

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022
(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 March 31, 2022, the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with 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.

S. Mangit.

(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

May 14, 2022

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
		(Unaudited	(Audited)	(Unaudited	(Audited)
		/Reviewed only)		/Reviewed only)	
Assets					
Current assets					
Cash and cash equivalents		49,281,908.83	40,888,782.89	35,146,954.83	21,978,323.05
Trade and other current receivables	5	65,349,746.22	79,113,969.72	59,571,754.47	77,344,909.32
Contract assets	6	70,519,418.37	68,956,421.88	69,981,911.09	68,788,893.68
Inventories		10,599,826.01	10,537,814.76	5,481,678.26	6,165,323.87
Other current financial assets	7	120,774,450.13	120,664,562.16	120,774,450.13	120,664,562.16
Total current assets		316,525,349.56	320,161,551.41	290,956,748.78	294,942,012.08
Non-current assets					
Investment in subsidiaries	8	0.00	0.00	24,914,893.20	24,914,893.20
Property, plant and equipment	9	154,535,587.46	159,227,303.08	153,092,597.56	157,686,229.96
Right-of-use assets	10	13,645,026.15	14,104,203.64	13,645,026.15	14,104,203.64
Goodwill		4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill		1,744,419.46	1,837,962.42	1,744,419.46	1,837,962.42
Deferred tax assets		3,313,809.28	3,229,321.88	3,515,778.82	3,432,703.84
Income tax for refund		4,625,228.93	3,127,975.31	4,616,635.69	3,119,382.07
Others non-current assets	11	11,586,666.43	351,615.00	3,993,026.43	290,475.00
Total non-current assets		194,295,077.08	186,722,720.70	205,522,377.31	205,385,850.13
Total assets		510,820,426.64	506,884,272.11	496,479,126.09	500,327,862.21

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2022

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
		(Unaudited	(Audited)	(Unaudited	(Audited)
		/Reviewed only)		/Reviewed only)	
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	12	40,074,658.16	39,351,735.72	34,667,088.93	40,123,013.84
Current portion of lease liabilities	13	2,829,986.11	2,931,238.07	2,829,986.11	2,931,238.07
Corporate income tax payable		643,157.37	0.00	0.00	0.00
Total current liabilities		43,547,801.64	42,282,973.79	37,497,075.04	43,054,251.91
Non-current liabilities					
Lease liabilities	13	3,042,918.99	3,745,482.42	3,042,918.99	3,745,482.42
Non-current provisions for employee benefit	14	24,284,528.06	23,706,061.70	24,199,152.49	23,627,748.24
Total non-current liabilities		27,327,447.05	27,451,544.12	27,242,071.48	27,373,230.66
Total liabilities		70,875,248.69	69,734,517.91	64,739,146.52	70,427,482.57

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2022

Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	March 31, 2022 (Unaudited /Reviewed only)	December 31, 2021 (Audited)	March 31, 2022 (Unaudited /Reviewed only)	December 31, 2021 (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
	Unappropriated	241,359,593.30	238,587,773.18	236,968,914.64	235,129,314.71
	Total owners of the Company	436,130,658.23	433,358,838.11	431,739,979.57	429,900,379.64
	Non-controlling interests	3,814,519.72	3,790,916.09	0.00	0.00
	Total shareholders' equity	439,945,177.95	437,149,754.20	431,739,979.57	429,900,379.64
	Total liabilities and shareholders' equity	510,820,426.64	506,884,272.11	496,479,126.09	500,327,862.21

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022

(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	Unappropriated	Total owners of the Company		
Beginning balance of the year 2022	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	238,587,773.18	433,358,838.11	3,790,916.09	437,149,754.20
Changes in shareholders' equity for the three-month periods:								
Profit for the period	0.00	0.00	0.00	0.00	2,771,820.12	2,771,820.12	23,603.63	2,795,423.75
Ending balance of the year 2022	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	241,359,593.30	436,130,658.23	3,814,519.72	439,945,177.95
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 three-month periods:								
Ordinary shares-additional paid-up	0.00	0.00	0.00	0.00	0.00	0.00	298,467.00	298,467.00
Subsidiary's dissolution	0.00	0.00	0.00	0.00	0.00	0.00	(2,886.30)	(2,886.30)
Profit (loss) for the period	0.00	0.00	0.00	0.00	(1,703,090.60)	(1,703,090.60)	11,788.79	(1,691,301.81)
Ending balance of the year 2021	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	250,856,107.49	445,627,172.42	126,778.12	445,753,950.54

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022

(UNAUDITED/REVIEWED ONLY)

Note	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled		Retained earnings		
			share-based payment reserve	share-based payment reserve	Appropriated	Unappropriated	
Beginning balance of the year 2022	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	235,129,314.71	429,900,379.64	
Changes in shareholders' equity for the three-month periods:							
Profit for the year	0.00	0.00	0.00	0.00	1,839,599.93	1,839,599.93	
Ending balance of the year 2022	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	236,968,914.64	431,739,979.57	
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 three-month periods:							
Profit for the year	0.00	0.00	0.00	0.00	753,273.53	753,273.53	
Ending balance of the year 2020	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,465,193.53	447,236,258.46	

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2022	2021	2022	2021
Cash flows from operating activities					
Profit for the period		2,795,423.75	(1,691,301.81)	1,839,599.93	753,273.53
Adjustments					
Gain on revaluation of fair value		(109,887.97)	(69,795.41)	(109,887.97)	(69,795.41)
Unrealized (gain) loss on exchange rate		(35,343.54)	294.47	(29,352.47)	(797.64)
Expected credit losses (reversed)		336,645.14	(220,187.00)	336,645.14	(220,187.00)
(Increase) decrease in unbilled service income		(1,610,834.65)	10,404,638.17	(1,240,855.57)	10,909,512.19
(Gains) losses on dissolution of subsidiary		0.00	38,434.21	0.00	(3,136,890.59)
Depreciation		5,499,463.33	6,671,503.60	5,398,283.85	6,579,091.77
(Gains) loss on sale of equipment		(2,340.16)	104,629.97	(2,340.16)	104,628.97
Loss on impairment of properties foreclosed		1,821,811.75	746,719.64	1,821,811.75	746,719.64
Amortized other intangible assets other than goodwill		93,542.96	128,927.13	93,542.96	128,927.13
Provisions for employee benefits		450,165.09	637,493.52	443,620.39	628,449.62
Interest expenses		183,934.88	179,565.15	183,417.47	179,076.72
Tax expenses (income)		267,039.41	493,243.84	(83,074.98)	467,846.29
		<u>9,689,619.99</u>	<u>17,424,165.48</u>	<u>8,651,410.34</u>	<u>17,069,855.22</u>
(Increase) Decrease in portion of operating assets					
Trade and other current receivables		13,510,760.06	21,276,607.73	17,513,700.34	22,536,242.64
Inventories		(62,011.25)	158,005.33	683,645.61	693,242.41
Other assets		(7,588,700.00)	(17,385.28)	(56,200.00)	(5,300.00)
Increase (Decrease) in portion of operating liabilities					
Trade and other current payables		(4,029,636.75)	(8,803,881.28)	(10,505,471.91)	(9,934,121.52)
Cash generated (paid) from operation		<u>11,520,032.05</u>	<u>30,037,511.98</u>	<u>16,287,084.38</u>	<u>30,359,918.75</u>
Interest paid		(55,633.61)	(78,276.21)	(55,633.61)	(78,276.21)
Income tax paid		(1,502,610.87)	(1,426,380.97)	(1,497,253.62)	(1,394,157.94)
Income tax refunded		0.00	814,529.61	0.00	814,529.61
Net cash provided by (used in) operating activities		<u>9,961,787.57</u>	<u>29,347,384.41</u>	<u>14,734,197.15</u>	<u>29,702,014.21</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2022	2021	2022	2021
Cash flows from investing activities					
Proceeds from equity securities of other parties		0.00	8,000,000.00	0.00	8,000,000.00
Payments for acquire of equity securities of other parties		0.00	(35,000,000.00)	0.00	(35,000,000.00)
Proceeds from dissolution of subsidiary					
net of cash paid		0.00	13,422,495.48	0.00	13,386,275.59
Proceeds from sales of equipment		832,866.82	0.00	832,866.82	0.00
Payments for equipment acquisition		(1,597,713.06)	(1,702,198.88)	(1,594,616.80)	(1,582,733.66)
Net cash provided by (used in) investing activities		<u>(764,846.24)</u>	<u>(15,279,703.40)</u>	<u>(761,749.98)</u>	<u>(15,196,458.07)</u>
Cash flows from financing activities					
Payments for lease liabilities		(803,815.39)	(788,630.79)	(803,815.39)	(788,630.79)
Payments for non-controlling interests		0.00	(2,886.30)	0.00	0.00
Net cash provided by (used in) financing activities		<u>(803,815.39)</u>	<u>(791,517.09)</u>	<u>(803,815.39)</u>	<u>(788,630.79)</u>
Net increase (decrease) in cash and cash equivalents		8,393,125.94	13,276,163.92	13,168,631.78	13,716,925.35
Cash and cash equivalents as at the beginning of the period		40,888,782.89	27,265,522.09	21,978,323.05	21,665,715.73
Cash and cash equivalents as at the end of the period	16	<u>49,281,908.83</u>	<u>40,541,686.01</u>	<u>35,146,954.83</u>	<u>35,382,641.08</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022

(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 INFORMATION BASIS

2.1 The interim financial information has 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.

This interim financial information has 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, this interim financial information 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, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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 will become effective for fiscal year beginning on or after January 1, 2023

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for the financial statements for the fiscal year beginning on or after January 1, 2023. 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.

The management of the Group is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

3. INTERIM CONSOLIDATED FINANCIAL INFORMATION PREPARATION BASIS

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

	Registration in	Percentage of investment %		Type of business
		March 31, 2022 December 31, 2021		
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	70.00	Producing and distributing electricity from solar power or other sources of energy

3.2 The interim consolidated financial information has 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.

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, 2021

5. TRADE AND OTHER CURRENT RECEIVABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Trade accounts receivable	74,275,560.15	88,701,320.69	70,072,384.21	87,288,615.35
Other current receivables				
Retention receivable under				
contracts (Note 6)	1,371,284.66	2,395,300.89	1,371,284.66	2,395,300.89
Prepaid expenses	4,885,325.78	4,166,890.84	4,308,516.36	4,101,379.22
Others	4,497,147.65	3,241,222.34	3,499,141.26	2,950,378.90
Total	<u>85,029,318.24</u>	<u>98,504,734.76</u>	<u>79,251,326.49</u>	<u>96,735,674.36</u>
Less Allowance for expected credit losses				
- Trade accounts receivable	<u>(19,679,572.02)</u>	<u>(19,390,765.04)</u>	<u>(19,679,572.02)</u>	<u>(19,390,765.04)</u>
Net	<u>65,349,746.22</u>	<u>79,113,969.72</u>	<u>59,571,754.47</u>	<u>77,344,909.32</u>

Billed trade accounts receivable separated on aging are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Undue trade accounts receivable	33,516,169.59	41,819,134.16	30,655,349.25	41,142,059.93
Overdue trade accounts receivable				
- Less than 3 months	20,395,803.08	26,717,836.88	19,165,657.48	26,236,941.27
- Over 3 months to 6 months	689,149.90	996,760.85	689,149.90	990,820.85
- Over 6 months to 9 months	664,789.42	509,066.70	664,789.42	281,424.20
- Over 9 months to 12 months	1,133,386.00	1,597,765.60	1,042,329.00	1,597,765.60
- Over 12 months	17,876,262.16	17,060,756.50	17,855,109.16	17,039,603.50
Total	<u>74,275,560.15</u>	<u>88,701,320.69</u>	<u>70,072,384.21</u>	<u>87,288,615.35</u>

6. CONTRACT ASSETS

6.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Unbilled services income	76,158,043.24	74,547,208.59	75,620,535.96	74,379,680.39
Less Allowance for expected credit losses	(5,638,624.87)	(5,590,786.71)	(5,638,624.87)	(5,590,786.71)
Net	<u>70,519,418.37</u>	<u>68,956,421.88</u>	<u>69,981,911.09</u>	<u>68,788,893.68</u>
Retention receivable under contracts (Note 5, 11)	4,993,848.73	6,017,864.96	4,993,848.73	6,017,864.96
Less Allowance for expected credit losses	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Net	<u>1,371,284.66</u>	<u>2,395,300.89</u>	<u>1,371,284.66</u>	<u>2,395,300.89</u>

6.2 Revenues expected to recognize for unsatisfied performance obligations

As at March 31, 2022 and December 31, 2021, 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 184.20 million and Baht 188.22 million respectively (Separate : Baht 183.55 million and Baht 187.58 million respectively). The Group expects to comply this performance obligation to be satisfied within 1 year (Separate : 1 year).

7. OTHER CURRENT FINANCIAL ASSETS

	Consolidated and Separate financial statements (Baht)	
	March 31, 2022	December 31, 2021
Investment in equity securities	<u>120,774,450.13</u>	<u>120,664,562.16</u>

The increase and decrease of other current financial assets for the three-month periods ended March 31, 2022 are as follow :

	Consolidated and Separate financial statements (Baht)
Book value as at January 1, 2022	120,664,562.16
Gain (loss) on changes in fair value of investment	109,887.97
Book value as at March 31, 2022	<u>120,774,450.13</u>

8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)	
				March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
				Cost price			
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	5,323,600.00
Duwell Intertrade Company Limited	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	70.00	8,749,950.00	8,749,950.00
Total						28,487,050.00	28,487,050.00
Less Provision for impairment of investment in Qualitech Myanmar Company Limited						(3,572,156.80)	(3,572,156.80)
Net						24,914,893.20	24,914,893.20

The financial statements for the three-month periods ended March 31, 2022 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

9. PROPERTY, PLANT AND EQUIPMENT

9.1 The increase and decrease of property, plant and equipment for the three-month periods ended March 31, 2022 are as follow :

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at January 1, 2022	159,227,303.08	157,686,229.96
Purchase during the period - cost	6,647,260.06	6,644,163.80
Disposal during the period - net book value as at disposal date	(6,298,689.84)	(6,298,689.84)
Depreciation for the period	(5,040,285.84)	(4,939,106.36)
Net book value as at March 31, 2022	<u>154,535,587.46</u>	<u>153,092,597.56</u>

9.2 As at March 31, 2022 and December 31, 2021, 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.

10. RIGHT-OF-USE ASSETS

10.1 The increase and decrease of right-of-use assets for the three-month periods ended March 31, 2022 are as follow :

	Consolidated and
	Separate financial
	statements (Baht)
Net book value as at January 1, 2022	14,104,203.64
Depreciation for the period	(459,177.49)
Net book value as at March 31, 2022	<u>13,645,026.15</u>

10.2 As at March 31, 2022 and December 31, 2021, vehicles at cost of Baht 16.01 million in the consolidated financial statements which is still pending the payment under leases (note 13).

11. OTHER NON-CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Deposit receivable under contract	3,622,564.07	3,622,564.07	3,622,564.07	3,622,564.07
Properties foreclosed	5,468,163.18	11,187.65	5,468,163.18	11,187.65
Assets held under financial lease				
construction in progress	7,532,500.00	0.00	0.00	0.00
Others	407,815.00	351,615.00	346,675.00	290,475.00
Total	17,031,042.25	3,985,366.72	9,437,402.25	3,924,226.72
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	(1,821,811.75)	(11,187.65)	(1,821,811.75)	(11,187.65)
Net	11,586,666.43	351,615.00	3,993,026.43	290,475.00

12. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Trade accounts payable	18,969,473.06	15,730,316.96	14,663,486.42	16,865,751.45
Other current payables				
Accrued expenses	12,516,835.30	19,500,184.37	11,740,260.29	18,863,549.87
Assets payables	5,704,864.84	47,515.04	5,744,347.84	694,800.84
Others	2,883,484.96	4,073,719.35	2,518,994.38	3,698,911.68
Total	40,074,658.16	39,351,735.72	34,667,088.93	40,123,013.84

13. LEASE LIABILITIES

13.1 Lease liabilities excluded future interest expenses as follows :

	Consolidated and Separate financial statements (Baht)	
	March 31, 2022	December 31, 2021
Hire purchase payable	6,094,321.00	6,953,770.00
Less Future interest expenses of financial lease	(221,415.90)	(277,049.51)
Total	5,872,905.10	6,676,720.49
Less Current portion of lease liabilities	(2,829,986.11)	(2,931,238.07)
Net	3,042,918.99	3,745,482.42

13.2 The increase and decrease of lease liabilities for the three-month periods ended March 31, 2022 are as follow :

	Consolidated and Separate financial statements (Baht)
Book value as at January 1, 2022	6,676,720.49
Repayment during the period	(803,815.39)
Book value as at March 31, 2022	5,872,905.10

13.3 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)	
	March 31, 2022	December 31, 2021
Vehicles	16,012,448.63	16,012,448.63

14. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The increase and decrease of non-current provisions for employee benefit for the three-month periods ended March 31, 2022 are as follow :

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Book value as at January 1, 2022	23,706,061.70	23,627,748.24
Current cost of services and interest	578,466.36	571,404.25
Book value as at March 31, 2022	<u>24,284,528.06</u>	<u>24,199,152.49</u>

15. INCOME TAX

15.1 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 19).

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).

15.2 Tax expense (income) recognized in profit or loss for the three-month periods ended March 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current income tax				
For the current year	351,526.81	25,397.55	0.00	0.00
Deferred tax				
Changes in temporary differences	(84,487.40)	467,846.29	(83,074.98)	467,846.29
Total tax expense (income)	<u>267,039.41</u>	<u>493,243.84</u>	<u>(83,074.98)</u>	<u>467,846.29</u>

16. ADDITIONAL DISCLOSURE OF STATEMENTS OF CASH FLOWS

16.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash	492,786.99	1,368,193.24	322,645.21	1,246,151.74
Cash at bank - current accounts	99,198.43	1,026,086.55	34,000.00	34,000.00
Cash at bank - savings deposit	48,689,923.41	38,147,406.22	34,790,309.62	34,102,489.34
Total	49,281,908.83	40,541,686.01	35,146,954.83	35,382,641.08

16.2 Non-cash transaction

	Consolidated and Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021
Transfer equipment to be properties foreclosed	5,468,168.18	1,379,719.64
Payables from acquire of equipment	5,049,547.00	436,776.17

17. 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 :

17.1 General information

Name	Relationship	Description	Pricing policy
<u>Subsidiary</u>			
Qualitech Myanmar Company Limited	The Company held 80% share capital, has common director and management	Income - wages	Close to market value
		Income - management service fee	At agreed price
		Income - rental	At agreed price
Duwell Intertrade Company Limited	The Company held 99.99% share capital, has common director and management	Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Income - other service charges	At agreed price
		Materials supply	Close to market value
		Contractor wages	Close to market value
		Other service charges	Close to market value
Qualitech Solution Energy Company Limited	The Company held 70.00% share capital, has common director and management	Income - rental	At agreed price
		Income - management service fee	At agreed price
<u>Other related parties</u>			
Creative Solutions Energy Company Limited	Shareholding and common directors and executives in subsidiary	Management service fee	At agreed price
		Contractor wages	At agreed price

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	0.00	9,974.07
Contract assets	0.00	0.00	348,941.79	45,000.00
Duwell Intertrade Company Limited				
Trade and other current receivables	0.00	0.00	128,291.41	215,256.04
Contract assets	0.00	0.00	99,031.34	6,000.00
Trade and other current payables	0.00	0.00	1,008,255.65	2,276,943.95
Qualitech Solution Energy Company Limited				
Trade and other current receivables	0.00	0.00	0.00	3,000.00
Contract assets	0.00	0.00	83,000.00	0.00
Creative Solutions Energy Company Limited				
Trade and other current receivables	155,417.50	0.00	0.00	0.00

17.3 Revenues and expenses transaction with related persons and parties for the three-month periods ended March 31, 2022 and 2021 are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	339,000.00	1,240,001.39
Other income - management fee	0.00	0.00	29,689.05	27,258.51
Other income - tools rental	0.00	0.00	0.00	55,000.00
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	43,000.00	12,000.00
Other income - rental	0.00	0.00	62,997.15	66,369.62
Other income - management fee	0.00	0.00	168,224.31	84,112.14
Other income - other service charges	0.00	0.00	23,211.68	0.00
Cost of sales and services - material				
supply	0.00	0.00	1,636,690.00	1,783,525.00
Cost of sales and services - contractor				
wages	0.00	0.00	5,700.00	4,845.00

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Qualitech Solution Energy Company Limited				
Other income - rental	0.00	0.00	9,000.00	0.00
Other income - management fee	0.00	0.00	80,000.00	0.00
Creative Solutions Energy Company Limited				
Administrative expenses - payables				
fee	66,500.00	0.00	0.00	0.00

17.4 Other transaction with related persons and parties for the three-month periods ended March 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Duwell Intertrade Company Limited				
Fixed assets - equipment	0.00	0.00	36,900.00	242,250.00
Creative Solutions Energy Company Limited				
Construction in progress-wages	232,500.00	0.00	0.00	0.00

18. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month periods ended March 31, 2022 and 2021 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Changes in inventories	(313,991.90)	(649,739.97)	0.00	0.00
Employee benefit expenses	52,043,847.24	54,983,361.82	50,951,120.47	54,075,314.11
Depreciation	5,499,463.33	6,671,503.60	5,398,283.85	6,579,091.77
Supplies used	4,341,484.06	5,204,678.17	5,921,831.79	6,982,461.94
Contractor wage	8,000,456.52	5,266,056.14	7,982,201.24	5,234,495.65
Travelling and accommodation expenses	1,959,694.13	2,002,736.15	1,772,931.31	1,965,973.26
Office expenses	3,011,084.40	2,779,636.26	2,840,591.84	2,693,969.90
Official fee and consultant fee	958,415.70	682,575.21	862,733.09	635,489.80
Repairs and maintenance expenses	682,659.47	850,671.14	673,411.80	848,609.30
Directors' remuneration	636,100.00	865,900.01	636,100.00	865,900.01
Management benefit expenses	4,976,485.60	5,101,117.01	4,916,485.60	4,986,117.01

19. RIGHTS AND PRIVILEGES UNDER PROMOTIONAL CERTIFICATE

The results of operation of the Group for the three-month periods ended March 31, 2022 and 2021 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sales and services income	32,357,737.43	61,732,908.36	61,719,010.04	28,381,602.31	94,076,747.47	90,114,510.67
Cost of sale of services	(24,128,504.59)	(46,651,339.63)	(46,958,075.57)	(26,037,531.72)	(71,086,580.16)	(72,688,871.35)
Gross profit	8,229,232.84	15,081,568.73	14,760,934.47	2,344,070.59	22,990,167.31	17,425,639.32
Other income						
Gains (losses) on dissolution						
of subsidiary	0.00	0.00	0.00	(38,434.21)	0.00	(38,434.21)
Others	130,940.76	9.09	262,711.49	486,921.55	393,652.25	486,930.64
Distribution costs	(746,096.24)	(1,514,877.07)	(1,577,726.00)	(860,612.64)	(2,323,822.24)	(2,375,489.71)
Administrative expenses	(6,192,964.18)	(11,799,525.48)	(11,620,635.10)	(4,717,613.38)	(17,813,599.28)	(16,517,138.86)
Profit (loss) from operating						
activities	1,421,113.18	1,767,175.27	1,825,284.86	(2,785,668.09)	3,246,398.04	(1,018,492.82)
Finance costs	(61,270.63)	(113,889.09)	(122,664.25)	(65,676.06)	(183,934.88)	(179,565.15)
Profit (loss) before income tax	1,359,842.55	1,653,286.18	1,702,620.61	(2,851,344.15)	3,062,463.16	(1,198,057.97)
Tax (expense) income	0.00	0.00	(267,039.41)	(493,243.84)	(267,039.41)	(493,243.84)
Profit (loss) for the period	1,359,842.55	1,653,286.18	1,435,581.20	(3,344,587.99)	2,795,423.75	(1,691,301.81)

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

20. OPERATING SEGMENTS

20.1 Revenues separated by nature of sales and services for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Consolidated financial statements	
	(Million Baht)	
	March 31, 2022	March 31, 2021
Sales	4.13	3.16
Services income		
Non-Destructive Testing	45.82	45.92
Inspection and certificate	40.08	36.18
Others	4.05	4.85
Total	89.95	86.95
Total	94.08	90.11

20.2 For the three-month periods ended March 31, 2022 and 2021, the Group has revenues from five major customers in the amount of Baht 38.21 million and Baht 37.79 million respectively.

21. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

Liquidity risk

As at March 31, 2022 and December 31, 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					
	Note	Less than 1 year	1 - 3 years	3 - 5 years	Total
As at March 31, 2022					
Trade and other current payables	12	40.07	0.00	0.00	40.07
Lease liabilities	13	2.92	2.95	0.00	5.87
Total		<u>42.99</u>	<u>2.95</u>	<u>0.00</u>	<u>45.94</u>
As at December 31, 2021					
Trade and other current payables	12	39.35	0.00	0.00	39.35
Lease liabilities	13	3.03	3.65	0.00	6.68
Total		<u>42.38</u>	<u>3.65</u>	<u>0.00</u>	<u>46.03</u>

(Unit : Million Baht)

Separate financial statements					
	Note	Less than 1 year	1 - 3 years	3 - 5 years	Total
As at March 31, 2022					
Trade and other current payables	12	34.67	0.00	0.00	34.67
Lease liabilities	13	2.92	2.95	0.00	5.87
Total		<u>37.59</u>	<u>2.95</u>	<u>0.00</u>	<u>40.54</u>
As at December 31, 2021					
Trade and other current payables	12	40.12	0.00	0.00	40.12
Lease liabilities	13	3.03	3.65	0.00	6.68
Total		<u>43.15</u>	<u>3.65</u>	<u>0.00</u>	<u>46.80</u>

22. HIERARCHY LEVELS OF FAIR VALUE

As at March 31, 2022 and December 31, 2021, the Group presented carrying value of assets which measured at fair value separating by hierarchy of fair value as follows :

(Unit : Million Baht)

	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Assets measured at fair value				
Other current financial assets	120.77	0.00	0.00	120.77
As at December 31, 2021				
Assets measured at fair value				
Other current financial assets	120.66	0.00	0.00	120.66

23. COMMITMENT AND CONTINGENT LIABILITIES

- 23.1 As at March 31, 2022 and December 31, 2021, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 27.24 million and Baht 21.99 million in the consolidated financial statements and Baht 21.28 million and Baht 24.73 million in the separate financial statements respectively.
- 23.2 The subsidiary has commitment under lease office building agreement as at March 31, 2022 and December 31, 2021 for the amount of Baht 0.18 million and Baht 0.15 million respectively.
- 23.3 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 March 31, 2022 and December 31, 2021 total amount of Baht 10.21 million and Baht 10.59 million respectively in the consolidated and separate financial statements. Contingent liabilities are guaranteed by mortgaging land with its construction (note 9).
- 23.4 On October 26, 2021, there is a flame erupted around the chemical tank, resulting the damages to property of the employer which is the area of the Company's sub-contractor performance. Currently, it is proceeding of the police officer for investigation and gathering file of a case and assessing the value of the damaged property by the employer. The management of the Company is unable to assess the contingent damages value that may occur.

23.5 The Company has a litigation arising from the employment of workers as at March 31, 2022 and December 31, 2021 amounting to Baht 3.06 million and Baht 1.87 million respectively. The case is currently under trial by the Court, which the Company's management believes that it will not have a significant impact on the Company's financial position.

24. EVENTS AFTER THE REPORTING PERIOD

According to the annual general shareholders' meeting for the year 2022 held on April 5, 2022, passed the resolution to pay dividend from profit for the year 2021 to the shareholders at Baht 0.20 per share, amount of Baht 19.71 million in which the Company has fully paid such dividend on April 28, 2022.

25. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial information were approved and authorized for issue by the Board of directors of the Company on May 14, 2022.