

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION**  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2019, the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the nine-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of Review**

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

### **Conclusion**

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

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

November 9, 2019

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)	September 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)
<b>Current assets</b>					
Cash and cash equivalents		34,978,908.15	50,994,003.16	31,636,131.58	40,211,867.21
Current investment	5	98,040,183.26	101,640,587.86	84,501,524.67	93,241,804.85
Trade and other current receivables	6	53,336,863.57	66,777,543.72	53,712,779.32	66,111,580.62
Unbilled services income	7	115,323,948.87	60,152,478.67	111,251,824.54	59,827,899.84
Inventories		8,054,131.09	4,571,516.28	7,056,428.08	3,571,215.70
<b>Total current assets</b>		<b>309,734,034.94</b>	<b>284,136,129.69</b>	<b>288,158,688.19</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	185,814,399.68	182,614,522.97	183,957,079.66	179,546,452.00
Other intangible assets		2,118,469.91	2,186,404.05	2,118,469.91	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		11,309,558.51	9,623,963.82	11,163,809.00	9,466,306.44
Others non-current assets	11	1,165,135.45	915,842.48	1,165,135.45	915,842.48
<b>Total non-current assets</b>		<b>201,699,209.70</b>	<b>201,100,779.47</b>	<b>214,042,262.67</b>	<b>211,252,773.62</b>
<b>Total assets</b>		<b>511,433,244.64</b>	<b>485,236,909.16</b>	<b>502,200,950.86</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 SEPTEMBER 30, 2019

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)	September 30, 2019 (Unaudited but reviewed)	December 31, 2018 (Audited)
<b>Current liabilities</b>					
Trade and other current payables	12	47,271,388.89	28,533,645.80	48,838,614.33	27,780,461.23
Current portion of long-term liabilities	13	1,923,411.10	1,903,042.44	1,923,411.10	1,882,759.44
Current income tax payable		171,680.78	0.00	0.00	0.00
<b>Total current liabilities</b>		<b>49,366,480.77</b>	<b>30,436,688.24</b>	<b>50,762,025.43</b>	<b>29,663,220.67</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	13	3,533,068.31	2,012,034.75	3,533,068.31	2,012,034.75
Non-current provisions for employee benefit	14	20,226,220.17	14,288,934.55	20,208,648.12	14,274,622.03
<b>Total non-current liabilities</b>		<b>23,759,288.48</b>	<b>16,300,969.30</b>	<b>23,741,716.43</b>	<b>16,286,656.78</b>
<b>Total liabilities</b>		<b>73,125,769.25</b>	<b>46,737,657.54</b>	<b>74,503,741.86</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	242,280,134.57	242,574,905.59	232,202,788.04	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>438,078,634.61</b>	<b>438,373,405.63</b>	<b>427,697,209.00</b>	<b>428,267,264.39</b>
Non-controlling interests		228,840.78	125,845.99	0.00	0.00
<b>Total shareholders' equity</b>		<b>438,307,475.39</b>	<b>438,499,251.62</b>	<b>427,697,209.00</b>	<b>428,267,264.39</b>
<b>Total liabilities and shareholders' equity</b>		<b>511,433,244.64</b>	<b>485,236,909.16</b>	<b>502,200,950.86</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 SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Services income		129,143,716.98	83,483,455.59	128,170,308.80	82,687,999.11
Cost of services		(92,963,340.82)	(75,924,056.01)	(92,554,338.79)	(75,199,624.78)
Gross profit		36,180,376.16	7,559,399.58	35,615,970.01	7,488,374.33
Other income					
Gain on sale of segment	16	0.00	9,393,985.90	0.00	0.00
Others		1,098,570.50	777,580.57	1,105,327.45	767,263.50
Administrative expenses		(17,621,564.89)	(18,503,731.98)	(16,909,390.59)	(17,132,093.20)
Finance costs		(173,771.16)	(126,590.62)	(173,608.59)	(125,941.89)
Profit (loss) before income tax expense		19,483,610.61	(899,356.55)	19,638,298.28	(9,002,397.26)
Tax income (expense)	17	(1,147,214.84)	(1,211,570.52)	(1,211,951.43)	225,901.87
Profit (loss) for the period from continuing operations		18,336,395.77	(2,110,927.07)	18,426,346.85	(8,776,495.39)
Profit (loss) for the period from discontinued operations	16	0.00	(1,089,263.34)	0.00	0.00
Profit (loss) for the period		18,336,395.77	(3,200,190.41)	18,426,346.85	(8,776,495.39)
Other comprehensive income		0.00	0.00	0.00	0.00
Total comprehensive income for the period		18,336,395.77	(3,200,190.41)	18,426,346.85	(8,776,495.39)
Profit (loss) attributable to :					
Owners of the Company					
From continuing operations		18,375,227.30	(2,527,500.68)	18,426,346.85	(8,776,495.39)
From discontinuing operations		0.00	(1,089,372.27)	0.00	0.00
		18,375,227.30	(3,616,872.95)	18,426,346.85	(8,776,495.39)
Non-controlling interests					
From continuing operations		(38,831.53)	416,573.61	0.00	0.00
From discontinuing operations		0.00	108.93	0.00	0.00
		(38,831.53)	416,682.54	0.00	0.00
Grand total		18,336,395.77	(3,200,190.41)	18,426,346.85	(8,776,495.39)

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)**

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Total comprehensive income (expense) attributable to :					
Owners of the Company		18,375,227.30	(3,616,872.95)	18,426,346.85	(8,776,495.39)
Non-controlling interests		(38,831.53)	416,682.54	0.00	0.00
		<u>18,336,395.77</u>	<u>(3,200,190.41)</u>	<u>18,426,346.85</u>	<u>(8,776,495.39)</u>
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) from continuing operations		0.19	(0.03)	0.19	(0.09)
Profit (loss) from discontinuing operations		0.00	(0.01)	0.00	0.00
		<u>0.19</u>	<u>(0.04)</u>	<u>0.19</u>	<u>(0.09)</u>
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Services income		328,907,664.65	267,029,849.70	323,462,499.91	264,840,785.53
Cost of services		(250,040,363.47)	(226,666,530.86)	(247,233,452.42)	(224,771,991.12)
Gross profit		78,867,301.18	40,363,318.84	76,229,047.49	40,068,794.41
Other income					
Gain on sale of segment	16	0.00	9,393,985.90	0.00	0.00
Others		2,953,653.18	2,102,804.57	2,979,112.14	2,128,191.02
Administrative expenses		(49,718,830.05)	(48,871,236.71)	(47,656,477.68)	(46,838,412.30)
Finance costs		(523,425.17)	(362,924.39)	(522,942.75)	(370,572.09)
Profit (loss) before income tax expense		31,578,699.14	2,625,948.21	31,028,739.20	(5,011,998.96)
Tax income (expense)	17	(2,199,929.87)	(1,371,108.72)	(2,028,249.09)	103,737.67
Profit (loss) for the period from continuing operations		29,378,769.27	1,254,839.49	29,000,490.11	(4,908,261.29)
Profit (loss) for the period from discontinued operations	16	0.00	(1,206,137.38)	0.00	0.00
Profit (loss) for the period		29,378,769.27	48,702.11	29,000,490.11	(4,908,261.29)
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains (losses) on remeasUREMENTS of defined					
benefit plans		0.00	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 (expense) for the period -					
net of tax		0.00	2,984,735.30	0.00	1,425,684.89
Total comprehensive income for the period		29,378,769.27	3,033,437.41	29,000,490.11	(3,482,576.40)

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2019	2018	2019	2018
Profit (loss) attributable to :					
Owners of the Company					
From continuing operations		29,275,774.48	1,751,073.18	29,000,490.11	(4,908,261.29)
From discontinuing operations		0.00	(1,206,257.99)	0.00	0.00
		<u>29,275,774.48</u>	<u>544,815.19</u>	<u>29,000,490.11</u>	<u>(4,908,261.29)</u>
Non-controlling interests					
From continuing operations		102,994.79	(496,233.69)	0.00	0.00
From discontinuing operations		0.00	120.61	0.00	0.00
		<u>102,994.79</u>	<u>(496,113.08)</u>	<u>0.00</u>	<u>0.00</u>
Grand total		<u><u>29,378,769.27</u></u>	<u><u>48,702.11</u></u>	<u><u>29,000,490.11</u></u>	<u><u>(4,908,261.29)</u></u>
Total comprehensive income (expense) attributable to :					
Owners of the Company		29,275,774.48	3,529,394.58	29,000,490.11	(3,482,576.40)
Non-controlling interests		102,994.79	(495,957.17)	0.00	0.00
		<u>29,378,769.27</u>	<u>3,033,437.41</u>	<u>29,000,490.11</u>	<u>(3,482,576.40)</u>
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) from continuing operations		0.30	0.02	0.29	(0.05)
Profit (loss) from discontinuing operations		0.00	(0.01)	0.00	0.00
		<u>0.30</u>	<u>0.01</u>	<u>0.29</u>	<u>(0.05)</u>
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019  
(UNAUDITED/REVIEWED ONLY)

		<b>Consolidated financial statements (Baht)</b>							
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 nine-month periods:									
Dividend paid	15	0.00	0.00	0.00	0.00	(24,642,121.25)	0.00	0.00	(24,642,121.25)
Profit for the period		0.00	0.00	0.00	0.00	29,275,774.48	0.00	102,994.79	29,378,769.27
Interim dividend paid	15	0.00	0.00	0.00	0.00	(4,928,424.25)	0.00	0.00	(4,928,424.25)
Ending balance of the period 2019		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	242,280,134.57	1,027,435.11	228,840.78	438,307,475.39
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)	386,285.56	449,915,463.64
Changes in shareholders' equity for the nine-month periods:									
Common shares		0.00	0.00	0.00	0.00	0.00	0.00	305,800.00	305,800.00
Share-based payment		0.00	0.00	5,406,780.73	0.00	0.00	0.00	0.00	5,406,780.73
Dividend paid		0.00	0.00	0.00	0.00	(29,570,545.50)	0.00	0.00	(29,570,545.50)
Profit (loss) for the period		0.00	0.00	0.00	0.00	544,815.19	0.00	(496,113.08)	48,702.11
Other comprehensive income for the period		0.00	0.00	0.00	0.00	0.00	2,984,579.39	155.91	2,984,735.30
Ending balance of the period 2018		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	233,087,324.17	1,036,418.79	196,128.39	429,090,936.28

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019  
(UNAUDITED/REVIEWED ONLY)

		<b>Separate financial statements (Baht)</b>						
<b>Note</b>	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings		Other components of shareholders' equity Other comprehensive income Gains (losses) on remeasurements of defined benefit plans	Total shareholders' equity	
				Appropriated	Unappropriated			
Beginning balance of the period 2019	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	232,772,843.43	723,356.03	428,267,264.39	
Changes in shareholders' equity for the nine-month periods:								
Dividend paid	15	0.00	0.00	0.00	(24,642,121.25)	0.00	(24,642,121.25)	
Profit for the period		0.00	0.00	0.00	29,000,490.11	0.00	29,000,490.11	
Interim dividend paid	15	0.00	0.00	0.00	(4,928,424.25)	0.00	(4,928,424.25)	
Ending balance of the period 2019		<u>98,568,485.00</u>	<u>75,175,543.40</u>	<u>10,680,188.03</u>	<u>10,346,848.50</u>	<u>232,202,788.04</u>	<u>427,697,209.00</u>	
Beginning balance of the period 2018		98,568,485.00	75,175,543.40	5,273,407.30	10,346,848.50	236,854,764.99	(693,345.18)	425,525,704.01
Changes in shareholders' equity for the nine-month periods:								
Share-based payment		0.00	0.00	5,406,780.73	0.00	0.00	5,406,780.73	
Dividend paid		0.00	0.00	0.00	(29,570,545.50)	0.00	(29,570,545.50)	
Loss for the period		0.00	0.00	0.00	(3,482,576.40)	0.00	(3,482,576.40)	
Other comprehensive income for the period		0.00	0.00	0.00	0.00	1,425,684.89	1,425,684.89	
Ending balance of the period 2018		<u>98,568,485.00</u>	<u>75,175,543.40</u>	<u>10,680,188.03</u>	<u>10,346,848.50</u>	<u>203,801,643.09</u>	<u>732,339.71</u>	<u>399,305,047.73</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax from continuing operations	31,578,699.14	2,625,948.21	31,028,739.20	(5,011,998.96)
Add (Less) Profit (loss) before income tax from discontinued operations	0.00	(1,206,137.38)	0.00	0.00
Profit (loss) before income tax	31,578,699.14	1,419,810.83	31,028,739.20	(5,011,998.96)
Adjustments				
Unrealized gain on changes in investment valuation	(1,342,115.30)	(748,819.16)	(1,202,239.72)	(601,957.93)
Unrealized loss on exchange rate	27,643.10	5,156.64	27,643.10	5,156.64
Doubtful accounts (reversal)	(102,064.15)	246,219.18	(140,674.15)	5,799.18
(Increase) Decrease in unbilled service income	(55,163,405.60)	(24,585,950.75)	(51,415,860.10)	(23,828,903.64)
Depreciation	19,924,295.15	20,470,579.95	19,450,724.07	19,720,658.13
(Gain) loss on sale of segment	0.00	(9,393,985.90)	0.00	0.00
(Gain) loss on disposal of fixed assets	(28,197.28)	158,185.74	(142,361.86)	149,529.53
Loss on impairment of assets	0.00	9,551.10	0.00	9,551.10
Amortized other intangible assets	291,734.14	262,054.18	291,734.14	262,054.18
Provision for employee benefits	5,530,016.90	1,159,976.58	5,527,239.79	1,157,464.16
Share-based payment	0.00	5,406,780.73	0.00	5,406,780.73
Interest expenses	523,425.17	377,410.26	522,942.75	370,572.09
	1,240,031.27	(5,213,030.62)	3,947,887.22	(2,355,294.79)
(Increase) Decrease in portion of operating assets				
Trade and other current receivables	14,118,361.40	22,365,265.63	12,565,092.55	18,641,457.62
Inventories	(3,482,614.81)	2,176,371.07	(3,485,212.38)	1,335,424.29
Other intangible assets	(223,800.00)	(333,791.46)	(223,800.00)	(333,791.46)
Other non-current assets	(241,662.35)	(452,259.58)	(241,662.35)	(452,259.58)

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS (Cont'd)**

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2019	2018	2019	2018
Increase (Decrease) in portion of operating liabilities				
Trade and other current payables	11,731,494.86	(6,438,751.68)	14,051,904.87	(5,227,915.32)
Cash generated (paid) from operation	23,141,810.37	12,103,803.36	26,614,209.91	11,607,620.76
Employee benefit paid	0.00	(2,158,140.05)	0.00	0.00
Interest paid	(116,156.45)	(127,689.41)	(116,156.45)	(123,412.64)
Income tax paid	(3,713,843.78)	(4,986,415.68)	(3,725,751.68)	(3,394,293.02)
<b>Net cash provided by (used in) operating activities</b>	<b>19,311,810.14</b>	<b>4,831,558.22</b>	<b>22,772,301.78</b>	<b>8,089,915.10</b>
<b>Cash flows from investing activities</b>				
(Increase) Decrease in current investment	4,942,519.90	17,331,361.55	9,942,519.90	19,950,160.15
Payments for acquire of increase ordinary share of subsidiary	0.00	0.00	0.00	(1,341,200.00)
(Increase) Decrease in bank deposits with obligations	4,468,400.00	(969,600.00)	3,500,000.00	0.00
Proceeds from sale of segment	0.00	6,544,000.00	0.00	0.00
Proceeds from sales of fixed assets	504,463.87	921,530.39	339,563.87	287,971.04
Payments for fixed assets acquisition	(14,017,598.89)	(12,111,843.93)	(13,925,714.18)	(10,317,218.21)
<b>Net cash provided by (used in) investing activities</b>	<b>(4,102,215.12)</b>	<b>11,715,448.01</b>	<b>(143,630.41)</b>	<b>8,579,712.98</b>
<b>Cash flows from financing activities</b>				
Payments for financial lease liabilities	(1,654,144.53)	(1,912,556.31)	(1,633,861.53)	(1,734,286.08)
Payments for dividend	(29,570,545.50)	(29,570,545.50)	(29,570,545.50)	(29,570,545.50)
Proceeds from non-controlling interests	0.00	305,800.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>(31,224,690.03)</b>	<b>(31,177,301.81)</b>	<b>(31,204,407.03)</b>	<b>(31,304,831.58)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16,015,095.01)</b>	<b>(14,630,295.58)</b>	<b>(8,575,735.66)</b>	<b>(14,635,203.50)</b>
<b>Cash and cash equivalents as at January 1</b>	<b>50,994,003.16</b>	<b>47,089,196.95</b>	<b>40,211,867.21</b>	<b>42,016,263.49</b>
<b>Cash and cash equivalents as at September 30</b>	<b>34,978,908.15</b>	<b>32,458,901.37</b>	<b>31,636,131.55</b>	<b>27,381,059.99</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**CONDENSED NOTES TO FINANCIAL STATEMENTS**

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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
		September 30, 2019	December 31, 2018	
QLT International Company Limited	Thailand	99.99	99.99	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar	80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business

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

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



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 5. CURRENT INVESTMENTS

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
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	1,342,115.30	1,176,076.73	1,202,239.72	927,418.78
Book value at the ending period	<u>98,040,183.26</u>	<u>101,640,587.86</u>	<u>84,501,524.67</u>	<u>93,241,804.85</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Cost	96,698,067.96	100,727,293.12	83,299,284.95	92,362,225.92
Unrealized gain	1,342,115.30	913,294.74	1,202,239.72	879,578.93
Total	<u>98,040,183.26</u>	<u>101,640,587.86</u>	<u>84,501,524.67</u>	<u>93,241,804.85</u>

## 6. TRADE AND OTHER CURRENT RECEIVABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Trade accounts receivable	60,271,429.07	74,498,776.82	62,014,680.44	74,163,216.73
Other current receivables	10,512,704.95	9,830,879.90	9,106,759.33	9,489,633.89
Total	70,784,134.02	84,329,656.72	71,121,439.77	83,652,850.62
Less Allowance for doubtful accounts				
- Trade accounts receivable	(17,447,270.45)	(17,552,113.00)	(17,408,660.45)	(17,541,270.00)
Net	53,336,863.57	66,777,543.72	53,712,779.32	66,111,580.62

Billed trade accounts receivable separated on aging are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Undue trade accounts receivable	19,987,897.85	31,600,916.23	19,992,909.05	31,302,253.74
Overdue trade accounts receivable				
- Less than 3 months	21,066,840.03	22,352,577.73	21,847,690.20	22,354,290.13
- Over 3 months to 6 months	991,735.48	2,317,929.53	1,987,735.48	2,314,229.53
- Over 6 months to 9 months	1,086,463.36	1,146,659.95	1,086,463.36	1,111,749.95
- Over 9 months to 12 months	97,158.88	208,742.62	97,158.88	208,742.62
- Over 12 months	17,041,333.47	16,871,950.76	17,002,723.47	16,871,950.76
Total	60,271,429.07	74,498,776.82	62,014,680.44	74,163,216.73

## 7. UNBILLED SERVICES INCOME

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Unbilled services income	115,790,661.67	60,627,256.07	111,718,537.34	60,302,677.24
Less Allowance for doubtful accounts	(466,712.80)	(474,777.40)	(466,712.80)	(474,777.40)
Net	115,323,948.87	60,152,478.67	111,251,824.54	59,827,899.84

## 8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital		Percentage of shareholding		Separate financial statements (Baht)	
			September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	Cost price	
			September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
QLT International Company Limited	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding	10,250,000 Baht	10,250,000 Baht	99.99	99.99	10,249,385.00	10,249,385.00
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital have common director and management	150,000 USD	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 nine-month periods ended September 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 contingent liabilities 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 nine-month periods ended September 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	24,158,069.07	24,066,184.36
Disposal during the period - net book value as at disposal date	(1,033,897.21)	(204,832.63)
Depreciation for the period	(19,924,295.15)	(19,450,724.07)
Net book value as at September 30, 2019	<u>185,814,399.68</u>	<u>183,957,079.66</u>

10.2 Tools and technical equipment as at September 30, 2019

	(Unit : Baht)		
<b>Assets acquired</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net cost</b>
Depreciation by straight-line method			
- Before October 23, 1999	1,094,861.17	(1,094,824.17)	37.00
- 2004 until present	101,143,254.41	(64,117,799.34)	37,025,455.07
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	94,015,567.01	(79,601,910.03)	14,413,656.98
Total	<u>198,397,430.34</u>	<u>(146,958,246.29)</u>	<u>51,439,184.05</u>

Depreciation for the nine-month periods ended September 30, 2019 and 2018 were Baht 13.32 million and Baht 11.76 million respectively.

10.3 As at September 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 September 30, 2019 and December 31, 2018, vehicles at cost of Baht 11.32 million and Baht 13.97 million in the consolidated financial statements and Baht 11.32 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

	<b>Consolidated and</b>	
	<b>Separate financial statements (Baht)</b>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Deposit receivable under contract	4,787,201.14	4,537,908.17
Others	7,634.62	56,974.75
Total	4,794,835.76	4,594,882.92
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Provisions for impairment of assets	(7,136.24)	(56,476.37)
Net	1,165,135.45	915,842.48

## 12. TRADE AND OTHER CURRENT PAYABLES

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	Trade accounts payable	12,927,234.52	8,767,048.96	14,263,549.42
Other current payables				
Accrued expenses	23,672,550.97	14,644,175.15	23,421,283.53	14,078,038.32
Assets payables	7,667,593.83	1,249,845.60	8,256,093.83	1,249,845.60
Others	3,004,009.57	3,872,576.09	2,897,687.55	3,400,547.08
Total	47,271,388.89	28,533,645.80	48,838,614.33	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>	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Hire purchase payable	5,456,479.41	3,915,077.19	5,456,479.41	3,894,794.19
Less Current portion of long-term liabilities	<u>(1,923,411.10)</u>	<u>(1,903,042.44)</u>	<u>(1,923,411.10)</u>	<u>(1,882,759.44)</u>
Net	<u>3,533,068.31</u>	<u>2,012,034.75</u>	<u>3,533,068.31</u>	<u>2,012,034.75</u>

13.2 The increase and decrease of financial lease liabilities for the nine-month periods ended September 30, 2019 are as follows :

	(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	3,195,546.75	3,195,546.75
Repayment during the period	<u>(1,654,144.53)</u>	<u>(1,633,861.53)</u>
Book value as at September 30, 2019	<u>5,456,479.41</u>	<u>5,456,479.41</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Vehicles	<u>11,320,598.14</u>	<u>13,970,000.00</u>	<u>11,320,598.14</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>	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Within 1 year	2,131,707.00	2,027,653.00	2,131,707.00	2,007,370.00
Over 1 year less than 3 years	2,960,375.00	1,806,442.00	2,960,375.00	1,806,442.00
Over 3 years less than 5 years	743,304.00	296,584.00	743,304.00	296,584.00
Total	5,835,386.00	4,130,679.00	5,835,386.00	4,110,396.00
Less Future interest expenses				
of financial lease	(378,906.59)	(215,601.81)	(378,906.59)	(215,601.81)
Present value of financial				
lease liabilities	5,456,479.41	3,915,077.19	5,456,479.41	3,894,794.19

#### 14. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The increase and decrease of non-current provisions for employee benefit for the nine-month periods ended September 30, 2019 are as follows :

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</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	1,905,280.86	1,906,753.09
Book value as at September 30, 2019	20,226,220.17	20,208,648.12

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.

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. The Company has paid such dividend on September 6, 2019.

## 16. DISCONTINUED OPERATIONS OF SUBSIDIARY

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

Transactions included in statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019 and 2018 of discontinued operations are as follows :

	<b>Consolidated financial statements (Baht)</b>			
	<b>For the three-month periods</b>		<b>For the nine-month periods</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Total revenues	0.00	3,819,513.44	0.00	15,931,450.69
Total costs	0.00	(3,989,095.74)	0.00	(13,322,392.79)
Total other income	0.00	1.55	0.00	41.75
Total expenses	0.00	(919,682.59)	0.00	(3,815,237.03)
<b>Profit (loss) before income tax</b>				
<b>expense</b>	<b>0.00</b>	<b>(1,089,263.34)</b>	<b>0.00</b>	<b>(1,206,137.38)</b>
Tax expense	0.00	0.00	0.00	0.00
<b>Profit (loss) for the period from</b>				
<b>discontinued operations</b>	<b>0.00</b>	<b>(1,089,263.34)</b>	<b>0.00</b>	<b>(1,206,137.38)</b>
Basic earnings per share				
<b>Profit (loss) from discontinued</b>				
<b>operations</b>	<b>0.00</b>	<b>(0.01)</b>	<b>0.00</b>	<b>(0.01)</b>



## 17. INCOME TAX

### 17.1 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% and 25% 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).

### 17.2 Tax expense (income) recognized in profit or loss for the three-month and nine-month periods ended September 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	1,147,214.84	1,219,648.18	1,211,951.43	(159,618.32)
<b>Deferred tax</b>				
Changes in temporary differences	0.00	(8,077.66)	0.00	(66,285.55)
Total tax expense (income)	1,147,214.84	1,211,570.52	1,211,951.43	(225,903.87)
	<b>For the nine-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	2,199,929.87	1,379,264.50	2,028,249.09	0.00
<b>Deferred tax</b>				
Changes in temporary differences	0.00	(8,155.78)	0.00	(103,737.67)
Total tax expense (income)	2,199,929.87	1,371,108.72	2,028,249.09	(103,737.67)

17.3 Income tax recognized in other comprehensive income for the nine-month periods ended September 30, 2019 and 2018

are as follows :

	<b>For the nine-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>
(Gains) losses on remeasurements of				
defined benefits plans before tax	0.00	(3,476,649.01)	0.00	(1,527,836.00)
Tax expense (income)	0.00	491,913.71	0.00	102,151.11
Net	0.00	(2,984,735.30)	0.00	(1,425,684.89)

**18. ADDITIONAL DISCLOSURE OF STATEMENTS OF CASH FLOWS**

18.1 Cash and cash equivalents

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Cash	686,992.72	866,440.22	601,252.40	714,987.79
Cash at bank - current accounts	56,261.03	56,902.34	34,000.00	34,000.00
Cash at bank - savings deposit	34,235,654.40	31,535,558.81	31,000,879.18	26,632,072.20
Total	34,978,908.15	32,458,901.37	31,636,131.58	27,381,059.99

18.2 Non-cash transaction

For the year 2019

Parent company

The Company entered into hire purchase vehicles agreement of Baht 4.04 million which was already made the initial installment in the amount of Baht 0.90 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
Related persons			
Ms. Yanakorn Rattakham	The Company's director and shareholder's daughter	Rental	At agreed price
Subsidiary			
QLT International Company Limited	The Company held 99.99% share capital, director and management have common shareholding	Income - wages Income - rental Income - management service fee Wages Materials supply	At agreed price At agreed price 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 Income - management service fee	Close to market value At agreed price
Other company			
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 :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2019	December 31, 2018	September 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	28,037.38	0.00
Trade and other current payables	0.00	0.00	2,053,276.50	407,605.80
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	2,185,725.00	0.00
Unbilled services income	0.00	0.00	87,236.00	0.00
Duwell Intertrade Co., Ltd.				
Unbilled services income	77,429.45	0.00	77,429.45	0.00
Trade and other current payables	231,915.51	406,600.00	231,915.51	406,600.00

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

	<b>For the three-month periods</b>			
	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Ms. Yanakorn Rattakham				
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	21,869.16
Other income - management fee	0.00	0.00	65,420.56	56,074.77
Cost of services - wages	0.00	0.00	0.00	(140,765.90)
Cost of services - material supply	0.00	0.00	1,964,126.00	910,115.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	599,200.00	0.00
Other income - management fee	0.00	0.00	9,096.00	0.00
Duwell Intertrade Co., Ltd.				
Other income - rental	77,429.45	0.00	77,429.45	0.00
Cost of services - material supply	870,925.00	0.00	870,925.00	0.00

**For the nine-month periods**

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Ms. Yanakorn Rattakham				
Cost of services - rental	0.00	185,263.12	0.00	0.00
QLT International Company Limited				
Service income - wages	0.00	0.00	0.00	7,500.00
Other income - rental	0.00	0.00	40,373.82	74,018.70
Other income - management fee	0.00	0.00	196,261.69	168,224.31
Cost of services - wages	0.00	0.00	0.00	24,278.36
Cost of services - material supply	0.00	0.00	3,615,298.00	2,159,200.24
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	2,162,540.00	206,995.00
Other income - management fee	0.00	0.00	9,096.00	0.00
Duwell Intertrade Co., Ltd.				
Other income - rental	155,695.59	0.00	155,695.59	0.00
Cost of services - material supply	2,663,925.00	0.00	2,663,925.00	0.00

## 20. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month and nine-month periods ended September 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	(347,048.14)	(35,558.26)	0.00	0.00
Employee benefit expenses	63,501,571.81	60,129,956.65	63,065,328.21	53,992,486.08
Depreciation	7,244,348.38	6,865,006.07	7,093,298.36	6,620,292.17
Supplies used	9,523,087.28	6,208,157.34	11,406,144.15	5,103,585.29
Contractor wage	9,124,117.56	11,367,542.66	9,065,420.67	12,231,878.66
Travelling and accommodation expenses	3,769,665.37	3,560,545.88	3,437,416.84	2,767,709.84
Office expenses	2,400,191.34	2,411,039.71	2,359,044.69	2,276,594.20
Official fee and consultant fee	857,946.18	749,392.31	795,710.50	678,115.18
Repairs and maintenance expenses	1,014,589.36	845,098.65	1,003,039.74	841,706.16
Directors' remuneration	894,199.98	586,700.00	894,199.98	586,700.00
Management benefit expenses	5,978,345.22	5,233,717.94	5,918,345.22	4,474,804.69

  

	<b>For the nine-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	(362,509.88)	840,946.78	0.00	0.00
Employee benefit expenses	175,464,078.35	173,452,272.09	173,558,429.88	156,039,648.77
Depreciation	19,924,295.15	20,489,465.24	19,450,724.07	19,720,637.27
Supplies used	21,262,706.28	16,834,189.67	24,594,556.05	15,614,620.43
Contractor wage	28,988,444.87	37,969,624.42	28,917,978.21	37,673,508.35
Travelling and accommodation expenses	9,217,417.18	10,564,122.10	8,316,976.09	8,267,721.55
Office expenses	7,163,375.04	7,173,534.26	7,033,608.44	6,561,283.62
Official fee and consultant fee	2,772,960.99	2,288,246.57	2,654,586.02	2,022,437.27
Repairs and maintenance expenses	2,298,697.25	2,316,758.59	2,274,127.25	2,272,825.99
Directors' remuneration	1,813,000.00	1,828,300.02	1,813,300.00	1,828,300.02
Management benefit expenses	16,401,970.23	15,886,816.91	15,979,970.23	13,696,282.00

## 21. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the nine-month periods ended September 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	228,940,058.15	174,785,855.95	99,967,606.50	92,243,993.75	328,907,664.65	267,029,849.70
Cost of services	(172,615,379.09)	(146,893,587.23)	(77,424,984.38)	(79,772,943.63)	(250,040,363.47)	(226,666,530.86)
Gross profit	56,324,679.06	27,892,268.72	22,542,622.12	12,471,050.12	78,867,301.18	40,363,318.84
Other income						
Gain on sale of segment	0.00	0.00	0.00	9,393,985.90	0.00	9,393,985.90
Others	117,815.75	203,474.88	2,835,837.43	1,899,329.69	2,953,653.18	2,102,804.57
Administrative expenses	(33,528,231.75)	(30,720,332.01)	(16,190,598.30)	(18,150,904.70)	(49,718,830.05)	(48,871,236.71)
Finance costs	(337,001.22)	(229,432.46)	(186,423.95)	(133,491.93)	(523,425.17)	(362,924.39)
Profit (loss) before income tax	22,577,261.84	(2,854,020.87)	9,001,437.30	5,479,969.08	31,578,699.14	2,625,948.21
Tax expense	0.00	0.00	(2,199,929.87)	(1,371,108.72)	(2,199,929.87)	(1,371,108.72)
Profit (loss) for the period from continuing operations	22,577,261.84	(2,854,020.87)	6,801,507.43	4,108,860.36	29,378,769.27	1,254,839.49
Profit (loss) for the period from discontinued operations	0.00	0.00	0.00	(1,206,137.38)	0.00	(1,206,137.38)
Profit (loss) for the period	22,577,261.84	(2,854,020.87)	6,801,507.43	2,902,722.98	29,378,769.27	48,702.11

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 nine-month periods ended September 30, 2019 and 2018 are as follows:

	Consolidated financial statements (Million Baht)			
	For the three-month periods		For the nine-month periods	
	2019	2018	2019	2018
Non-Destructive Testing	54.94	34.45	143.23	112.83
Inspection and certificate	67.89	46.00	165.12	142.84
Others	6.31	3.03	20.56	11.36
Total	129.14	83.48	328.91	267.03

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

23.1 As at September 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 25.46 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 September 30, 2019 for the amount of Baht 0.09 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 September 30, 2019 and December 31, 2018, total amount of Baht 19.12 million and Baht 15.48 million in the consolidated financial statements and Baht 19.12 million and Baht 14.51 million in the separate financial statements respectively. Contingent liabilities are guaranteed by bank deposits (note 9).

### **24. INTERIM FINANCIAL STATEMENTS APPROVAL**

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on November 9, 2019.