

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION**  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019  
(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, 2019, the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2019, 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 Chrityakerne)

C.P.A. (Thailand)

Registration No. 2982

August 10, 2019

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		June 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)	June 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)
<b>Current assets</b>					
Cash and cash equivalents		49,962,756.28	50,994,003.16	45,680,326.59	40,211,867.21
Current investment	5	97,533,362.58	101,640,587.86	84,054,569.16	93,241,804.85
Trade and other current receivables	6	48,499,834.85	66,777,543.72	48,347,073.77	66,111,580.62
Unbilled services income	7	84,408,180.58	60,152,478.67	81,547,718.81	59,827,899.84
Inventories		6,104,237.21	4,571,516.28	4,445,905.95	3,571,215.70
<b>Total current assets</b>		<b>286,508,371.50</b>	<b>284,136,129.69</b>	<b>264,075,594.28</b>	<b>262,964,368.22</b>
<b>Non-current assets</b>					
Investment in subsidiaries	8	0.00	0.00	14,348,985.00	14,348,985.00
Bank deposits with obligations	9	0.00	4,468,400.00	0.00	3,500,000.00
Property, plant and equipment	10	179,018,131.34	182,614,522.97	176,323,002.44	179,546,452.00
Other intangible assets		2,209,497.51	2,186,404.05	2,209,497.51	2,186,404.05
Deferred tax assets		1,291,646.15	1,291,646.15	1,288,783.65	1,288,783.65
Income tax for refund		11,260,649.44	9,623,963.82	11,115,187.93	9,466,306.44
Others non-current assets	11	1,166,058.30	915,842.48	1,166,058.30	915,842.48
<b>Total non-current assets</b>		<b>194,945,982.74</b>	<b>201,100,779.47</b>	<b>206,451,514.83</b>	<b>211,252,773.62</b>
<b>Total assets</b>		<b>481,454,354.24</b>	<b>485,236,909.16</b>	<b>470,527,109.11</b>	<b>474,217,141.84</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT JUNE 30, 2019

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		June 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)	June 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)
<b>Current liabilities</b>					
Trade and other current payables	12	33,164,198.99	28,533,645.80	33,190,062.30	27,780,461.23
Current portion of long-term liabilities	13	1,484,332.51	1,903,042.44	1,484,332.51	1,882,759.44
Current income tax payable		236,417.37	0.00	0.00	0.00
<b>Total current liabilities</b>		<b>34,884,948.87</b>	<b>30,436,688.24</b>	<b>34,674,394.81</b>	<b>29,663,220.67</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	13	2,148,738.30	2,012,034.75	2,148,738.30	2,012,034.75
Non-current provisions for employee benefit	14	19,521,163.20	14,288,934.55	19,504,689.60	14,274,622.03
<b>Total non-current liabilities</b>		<b>21,669,901.50</b>	<b>16,300,969.30</b>	<b>21,653,427.90</b>	<b>16,286,656.78</b>
<b>Total liabilities</b>		<b>56,554,850.37</b>	<b>46,737,657.54</b>	<b>56,327,822.71</b>	<b>45,949,877.45</b>
<b>Shareholders' equity</b>					
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	15	228,833,331.52	242,574,905.59	218,704,865.44	232,772,843.43
Other components of shareholders' equity		1,027,435.11	1,027,435.11	723,356.03	723,356.03
<b>Total owners of the Company</b>		<b>424,631,831.56</b>	<b>438,373,405.63</b>	<b>414,199,286.40</b>	<b>428,267,264.39</b>
Non-controlling interests		267,672.31	125,845.99	0.00	0.00
<b>Total shareholders' equity</b>		<b>424,899,503.87</b>	<b>438,499,251.62</b>	<b>414,199,286.40</b>	<b>428,267,264.39</b>
<b>Total liabilities and shareholders' equity</b>		<b>481,454,354.24</b>	<b>485,236,909.16</b>	<b>470,527,109.11</b>	<b>474,217,141.84</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Services income		109,006,906.29	90,251,727.67	106,101,848.60	89,348,717.12
Cost of services		(84,850,314.55)	(75,182,173.91)	(83,603,823.67)	(74,548,790.00)
Gross profit		24,156,591.74	15,069,553.76	22,498,024.93	14,799,927.12
Other income		1,065,091.06	580,139.16	1,041,769.42	591,862.41
Administrative expenses		(15,745,002.08)	(14,503,568.13)	(15,241,237.67)	(14,065,763.61)
Finance costs		(208,210.87)	(79,468.11)	(208,010.37)	(89,061.63)
Profit before income tax expense		9,268,469.85	1,066,656.68	8,090,546.31	1,236,964.29
Tax (expense) income	16	(1,052,715.03)	364,319.76	(816,297.66)	389,282.62
Profit for the period from continuing operations		8,215,754.82	1,430,976.44	7,274,248.65	1,626,246.91
Loss for the period from discontinued operations	17	0.00	(493,307.42)	0.00	0.00
Profit for the period		8,215,754.82	937,669.02	7,274,248.65	1,626,246.91
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains on remeasUREMENTS of defined					
benefit plans		0.00	3,476,649.01	0.00	1,527,836.00
- Income tax relating to components of					
other comprehensive income that					
will not be reclassified to profit or loss		0.00	(491,913.71)	0.00	(102,151.11)
Other comprehensive income for the period -					
net of tax		0.00	2,984,735.30	0.00	1,425,684.89
Total comprehensive income for the period		8,215,754.82	3,922,404.32	7,274,248.65	3,051,931.80

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
Profit (loss) attributable to :				
Owners of the Company	7,998,200.09	931,026.67	7,274,248.65	1,626,246.91
Non-controlling interests	217,554.73	6,642.35	0.00	0.00
Total	<u>8,215,754.82</u>	<u>937,669.02</u>	<u>7,274,248.65</u>	<u>1,626,246.91</u>
Total comprehensive income (expense) attributable to :				
Owners of the Company	7,998,200.09	3,915,463.50	7,274,248.65	3,051,931.80
Non-controlling interests	217,554.73	6,940.82	0.00	0.00
Total	<u>8,215,754.82</u>	<u>3,922,404.32</u>	<u>7,274,248.65</u>	<u>3,051,931.80</u>
Earnings per share				
Basic earnings per share	0.08	0.01	0.07	0.02
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, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Services income		199,763,947.67	183,546,394.11	195,292,191.11	182,152,786.42
Cost of services		(157,077,022.65)	(150,742,474.85)	(154,679,113.63)	(149,572,366.34)
Gross profit		42,686,925.02	32,803,919.26	40,613,077.48	32,580,420.08
Other income		1,855,082.68	1,325,224.00	1,873,784.69	1,360,927.52
Administrative expenses		(32,097,265.16)	(30,520,656.77)	(30,747,087.09)	(29,706,319.10)
Finance costs		(349,654.01)	(236,333.77)	(349,334.16)	(244,630.20)
Profit before income tax expense		12,095,088.53	3,372,152.72	11,390,440.92	3,990,398.30
Tax (expense) income	16	(1,052,715.03)	(129,157.40)	(816,297.66)	(122,164.20)
Profit for the period from continuing operations		11,042,373.50	3,242,995.32	10,574,143.26	3,868,234.10
Profit for the period from discontinued operations	17	0.00	5,897.20	0.00	0.00
Profit for the period		11,042,373.50	3,248,892.52	10,574,143.26	3,868,234.10
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains on remeasurments of defined					
benefit plans		0.00	3,476,649.01	0.00	1,527,836.00
- Income tax relating to components of					
other comprehensive income that					
will not be reclassified to profit or loss		0.00	(491,913.71)	0.00	(102,151.11)
Other comprehensive income for the period -					
net of tax		0.00	2,984,735.30	0.00	1,425,684.89
Total comprehensive income for the period		11,042,373.50	6,233,627.82	10,574,143.26	5,293,918.99

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
Profit (loss) attributable to :				
Owners of the Company	10,900,547.18	3,328,654.68	10,574,143.26	3,868,234.10
Non-controlling interests	141,826.32	(79,762.16)	0.00	0.00
Total	<u>11,042,373.50</u>	<u>3,248,892.52</u>	<u>10,574,143.26</u>	<u>3,868,234.10</u>
Total comprehensive income (expense) attributable to :				
Owners of the Company	10,900,547.18	6,313,091.51	10,574,143.26	5,293,918.99
Non-controlling interests	141,826.32	(79,463.69)	0.00	0.00
Total	<u>11,042,373.50</u>	<u>6,233,627.82</u>	<u>10,574,143.26</u>	<u>5,293,918.99</u>
Earnings per share				
Basic earnings per share	0.11	0.03	0.11	0.04
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, 2019  
(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	Other components of shareholders' equity	Total owners of the Company			
				Appropriated	Unappropriated	Other comprehensive income	Gains (losses) on remeasurements of defined benefit plans		
Beginning balance of the period 2019	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	242,574,905.59	1,027,435.11	438,373,405.63	125,845.99	438,499,251.62
Changes in shareholders' equity for the six-month periods:									
Dividend paid	0.00	0.00	0.00	0.00	(24,642,121.25)	0.00	(24,642,121.25)	0.00	(24,642,121.25)
Total comprehensive income for the period	0.00	0.00	0.00	0.00	10,900,547.18	0.00	10,900,547.18	141,826.32	11,042,373.50
Ending balance of the period 2019	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	228,833,331.52	1,027,435.11	424,631,831.56	267,672.31	424,899,503.87
Beginning balance of the period 2018	98,568,485.00	75,175,543.40	5,273,407.30	10,346,848.50	262,113,054.48	(1,948,160.60)	449,529,178.08	386,285.56	449,915,463.64
Changes in shareholders' equity for the six-month periods:									
Share - based payment	0.00	0.00	1,093,438.27	0.00	0.00	0.00	1,093,438.27	0.00	1,093,438.27
Dividend paid	0.00	0.00	0.00	0.00	(29,570,545.50)	0.00	(29,570,545.50)	0.00	(29,570,545.50)
Total comprehensive income for the period	0.00	0.00	0.00	0.00	3,328,654.68	2,984,436.83	6,313,091.51	(79,463.69)	6,233,627.82
Ending balance of the period 2018	98,568,485.00	75,175,543.40	6,366,845.57	10,346,848.50	235,871,163.66	1,036,276.23	427,365,162.36	306,821.87	427,671,984.23

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, 2019

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before income tax from continuing operations	12,095,088.53	3,372,152.72	11,390,440.92	3,990,398.30
Add Profit before income tax from discontinued operations	0.00	36,278.00	0.00	0.00
Profit before income tax	12,095,088.53	3,408,430.72	11,390,440.92	3,990,398.30
Adjustments				
Unrealized gain on changes in investment valuation	(835,294.62)	(466,914.24)	(755,284.21)	(390,008.07)
Unrealized (gain) loss on exchange rate	0.00	(6,999.44)	0.00	(6,999.44)
Doubtful accounts (doubtful accounts reversal)	(74,380.52)	(325,740.42)	(111,140.52)	(325,740.42)
Increase in unbilled service income	(24,441,937.31)	(20,157,609.94)	(21,906,054.37)	(19,583,222.60)
Depreciation	12,679,946.77	13,598,298.63	12,357,425.71	13,100,365.96
Gain on sale of properties foreclosed	(1,042.99)	0.00	(1,042.99)	0.00
Gain on disposal of fixed assets	(139,247.05)	(11,113.06)	(121,668.06)	(21,676.72)
Loss on impairment of assets	7,629.62	3,101.20	7,629.62	3,101.20
Amortized other intangible assets	192,806.54	170,729.36	192,806.54	170,729.36
Provisions for employee benefits	4,962,207.99	777,073.00	4,960,366.76	723,523.00
Share-based payment	0.00	1,093,438.27	0.00	1,093,438.27
Interest expenses	349,654.01	247,681.04	349,334.16	244,630.20
	4,795,430.97	(1,669,624.88)	6,362,813.56	(1,001,460.96)
(Increase) Decrease in portion of operating assets				
Trade and other current receivables	18,635,462.71	23,968,273.04	18,091,020.69	20,389,064.91
Inventories	(1,532,720.93)	382,236.75	(874,690.25)	(17,554.00)
Other intangible assets	(215,900.00)	(289,841.46)	(215,900.00)	(289,841.46)
Other non-current assets	(249,172.83)	(558,989.05)	(249,172.83)	(558,989.05)
Increase (Decrease) in portion of operating liabilities				
Trade and other current payables	3,795,250.19	(4,169,073.34)	4,574,298.07	(682,752.66)

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, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Cash generated (paid) from operation		25,228,350.11	17,662,981.06	27,688,369.24	17,838,466.78
Interest paid		(79,633.35)	(80,392.04)	(79,633.35)	(77,341.20)
Income tax paid		(2,452,983.28)	(3,445,192.40)	(2,465,179.15)	(2,445,493.26)
<b>Net cash provided by (used in) operating activities</b>		<u>22,695,733.48</u>	<u>14,137,396.62</u>	<u>25,143,556.74</u>	<u>15,315,632.32</u>
<b>Cash flows from investing activities</b>					
Increase in current investment		4,942,519.90	21,126,811.48	9,942,519.90	19,950,160.13
Decrease in bank deposits with obligations		4,468,400.00	0.00	3,500,000.00	0.00
Proceeds from sales of fixed assets		263,177.57	601,331.83	263,177.57	286,849.54
Payments for fixed assets acquisition		(7,553,552.94)	(10,922,554.49)	(7,553,552.94)	(9,132,891.32)
<b>Net cash provided by (used in) investing activities</b>		<u>2,120,544.53</u>	<u>10,805,588.82</u>	<u>6,152,144.53</u>	<u>11,104,118.35</u>
<b>Cash flows from financing activities</b>					
Payments for financial lease liabilities		(1,205,403.64)	(1,282,277.68)	(1,185,120.64)	(1,163,630.52)
Payments for dividend		(24,642,121.25)	(29,570,545.50)	(24,642,121.25)	(29,570,545.50)
<b>Net cash provided by (used in) financing activities</b>		<u>(25,847,524.89)</u>	<u>(30,852,823.18)</u>	<u>(25,827,241.89)</u>	<u>(30,734,176.02)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>(1,031,246.88)</u>	<u>(5,909,837.74)</u>	<u>5,468,459.38</u>	<u>(4,314,425.35)</u>
<b>Cash and cash equivalents as at January 1</b>		<u>50,994,003.16</u>	<u>47,089,196.95</u>	<u>40,211,867.21</u>	<u>42,016,263.49</u>
<b>Cash and cash equivalents as at June 30</b>	18	<u><u>49,962,756.28</u></u>	<u><u>41,179,359.21</u></u>	<u><u>45,680,326.59</u></u>	<u><u>37,701,838.14</u></u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**CONDENSED NOTES TO FINANCIAL STATEMENTS**

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019

(UNAUDITED/REVIEWED ONLY)

**1. GENERAL INFORMATION**

- 1.1 The Company was registered as a company limited on February 11, 1991, with registration No. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration No. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and three branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi, at 50, Soi Pattanakarn 57, Prawet, Bangkok, and at 83/50 Moo 10, Nongkham, Siracha, Chonburi.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

**2. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS**

- 2.1 The interim financial statements have been prepared and presented the condensed form in conformity with TAS 34 (Revised 2018) "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 report standards that became effective in the current year

Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2019.

TFRS 15 Revenue from Contracts with Customers, establishes the principles that the information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer, is to be reported to the users of financial statements. The entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity applies a five-step model to account for revenue and exercise judgement, taking into consideration when applying each step of the model.

TFRS 15 Revenue from Contracts with Customers supersedes the Thai Accounting Standards, Thai Standing Interpretations Committee and Thai Financial Reporting Interpretations Committee as detailed below :

Thai Accounting Standards	Content
TAS 11 (Revised 2017)	Construction contracts
TAS 18 (Revised 2017)	Revenue
Thai Financial Reporting Interpretations Committee	
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
Thai Standing Interpretations Committee	
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services

The adoption of those financial reporting standards does not have any significant impacts on the Company and subsidiaries' financial statements.

## 2.2.2 Financial report standards that will become effective in the future

Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2020.

During the year, the Federation of Accounting Professions has published for adoption Thai Financial Reporting Standards related to Financial Instruments which comprise five issues of accounting standards and interpretations as below :

Thai Financial Reporting Standards	Content
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Thai Accounting Standards	
TAS 32	Financial Instruments: Presentation
Thai Financial Reporting Interpretations Committee	
TFRIC 16	Hedges of a Net Investments in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

At present, the Management of the Company and subsidiaries is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

### **TFRS 16 Leases**

TFRS 16 Leases set out the principals of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17. TFRS 16 supersedes the following accounting standards together with related interpretations.

<b>Thai Accounting Standard</b>	<b>Content</b>
TAS 17 (Revised 2018)	Leases
<b>Thai Standing Interpretations Committee</b>	
TSIC 15 (Revised 2018)	Operating Leases - Incentives
TSIC 27 (Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
<b>Thai Financial Reporting Interpretations Committee</b>	
TFRIC 4 (Revised 2018)	Determining Whether an Arrangement Contains a Lease

At present, the Management of the Company and subsidiaries is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

### 3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

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

	Registration in	Percentage of investment %		Type of business
		June 30, 2019	December 31, 2018	
QLT International Limited	Thailand	99.99	99.99	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar	80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business

3.2 The interim consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

3.3 The balance of accounts and transactions between Qualitech Public Company Limited and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the interim consolidated financial statements.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2018.

#### 5. CURRENT INVESTMENTS

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Book value at the beginning period	101,640,587.86	117,867,695.67	93,241,804.85	92,312,386.07
Increase during the period	5,000,000.00	31,002,000.00	0.00	20,002,000.00
Decrease during the period	(9,942,519.90)	(48,405,184.54)	(9,942,519.90)	(20,000,000.00)
Changes in fair value of investment for trading	835,294.62	1,176,076.73	755,284.21	927,418.78
Book value at the ending period	<u>97,533,362.58</u>	<u>101,640,587.86</u>	<u>84,054,569.16</u>	<u>93,241,804.85</u>

As at June 30, 2019 and December 31, 2018, fair value of investment for trading is as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Cost	96,698,067.96	100,727,293.12	83,299,284.95	92,362,225.92
Unrealized gain	835,294.62	913,294.74	755,284.21	879,578.93
Total	<u>97,533,362.58</u>	<u>101,640,587.86</u>	<u>84,054,569.16</u>	<u>93,241,804.85</u>

## 6. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Trade accounts receivable	56,193,725.71	74,498,776.82	56,218,033.27	74,163,216.73
Other current receivables	9,586,763.22	9,830,879.90	9,372,934.58	9,489,633.89
<b>Total</b>	<b>65,780,488.93</b>	<b>84,329,656.72</b>	<b>65,590,967.85</b>	<b>83,652,850.62</b>
Less Allowance for doubtful accounts				
- Trade accounts receivable	(17,280,654.08)	(17,552,113.00)	(17,243,894.08)	(17,541,270.00)
<b>Net</b>	<b>48,499,834.85</b>	<b>66,777,543.72</b>	<b>48,347,073.77</b>	<b>66,111,580.62</b>

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Undue trade accounts receivable	21,201,825.96	31,600,916.23	21,881,598.09	31,302,253.74
Overdue trade accounts receivable				
- Less than 3 months	16,292,230.33	22,352,577.73	15,710,446.14	22,354,290.13
- Over 3 months to 6 months	1,434,433.74	2,317,929.53	1,399,363.36	2,314,229.53
- Over 6 months to 9 months	134,542.06	1,146,659.95	134,542.06	1,111,749.95
- Over 9 months to 12 months	69,676.98	208,742.62	65,976.98	208,742.62
- Over 12 months	17,061,016.64	16,871,950.76	17,026,106.64	16,871,950.76
<b>Total</b>	<b>56,193,725.71</b>	<b>74,498,776.82</b>	<b>56,218,033.27</b>	<b>74,163,216.73</b>

## 7. UNBILLED SERVICES INCOME

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Unbilled services income	85,069,193.38	60,627,256.07	82,208,731.61	60,302,677.24
Less Allowance for doubtful accounts	(661,012.80)	(474,777.40)	(661,012.80)	(474,777.40)
<b>Net</b>	<b>84,408,180.58</b>	<b>60,152,478.67</b>	<b>81,547,718.81</b>	<b>59,827,899.84</b>

## 8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital		Percentage of shareholding		Separate financial statements (Baht)		
			June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	
			10,250,000 Baht	10,250,000 Baht	99.99	99.99	10,249,385.00	10,249,385.00	
QLT International	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding							
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital have common director and management	150,000 USD	150,000 USD	80.00	80.00	4,099,600.00	4,099,600.00	
Total									
									14,348,985.00
									14,348,985.00

The financial statements for the three-month and six-month periods ended June 30, 2019 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

## 9. BANK DEPOSIT WITH OBLIGATIONS

As at December 31, 2018, the Company has deposits at a bank amount of Baht 4.47 million in the consolidated financial statements and Baht 3.50 million in the separate financial statements respectively which are mortgaged as collateral against contingencies from bank's issuance of letter of guarantee (note 23).

## 10. PROPERTY, PLANT AND EQUIPMENT

10.1 The increase and decrease of property, plant and equipment for the six-month periods ended June 30, 2019 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Net book value as at January 1, 2019	182,614,522.97	179,546,452.00
Purchase during the period - cost	9,283,115.28	9,283,115.28
Disposal during the period - net book value as at disposal date	(199,560.14)	(149,139.13)
Depreciation for the period	(12,679,946.77)	(12,357,425.71)
Net book value as at June 30, 2019	<u>179,018,131.34</u>	<u>176,323,002.44</u>

10.2 Tools and technical equipment as at June 30, 2019

	(Unit : Baht)		
		<b>Accumulated</b>	
<b>Assets acquired</b>	<b>Cost</b>	<b>depreciation</b>	<b>Net cost</b>
Depreciation by straight-line method			
- Before October 23, 1999	1,094,861.17	(1,094,824.17)	37.00
- 2004 until present	90,985,390.63	(61,667,473.04)	29,317,917.59
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	2,143,747.75	(2,143,712.75)	35.00
- 2006 until present	95,003,028.74	(78,389,918.17)	16,613,110.57
Total	<u>189,227,028.29</u>	<u>(143,295,928.13)</u>	<u>45,931,100.16</u>

Depreciation for the six-month periods ended June 30, 2019 and 2018 were Baht 8.28 million and Baht 7.77 million respectively.

10.3 As at June 30, 2019 and December 31, 2018, land and building at cost of Baht 36.43 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million and letter of guarantee line amount of Baht 30 million.

10.4 As at June 30, 2019 and December 31, 2018, vehicles at cost of Baht 10.64 million and Baht 13.97 million in the consolidated financial statements and Baht 10.64 million and Baht 12.77 million in the separate financial statements which is still pending the payment under financial lease (note 13).

## 11. OTHER NON-CURRENT ASSETS

	Consolidated and	
	Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018
Deposit receivable under contract	4,788,123.99	4,537,908.17
Others	7,635.62	56,974.75
Total	4,795,759.61	4,594,882.92
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Provisions for impairment of assets	(7,137.24)	(56,476.37)
Net	1,166,058.30	915,842.48

## 12. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Trade accounts payable	14,328,207.88	8,767,048.96	14,482,834.64	9,052,030.23
Other current payables				
Accrued expenses	13,824,098.72	14,644,175.15	13,656,378.54	14,078,038.32
Assets payables	2,012,388.60	1,249,845.60	2,085,148.60	1,249,845.60
Others	2,999,503.79	3,872,576.09	2,965,700.52	3,400,547.08
Total	33,164,198.99	28,533,645.80	33,190,062.30	27,780,461.23

### 13. FINANCIAL LEASE LIABILITIES

13.1 Financial lease liabilities excluded future interest expenses as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Hire purchase payable	3,633,070.81	3,915,077.19	3,633,070.81	3,894,794.19
Less Current portion of long-term liabilities	(1,484,332.51)	(1,903,042.44)	(1,484,332.51)	(1,882,759.44)
Net	<u>2,148,738.30</u>	<u>2,012,034.75</u>	<u>2,148,738.30</u>	<u>2,012,034.75</u>

13.2 The increase and decrease of financial lease liabilities for the six-month periods ended June 30, 2019 are as follow :

	(Unit : Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Book value as at January 1, 2019	3,915,077.19	3,894,794.19
Increase during the period	923,397.26	923,397.26
Repayment during the period	(1,205,403.64)	(1,185,120.64)
Book value as at June 30, 2019	<u>3,633,070.81</u>	<u>3,633,070.81</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Vehicles	<u>10,635,850.48</u>	<u>13,970,000.00</u>	<u>10,635,850.48</u>	<u>12,772,000.00</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Within 1 year	1,643,006.00	2,027,653.00	1,643,006.00	2,007,370.00
Over 1 year less than 3 years	1,984,480.00	1,806,442.00	1,984,480.00	1,806,442.00
Over 3 years less than 5 years	221,740.00	296,584.00	221,740.00	296,584.00
Total	3,849,226.00	4,130,679.00	3,849,226.00	4,110,396.00
Less Future interest expenses of financial lease	(216,155.19)	(215,601.81)	(216,155.19)	(215,601.81)
Present value of financial lease liabilities	<u>3,633,070.81</u>	<u>3,915,077.19</u>	<u>3,633,070.81</u>	<u>3,894,794.19</u>

#### 14. 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, 2019 are as follow :

	(Unit : Baht)	
	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>
Book value as at January 1, 2019	14,288,934.55	14,274,662.03
Additional costs in accordance with the new Labour Protection Act	4,032,004.76	4,027,233.00
Current cost of services and interest	1,200,223.89	1,202,794.57
Book value as at June 30, 2019	<u>19,521,163.20</u>	<u>19,504,689.60</u>

On April 5, 2019, new Labour Protection Act was published in the Royal Gazette which will become effective after 30 days from the date of its publication in the Royal Gazette onwards which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days.

## 15. DIVIDEND PAID

According to the annual general shareholders' meeting for the year 2019 held on April 3, 2019, the shareholders passed the resolution to pay dividend from profit for the year 2018 to the shareholders at Baht 0.25 per share, amounting to Baht 24.64 million. Such dividend had already paid on April 26, 2019.

## 16. INCOME TAX

### 16.1 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 21).

#### 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).

16.2 Tax expense (income) recognized in profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows :

	<b>For the three-month periods</b>			
	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Current income tax</b>				
For the current year	1,052,715.03	(304,456.08)	816,297.66	(206,805.35)
<b>Deferred tax</b>				
Changes in temporary differences	0.00	(174,839.96)	0.00	(182,477.27)
Total	1,052,715.03	(479,296.04)	816,297.66	(389,282.62)
Income tax from discontinued operations	0.00	114,976.28	0.00	0.00
Total tax expense (income)	1,052,715.03	(364,319.76)	816,297.66	(389,282.62)



	For the six-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
<b>Current income tax</b>				
For the current year	1,052,715.03	159,616.32	816,297.66	159,616.32
<b>Deferred tax</b>				
Changes in temporary differences	0.00	(78.12)	0.00	(37,452.12)
Total	1,052,715.03	159,538.20	816,297.66	122,164.20
Income tax from discontinued operations	0.00	(30,380.80)	0.00	0.00
Total tax expense (income)	1,052,715.03	129,157.40	816,297.66	122,164.20

## 17. DISCONTINUED OPERATIONS OF SUBSIDIARY

On September 1, 2018, the subsidiary (QLT International Company Limited) entered into agreement to sell in business of Inspecting and Fumigating of Agricultural products to a company in accordance with the Board of directors' meeting of the parent company No. 6/2018 held on August 31, 2018 in the price of Baht 11.41 million and the subsidiary has already transferred such segment to the buyer on September 5, 2018. As a result, the subsidiary has gain on sale of segment amount of Baht 9.46 million. During the year 2018, the subsidiary has received the payment already.

For the comparative purpose, the operating segments as stated in note 22 represented the decreasing in revenues from inspection and certificate services from the previously presented for the three-month and six-month periods ended June 30, 2018 by the amount of Baht 3.65 million and Baht 12.11 million.

## 18. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

### 18.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Cash	792,595.34	785,428.86	541,965.98	720,016.84
Cash at bank - current accounts	56,473.46	36,562.12	34,000.00	34,000.00
Cash at bank - savings deposit	49,113,687.48	40,357,368.23	45,104,360.61	36,947,821.30
Total	49,962,756.28	41,179,359.21	45,680,326.59	37,701,838.14

18.2 Non-cash transaction

For the year 2019

Parent company

The Company entered into hire purchase vehicles agreement of Baht 1.15 million which was already made the initial installment in the amount of Baht 0.26 million. The remaining is presented as financial lease liabilities.

**19. TRANSACTIONS WITH RELATED PERSONS AND PARTIES**

Part of the Company and subsidiaries' assets, liabilities, revenues and expenses arose from transaction with persons and related parties. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

19.1 General information

Name	Relationship	Description	Pricing policy
<b>Related persons</b>			
Ms. Yanakorn Rattakham	The Company's director and shareholder's daughter	Rental	At agreed price
<b>Subsidiary</b>			
QLT International Company Limited	The Company held 99.99% share capital, director and management have common shareholding	Income - rental Income - management service fee Wages	At agreed price At agreed price At agreed price
Qualitech Myanmar Company Limited	The Company held 80% share capital, common director and management	Income - wages	Close to market value
<b>Other company</b>			
Duwell Intertrade Co., Ltd.	Common directors	Income - rental Materials supply	At agreed price Close to market value

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	24,800.00	24,800.00
Unbilled services income	0.00	0.00	18,691.59	0.00
Trade and other current payables	0.00	0.00	369,813.40	407,605.80
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	1,177,325.00	0.00
Unbilled services income	0.00	0.00	487,340.00	0.00
Duwell Intertrade Co., Ltd.				
Unbilled services income	31,723.63	0.00	31,723.63	0.00
Trade and other current payables	432,349.55	406,600.00	432,349.55	406,600.00

19.3 Revenues and expenses transaction with related persons and parties for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows :

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Ms. Yanakorn Rattakhain				
Cost of services - rental	0.00	69,473.67	0.00	0.00
QLT International Company Limited				
Other income - rental	0.00	0.00	13,457.94	26,074.77
Other income - management fee	0.00	0.00	56,074.77	56,074.77
Cost of services - material supply	0.00	0.00	563,392.00	658,040.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	1,323,340.00	44,800.00
Duwell Intertrade Co., Ltd.				
Other income - rental	31,723.63	0.00	31,723.63	0.00
Cost of services - material supply	871,200.00	0.00	871,200.00	0.00

For the six-month periods

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Ms. Yanakorn Rattakham				
Cost of services - rental	0.00	138,947.34	0.00	0.00
QLT International Company Limited				
Other income - rental	0.00	0.00	26,915.88	52,149.54
Other income - management fee	0.00	0.00	130,841.13	112,149.54
Cost of services - wages	0.00	0.00	0.00	165,044.26
Cost of services - material supply	0.00	0.00	1,651,172.00	1,244,372.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	1,563,340.00	207,735.00
Duwell Intertrade Co., Ltd.				
Other income - rental	78,266.14	0.00	78,266.14	0.00
Cost of services - material supply	1,793,000.00	0.00	1,793,000.00	0.00

**20. EXPENSES ANALYZED BY NATURE**

Expenses analyzed by nature for the the three-month and six-month periods ended June 30, 2019 and 2018 are as follows :

	<b>For the three-month periods</b>			
	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Changes in inventories	(41,241.97)	134,606.70	0.00	0.00
Employee benefit expenses	60,634,133.93	54,401,568.25	59,940,778.71	51,376,420.70
Depreciation	6,570,640.70	6,879,160.24	6,409,900.50	6,623,856.84
Supplies used	7,033,550.24	5,466,982.67	7,431,319.45	5,404,847.13
Contractor wage	10,241,051.45	11,079,209.23	10,229,281.68	11,196,853.40
Travelling and accommodation expenses	2,967,976.96	3,208,079.19	2,594,561.92	2,806,452.27
Office expenses	2,305,034.35	2,203,333.99	2,262,371.24	2,117,432.26
Official fee and consultant fee	959,915.12	761,422.77	932,464.80	709,081.34
Repairs and maintenance expenses	557,856.72	634,604.04	553,117.45	625,439.00
Directors' remuneration	793,700.00	597,700.01	793,700.00	597,700.01
Management benefit expenses	4,675,536.27	5,247,113.95	4,615,536.27	4,614,536.23

  

	<b>For the six-month periods</b>			
	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Changes in inventories	(15,461.74)	876,505.04	0.00	0.00
Employee benefit expenses	111,962,506.54	109,730,293.92	101,493,101.67	101,860,676.10
Depreciation	12,679,946.77	13,598,298.63	12,357,425.71	13,100,365.96
Supplies used	11,739,619.00	11,681,626.47	13,188,411.90	10,511,035.14
Contractor wage	19,864,327.31	25,270,879.46	19,852,557.54	25,441,629.69
Travelling and accommodation expenses	5,447,751.81	6,553,592.58	4,879,559.25	5,500,011.71
Office expenses	4,763,183.70	4,541,793.01	4,674,563.75	4,284,689.42
Official fee and consultant fee	1,915,014.81	1,507,359.39	1,858,875.52	1,344,322.09
Repairs and maintenance expenses	1,284,107.89	1,444,875.00	1,271,087.51	1,431,119.83
Directors' remuneration	1,353,100.02	1,241,600.02	1,353,100.02	1,241,600.02
Management benefit expenses	9,989,625.01	11,076,919.50	9,627,625.01	9,407,963.90

## 21. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the six-month periods ended June 30, 2019 and 2018 separated into promoted business and non-promoted business as follows :

Consolidated financial statements (Baht)						
	Promoted business		Non-promoted business		Total	
	2019	2018	2019	2018	2019	2018
Services income	138,167,045.96	121,960,108.05	61,596,901.71	61,586,286.06	199,763,947.67	183,546,394.11
Cost of services	(107,469,270.17)	(99,117,486.48)	(49,607,752.48)	(51,624,988.37)	(157,077,022.65)	(150,742,474.85)
Gross profit	30,697,775.79	22,842,621.57	11,989,149.23	9,961,297.69	42,686,925.02	32,803,919.26
Other income	92,487.25	203,460.72	1,762,595.43	1,121,763.28	1,855,082.68	1,325,224.00
Administrative expenses	(21,545,649.49)	(19,842,892.42)	(10,551,615.67)	(10,677,764.35)	(32,097,265.16)	(30,520,656.77)
Finance costs	(226,880.59)	(152,573.65)	(122,773.42)	(83,760.12)	(349,654.01)	(236,333.77)
Profit before income tax	9,017,732.96	3,050,616.22	3,077,355.57	321,536.50	12,095,088.53	3,372,152.72
Tax expense	0.00	0.00	(1,052,715.03)	(129,157.40)	(1,052,715.03)	(129,157.40)
Profit for the period from continuing operations	9,017,732.96	3,050,616.22	2,024,640.54	192,379.10	11,042,373.50	3,242,995.32
Profit for the period from discontinued operations	0.00	0.00	0.00	5,897.20	0.00	5,897.20
Profit for the period	9,017,732.96	3,050,616.22	2,024,640.54	198,276.30	11,042,373.50	3,248,892.52

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

## 22. OPERATING SEGMENTS

Revenues separated by nature of services for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

	Consolidated financial statements (Million Baht)			
	For the three-month periods		For the six-month periods	
	2019	2018	2019	2018
Non-Destructive Testing	46.59	31.62	88.29	78.37
Inspection and certificate	55.11	55.19	97.87	96.84
Mechanical Test	7.29	3.44	12.88	8.33
Others	0.01	0.00	0.72	0.00
Total	109.00	90.25	199.76	183.54

### **23. COMMITMENT AND CONTINGENT LIABILITIES**

- 23.1 As at June 30, 2019 and December 31, 2018, the Company and subsidiaries have commitment under purchase and hire agreement with several seller in the amount of Baht 18.63 million and Baht 11.49 million respectively in the consolidated and separate financial statements.
- 23.2 The subsidiary has commitment under lease office building agreement as at June 30, 2019 for the amount of Baht 0.15 million.
- 23.3 The Company and subsidiaries have contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, as at June 30, 2019 and December 31, 2018 total amount of Baht 19.82 million and Baht 15.48 million in the consolidated financial statements and Baht 19.82 million and Baht 14.51 million in the separate financial statements respectively. Contingent liabilities are guaranteed by bank deposits (note 9).

### **24. EVENTS AFTER THE REPORTING PERIOD**

According to the minutes of Board of Directors' meeting No. 5/2019 held on August 10, 2019, passed the resolution to pay interim dividend from the result of profit for the six months of 2019 to the shareholders at Baht 0.05 per share total amount of Baht 4.93 million. Such dividend is determined to pay on September 6, 2019.

### **25. INTERIM FINANCIAL STATEMENTS APPROVAL**

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on August 10, 2019.