfied performance obligations

As at June 30, 2021 and December 31, 2020, the Group expects to have revenues to be recognize in the future for unsatisfied performance obligations (or partial unsatisfied) of contracts with customers in the amount of Baht 205.31 million and Baht 106.98 million respectively (Separate : Baht 204.69 million and Baht 104.32 million respectively). The Group expects to comply this performance obligation to be satisfied within 1 year (Separate : 1 year).

8. OTHER CURRENT FINANCIAL ASSETS

	Consolidated and Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020
Investment in equity securities	112,958,896.63	87,763,792.44
Cash at bank	0.00	8,000,000.00
Total	112,958,896.63	95,763,792.44

The increase and decrease of other current financial assets for the six-month periods ended June 30, 2021 are as follows:

	Consolidated and Separate financial statements (Baht)
Book value as at January 1, 2021	95,763,792.44
Increase during the period	55,000,000.00
Decrease during the period	(38,000,000.00)
Gain (loss) on changes in fair value of investment	195,104.19
Book value as at June 30, 2021	<u>112,958,896.63</u>

9. DISCONTINUED OPERATIONS OF COMPANY

According to the minutes of the Board of directors' meeting No. 6/2020 held on August 12, 2020, passed the resolution to dissolve the operation of subsidiary (QLT International Co., Ltd.). The management of the Company believe that the subsidiary will able to liquidate the dissolution to be completed in the year 2020. Therefore, the Company has reclassified assets and liabilities in such subsidiary to present as assets classified as held for sale and liabilities included with assets classified as held for sale and reclassified revenues and expenses to present as gains on discontinued operations.

On November 17, 2020, the subsidiary has already registered for dissolution and on April 8, 2021, the subsidiary has completely registered the liquidation.

10. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)	
				June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital, has common director and management	200,000 USD	80.00	80.00	5,323,600.00	4,099,600.00
Duwell Intertrade Co., Ltd.	Sales of materials and equipment use in engineering services, inspection	The Company held 99.99% share capital, has common director and management	9,930,000 Baht	99.99	99.99	14,413,500.00	14,413,500.00
Qualitech Solution Energy Company Limited	Producing and distributing electricity from solar power or other sources of energy	The Company held 70.00% share capital, has common director and management	12,500,000 Baht	70.00	0.00	8,749,950.00	0.00
Total						28,487,050.00	18,513,100.00

10.1 During the first quarter of 2021, a subsidiary (Qualitech Myanmar Company Limited.) has called for and received the payment for increase share capital amount of USD 50,000, total paid-up share capital amount of USD 200,000 (2,000 ordinary shares of USD 100 each). The subsidiary has registered the paid-up share capital on January 8, 2021.

10.2 During the second quarter of 2021, a subsidiary, (Qualitech Solution Energy Co., Ltd.) was established on April 9, 2021 with the registered share capital amount of Baht 50 million (divided into 500,000 ordinary shares at par value of Baht 100 each) by calling for and receiving the shares payment for company establishment at 25% of the par value of shares.

The Company has held 349,998 shares or equal to the proportion of investment at 70.00% of total share capital.

10.3 The financial statements for the three-month and six-month periods ended June 30, 2021 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 The increase and decrease of property, plant and equipment for the six-month periods ended June 30, 2021 are as follows:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at January 1, 2021	177,244,444.08	175,547,070.42
Purchase during the period - cost	5,497,912.17	5,361,250.46
Disposal during the period - net book value as at disposal date	(1,517,308.93)	(1,517,307.93)
Depreciation for the period	(13,015,607.96)	(12,824,972.05)
Transfer from right-of-use assets	361,436.05	361,436.05
Net book value as at June 30, 2021	<u>168,570,875.41</u>	<u>166,927,476.95</u>

11.2 As at June 30, 2021 and December 31, 2020, land and building at cost of Baht 36.94 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.

12. RIGHT-OF-USE ASSETS

12.1 The increase and decrease of right-of-use assets for the six-month periods ended June 30, 2021 are as follows :

	Consolidated and
	Separate financial
	statements (Baht)
Net book value as at January 1, 2021	14,924,254.27
Purchase during the period - cost	989,514.02
Depreciation for the period	(237,146.21)
Transfer to property, plant and equipment	(361,436.05)
Net book value as at June 30, 2021	<u>15,315,186.03</u>

12.2 As at June 30, 2021 and December 31, 2020, vehicles at cost of Baht 16.67 million and Baht 16.27 million in the consolidated and separate financial statements which is still pending the payment under leases (note 15).

13. OTHER NON-CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Deposit receivable under contract	3,622,564.07	3,622,564.07	3,622,564.07	3,622,564.07
Others	378,743.55	331,165.55	317,603.55	1,494,025.55
Total	4,001,307.62	3,953,729.62	3,940,167.62	5,116,589.62
Less Allowance for expected credit losses	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Less Provisions for impairment of assets	(2,962.17)	(2,952.17)	(2,962.17)	(2,952.17)
Net	375,781.38	328,213.38	314,641.38	1,491,073.38

14. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Trade accounts payable	13,271,981.32	9,693,615.33	13,489,828.29	10,297,867.07
Other current payables				
Accrued expenses	8,147,862.97	18,894,301.13	7,532,443.09	18,455,076.87
Assets payables	169,052.53	387,623.30	169,052.53	387,623.30
Others	3,258,688.54	3,954,387.50	2,768,043.48	3,701,579.25
Total	24,847,585.36	32,929,927.26	23,959,367.39	32,842,146.49

15. LEASE LIABILITIES

15.1 Lease liabilities excluded future interest expenses as follows :

	Consolidated and Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020
Hire purchase payable	8,706,184.00	9,536,206.00
Less Future interest expenses of financial lease	(413,470.25)	(504,688.69)
Total	8,292,713.75	9,031,517.31
Less Current portion of long-term liabilities	(3,127,698.47)	(3,003,458.44)
Net	5,165,015.28	6,028,058.87

15.2 The increase and decrease of lease liabilities for the six-month periods ended June 30, 2021 are as follows:

	Consolidated and Separate financial statements (Baht)
Book value as at January 1, 2021	9,031,517.31
Increase during the period	835,112.00
Repayment during the period	<u>(1,573,915.56)</u>
Book value as at June 30, 2021	<u><u>8,292,713.75</u></u>

15.3 The Company's right-of-use assets at cost are under the payment as indicated in agreement as follows:

	Consolidated and Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020
Vehicles	<u>16,667,448.63</u>	<u>16,271,934.61</u>

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The increase and decrease of non-current provisions for employee benefit for the six-month periods ended June 30, 2021 are as follows :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2021	27,309,774.24	27,183,438.07
Current cost of services and interest	<u>1,485,773.66</u>	<u>1,466,603.09</u>
Book value as at June 30, 2021	<u><u>28,795,547.90</u></u>	<u><u>28,650,041.16</u></u>

17. DIVIDEND PAID

According to the annual general shareholders' meeting for the year 2021 held on April 8, 2021, passed the resolution to pay dividend from profit for the year 2020 to the shareholders at Baht 0.30 per share, amount of Baht 29.57 million which was already paid interim dividend at Baht 0.05 per share amount of Baht 4.93 million, the remaining to be paid at Baht 0.25 per share amount of Baht 24.64 million in which the Company has fully paid such dividend on April 30, 2021.

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 22).

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 six-month periods ended June 30, 2021 and 2020 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current income tax				
For the current year	99,103.07	(623,313.62)	0.00	(612,785.82)
Deferred tax				
Changes in temporary differences	223,051.39	275,736.81	223,051.39	275,736.81
Total tax expense (income)	322,154.46	(347,576.81)	223,051.39	(337,049.01)

	For the six-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current income tax				
For the current year	124,500.62	108,636.11	0.00	0.00
Deferred tax				
Changes in temporary differences	690,897.68	(628,881.63)	690,897.68	(628,881.63)
Total tax expense (income)	815,398.30	(520,245.52)	690,897.68	(628,881.63)

19. ADDITIONAL DISCLOSURE OF STATEMENTS OF CASH FLOWS

19.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Cash	1,392,875.16	1,496,790.07	1,224,927.48	1,406,910.22
Cash at bank - current accounts	1,006,567.43	1,383,475.14	34,000.00	34,000.00
Cash at bank - savings deposit	36,079,332.47	69,659,896.40	17,087,436.73	60,526,543.29
Total	38,478,775.06	72,540,161.61	18,346,364.21	61,967,453.51

19.2 Non-cash transaction

For the year 2021

Parent company

- 1) The Company entered into hire purchase vehicles agreement of Baht 0.99 million which was already made the initial installment in the amount of Baht 0.21 million. The remaining is presented as lease liabilities.
- 2) The Company has the outstanding for fixed assets acquisition amount of Baht 0.17 million which is presented as other current payable.

20. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Part of the Group's 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 :

20.1 General information

Name	Relationship	Description	Pricing policy
Subsidiary			
QLT International Company	The Company held 99.99%	Income - sale of material	At agreed price
Limited	share capital, has common	Income - rental	At agreed price
	director and management	Income - management service fee	At agreed price
		Materials supply	At agreed price
Qualitech Myanmar Company	The Company held 80%	Income - wages	Close to market value
Limited	share capital, has common	Income - management service fee	At agreed price
	director and management	Income - rental	At agreed price
Duwell Intertrade Company	The Company held 99.99%	Income - wages	Close to market value
Limited	share capital, has common	Income - rental	At agreed price
	director and management	Income - management service fee	At agreed price
		Materials supply	Close to market value
		Contractor wages	Close to market value
Qualitech Solution Energy	The Company held 70.00%	Income - rental	At agreed price
Company Limited	share capital, has common		
	director and management		

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	0.00	60,000.00
Trade and other current payables	0.00	0.00	0.00	32,153.50
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	2,031,655.17	197,803.09
Contract assets	0.00	0.00	18,900.00	355,000.00
Duwell Intertrade Company Limited				
Trade and other current receivables	0.00	0.00	113,714.73	105,569.03
Contract assets	0.00	0.00	12,000.00	4,800.00
Trade and other current payables	0.00	0.00	1,277,640.19	1,281,094.96
Qualitech Solution Energy Company Limited				
Trade and other current receivables	0.00	0.00	44,593.30	0.00

20.3 Revenues and expenses transaction with related persons and parties for the three-month and six-month periods ended

June 30, 2021 and 2020 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
QLT International Company Limited				
Other income - rental	0.00	0.00	0.00	13,457.94
Other income - management fee	0.00	0.00	0.00	84,112.14
Cost of sales and services - material supply	0.00	0.00	0.00	513,500.00
Administrative expenses - material supply	0.00	0.00	0.00	12,276.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	2,000.00	500.00
Other income - management fee	0.00	0.00	28,197.87	75,274.50

For the three-month periods				
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	30,500.00	0.00
Other income - rental	0.00	0.00	66,591.34	47,920.06
Other income - management fee	0.00	0.00	84,112.14	56,074.76
Cost of sales and services - material supply	0.00	0.00	2,044,008.75	684,664.00
Cost of sales and services - contractor wages	0.00	0.00	72,930.00	0.00
Qualitech Solution Energy Company Limited				
Other income - rental	0.00	0.00	9,000.00	0.00
For the six-month periods				
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
QLT International Company Limited				
Revenue - sales	0.00	0.00	0.00	6,760.00
Other income - rental	0.00	0.00	0.00	26,915.88
Other income - management fee	0.00	0.00	0.00	168,224.28
Cost of sales and services - material supply	0.00	0.00	0.00	1,517,184.00
Administrative expenses - material supply	0.00	0.00	0.00	12,276.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	1,242,001.39	57,000.00
Other income - management fee	0.00	0.00	55,456.38	103,411.50
Other income - tools rental	0.00	0.00	55,000.00	0.00
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	42,500.00	0.00
Other income - rental	0.00	0.00	132,960.96	94,596.18
Other income - management fee	0.00	0.00	168,224.28	205,607.48
Cost of sales and services - material supply	0.00	0.00	3,827,533.75	1,504,639.00
Cost of sales and services - contractor wages	0.00	0.00	77,775.00	0.00
Qualitech Solution Energy Company Limited				
Other income - rental	0.00	0.00	9,000.00	0.00

21. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month and six-month periods ended June 30, 2021 and 2020 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Change in inventories	(1,773,329.35)	(1,002,158.81)	0.00	0.00
Employee benefit expenses	52,146,789.95	54,074,002.16	51,340,575.03	53,329,657.11
Depreciation	6,581,250.57	6,787,164.15	6,483,026.49	6,676,463.05
Supplies used	4,783,385.82	7,305,064.45	6,769,510.64	8,499,098.30
Contractor wage	7,574,490.87	7,529,721.45	7,647,545.74	7,535,721.45
Travelling and accommodation expenses	1,971,115.47	1,394,653.09	1,943,047.64	1,358,787.53
Office expenses	2,366,039.17	2,814,161.70	2,277,997.92	2,706,567.07
Official fee and consultant fee	1,062,844.54	1,089,569.33	974,309.08	989,393.44
Repairs and maintenance expenses	937,906.30	685,852.40	931,918.47	685,751.20
Directors' remuneration	282,199.99	791,700.00	282,199.99	791,700.00
Management benefit expenses	4,768,534.14	3,413,503.70	4,708,534.14	3,293,503.70
	For the six-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Change in inventories	(2,423,069.32)	(787,574.01)	0.00	0.00
Employee benefit expenses	107,185,151.77	118,693,869.49	105,415,889.14	115,327,346.41
Depreciation	13,252,754.17	13,258,041.06	13,062,118.26	13,027,263.95
Supplies used	9,988,063.99	13,835,021.33	13,751,972.58	16,845,103.43
Contractor wage	12,840,547.01	15,957,213.86	12,882,041.39	15,951,079.80
Travelling and accommodation expenses	3,973,851.62	4,029,300.40	3,909,020.90	3,784,855.07
Office expenses	5,145,675.43	5,547,602.21	4,971,967.82	5,379,647.05
Official fee and consultant fee	1,745,419.75	1,879,357.28	1,609,798.88	1,695,663.21
Repairs and maintenance expenses	1,788,577.44	1,431,265.35	1,780,527.77	1,422,651.65
Directors' remuneration	1,148,100.00	1,712,100.00	1,148,100.00	1,712,100.00
Management benefit expenses	9,814,651.15	10,074,874.23	9,694,651.15	9,759,874.23

22. RIGHTS AND PRIVILEGES UNDER PROMOTIONAL CERTIFICATE

The results of operation of the Group for the six-month periods ended June 30, 2021 and 2020 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Sales and services income	125,294,896.29	123,067,805.89	49,463,700.63	80,307,361.82	174,758,596.92	203,375,167.71
Cost of sale of services	(98,502,778.34)	(90,411,480.83)	(45,293,939.51)	(66,428,270.88)	(143,796,717.85)	(156,839,751.71)
Gross profit	26,792,117.95	32,656,325.06	4,169,761.12	13,879,090.94	30,961,879.07	46,535,416.00
Other income						
Gains (losses) on dissolution						
of subsidiary	0.00	0.00	(38,434.21)	0.00	(38,434.21)	0.00
Others	47,039.45	58,754.00	1,064,178.07	1,387,813.66	1,111,217.52	1,446,567.66
Distribution costs	(3,277,669.42)	(3,258,659.37)	(1,552,750.79)	(2,325,972.73)	(4,830,420.21)	(5,584,632.10)
Administrative expenses	(22,943,432.28)	(20,166,370.22)	(9,019,295.07)	(14,095,157.73)	(31,962,727.35)	(34,261,527.95)
Profit (loss) from operating						
activities	618,055.70	9,290,049.47	(5,376,540.88)	(1,154,225.86)	(4,758,485.18)	8,135,823.61
Finance costs	(237,233.93)	(186,198.93)	(116,431.84)	(165,919.40)	(353,665.77)	(352,118.33)
Profit (loss) before income tax	380,821.77	9,103,850.54	(5,492,972.72)	(1,320,145.26)	(5,112,150.95)	7,783,705.28
Tax (expense) income	0.00	0.00	(815,398.30)	520,245.52	(815,398.30)	520,245.52
Profit (loss) for the period	380,821.77	9,103,850.54	(6,308,371.02)	(799,899.74)	(5,927,549.25)	8,303,950.80

Unidentifiable cost of sales and services, distribution costs, administrative expenses and finance costs were allocated to the separately income segmen

23. OPERATING SEGMENTS

Revenues separated by nature of sales and services for the three-month and six-month periods ended June 30, 2021 and 2020 are as follows:

	Consolidated financial statements (Million Baht)			
	For the three-month periods		For the six-month periods	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Non-Destructive Testing	44.84	49.28	90.76	92.18
Inspection and certificate	30.50	33.66	66.67	93.71
Others	9.31	8.04	17.32	17.48
Total	84.65	90.98	174.75	203.37

24. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

Liquidity risk

As at June 30, 2021, the Group has the maturity details of non-derivatives financial liabilities which considered from undiscounted cash flows to be present value as follows:

(Unit : Million Baht)

	Consolidated financial statements			
	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Total</u>
Trade and other current payables	24.85	0.00	0.00	24.85
Lease liabilities	3.23	4.68	0.38	8.29
Total	28.08	4.68	0.38	33.14

(Unit : Million Baht)

	Separate financial statements			
	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Total</u>
Trade and other current payables	23.96	0.00	0.00	23.96
Lease liabilities	3.23	4.68	0.38	8.29
Total	27.19	4.68	0.38	32.25

25. HIERARCHY LEVELS OF FAIR VALUE

As at June 30, 2021, the Group presented carrying value of assets which measured at fair value separating by hierarchy of fair value as follows :

(Unit : Million Baht)

	Note	Consolidated and Separate financial statements			Total
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets measured at fair value					
Investment in equity instruments	8	112.96	0.00	0.00	112.96

26. COMMITMENT AND CONTINGENT LIABILITIES

- 26.1 As at June 30, 2021 and December 31, 2020, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 15.99 million and Baht 22.30 million respectively (Separate : Baht 18.93 million and Baht 21.56 million respectively).
- 26.2 The subsidiary has commitment under lease office building agreement as at June 30, 2021 and December 31, 2020 for the amount of Baht 0.22 million and Baht 0.02 million respectively.
- 26.3 The Group has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Group and guarantee the electricity usage to government agency, as at June 30, 2021 and December 31, 2020 total amount of Baht 18.94 million and Baht 22.60 million respectively Contingent liabilities are guaranteed by mortgaging land with its construction (note 11).

27. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on August 14, 2021.