

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014
(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 of Qualitech Public Company Limited as at March 31, 2014, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with 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 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 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 accounting standard No.34 Interim Financial Reporting.

D I A International Audit Co., Ltd.

Somjintana Polhirunrat

(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No. 5599

May 10, 2014

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014 (UNAUDITED/REVIEWED ONLY)

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Current assets					
Cash and cash equivalents		62,372,461.81	38,744,385.05	56,069,753.54	33,309,761.23
Current investment	5	58,249,299.54	75,180,963.50	58,249,299.54	75,180,963.50
Trade and other receivables	6	64,320,861.15	66,048,169.17	63,635,604.74	65,100,635.24
Unbilled services income		104,317,694.59	91,819,560.12	104,715,594.59	91,869,896.86
Inventories		8,158,366.60	9,048,478.88	6,724,152.96	8,090,974.23
Total current assets		297,418,683.69	280,841,556.72	289,394,405.37	273,552,231.06
Non-current assets					
Investment in subsidiaries	7	0.00	0.00	3,519,550.00	3,519,550.00
Pledged bank deposits	8	13,928,291.10	13,958,077.02	13,928,291.10	13,958,077.02
Property, plant and equipment	9	138,470,799.19	130,295,541.24	136,876,692.49	128,799,971.78
Income tax deducted at source		5,347,900.27	4,548,807.91	5,335,299.92	4,538,223.20
Others non-current assets	10	916,621.92	934,530.92	916,621.92	934,530.92
Total non-current assets		158,663,612.48	149,736,957.09	160,576,455.43	151,750,352.92
Total assets		456,082,296.17	430,578,513.81	449,970,860.80	425,302,583.98

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2014 (UNAUDITED/REVIEWED ONLY)

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Current liabilities					
Trade and other payables	11	42,755,684.39	51,527,281.15	45,764,223.83	52,897,011.95
Current portion of long-term liabilities	12	3,705,864.97	3,289,373.24	3,566,347.72	3,151,524.79
Accrued income tax		882,016.74	506,289.42	0.00	0.00
Total current liabilities		47,343,566.10	55,322,943.81	49,330,571.55	56,048,536.74
Non-current liabilities					
Financial lease liabilities	12	5,113,649.09	4,698,356.33	4,746,768.57	4,295,887.77
Employee benefit obligations	13	10,756,022.35	10,089,271.00	10,747,301.47	10,089,271.00
Total non-current liabilities		15,869,671.44	14,787,627.33	15,494,070.04	14,385,158.77
Total liabilities		63,213,237.54	70,110,571.14	64,824,641.59	70,433,695.51
Shareholders' equity					
Share capital					
Authorized share capital	14				
99,000,000 common shares of					
Baht 1 each		99,000,000.00	99,000,000.00	99,000,000.00	99,000,000.00
Issued and paid-up share capital	14				
96,895,485 common shares of					
Baht 1 each		96,895,485.00		96,895,485.00	
96,577,285 common shares of					
Baht 1 each			96,577,285.00		96,577,285.00
Premium on share capital		69,672,677.14	67,852,859.52	69,672,677.14	67,852,859.52
Equity-settled share-based payment reserve		183,984.26	501,897.88	183,984.26	501,897.88
Retained earnings					
Appropriated - legal reserve		10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated		214,253,957.43	183,878,010.51	208,394,072.81	179,936,846.07
Total owners of the Company		391,006,103.83	358,810,052.91	385,146,219.21	354,868,888.47
Non-controlling interests		1,862,954.80	1,657,889.76	0.00	0.00
Total shareholders' equity		392,869,058.63	360,467,942.67	385,146,219.21	354,868,888.47
Total liabilities and shareholders' equity		456,082,296.17	430,578,513.81	449,970,860.80	425,302,583.98

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 MARCH 31, 2014

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2014	2013	2014	2013
Services income		125,540,247.26	92,129,177.68	124,091,119.26	91,902,790.56
Cost of services		(81,159,098.26)	(63,436,594.39)	(83,794,998.29)	(62,715,495.55)
Gross profit		44,381,149.00	28,692,583.29	40,296,120.97	29,187,295.01
Other income		835,259.41	1,122,994.46	1,225,186.93	1,089,153.40
Administrative expenses		(13,488,432.78)	(11,272,422.54)	(12,455,123.22)	(11,022,206.22)
Finance costs		(99,582.04)	(93,220.22)	(93,259.28)	(93,220.22)
Profit before income tax		31,628,393.59	18,449,934.99	28,972,925.40	19,161,021.97
Income tax expenses	15	(1,047,381.63)	(573,713.48)	(515,698.66)	(742,498.48)
Profit for the period		30,581,011.96	17,876,221.51	28,457,226.74	18,418,523.49
Other comprehensive income (expense)		0.00	0.00	0.00	0.00
Total comprehensive income for the period		30,581,011.96	17,876,221.51	28,457,226.74	18,418,523.49
Profit attributable to :					
Owners of the Company		30,375,946.92	18,139,088.21	28,457,226.74	18,418,523.49
Non-controlling interests		205,065.04	(262,866.70)	0.00	0.00
		30,581,011.96	17,876,221.51	28,457,226.74	18,418,523.49
Total comprehensive income attributable to :					
Owners of the Company		30,375,946.92	18,139,088.21	28,457,226.74	18,418,523.49
Non-controlling interests		205,065.04	(262,866.70)	0.00	0.00
		30,581,011.96	17,876,221.51	28,457,226.74	18,418,523.49
Earnings per share					
Basic earnings per share	16	0.31	0.19	0.29	0.19
Weighted average number of					
common shares	16	96,616,176	95,199,339	96,616,176	95,199,339
Diluted earnings per share	16	0.31	0.19	0.29	0.19
Weighted average number of					
common shares	16	97,531,067	96,738,776	97,531,067	96,738,776

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

(UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)

Note	Owners of the Company							Total owners of the Company	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve	Retained earnings		Total owners of the Company				
				Appropriated	Unappropriated					
Balance as at December 31, 2013	96,577,285.00	67,852,859.52	501,897.88	10,000,000.00	183,878,010.51	358,810,052.91	1,657,889.76	360,467,942.67		
Changes in shareholders' equity for the three-month periods:										
Common shares exercised from warrants	14	318,200.00	1,819,817.62	(317,913.62)	0.00	1,820,104.00	0.00	1,820,104.00		
Total comprehensive income for the period		0.00	0.00	0.00	30,375,946.92	30,375,946.92	205,065.04	30,581,011.96		
Balance as at March 31, 2014	96,895,485.00	69,672,677.14	183,984.26	10,000,000.00	214,253,957.43	391,006,103.83	1,862,954.80	392,869,058.63		
Balance as at December 31, 2012	95,089,535.00	59,344,268.49	699,469.91	10,000,000.00	172,153,455.14	337,286,628.54	2,016,040.07	339,302,668.61		
Changes in shareholders' equity for the three-month periods:										
Common shares exercised from warrants		617,650.00	3,532,402.12	(617,094.12)	0.00	3,532,958.00	0.00	3,532,958.00		
Total comprehensive income for the period		0.00	0.00	0.00	18,139,088.21	18,139,088.21	(262,866.70)	17,876,221.51		
Balance as at March 31, 2013	95,707,185.00	62,876,670.61	82,375.79	10,000,000.00	190,292,443.35	358,958,674.75	1,753,173.37	360,711,848.12		

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014
 (UNAUDITED/REVIEWED ONLY)

Note	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve	Retained earnings	Unappropriated		
Balance as at December 31, 2013	96,577,285.00	67,852,859.52	501,897.88	10,000,000.00	179,936,846.07	354,868,888.47	
Changes in shareholders' equity for the three-month periods:							
Common shares exercised from warrants	318,200.00	1,819,817.62	(317,913.62)	0.00	0.00	1,820,104.00	
Total comprehensive income for the period	0.00	0.00	0.00	0.00	28,457,226.74	28,457,226.74	
Balance as at March 31, 2014	96,895,485.00	69,672,677.14	183,984.26	10,000,000.00	208,394,072.81	385,146,219.21	
Balance as at December 31, 2012	95,089,535.00	59,344,268.49	699,469.91	10,000,000.00	171,279,243.34	336,412,516.74	
Changes in shareholders' equity for the three-month periods:							
Common shares exercised from warrants	617,650.00	3,532,402.12	(617,094.12)	0.00	0.00	3,532,958.00	
Total comprehensive income for the period	0.00	0.00	0.00	0.00	18,418,523.49	18,418,523.49	
Balance as at March 31, 2013	95,707,185.00	62,876,670.61	82,375.79	10,000,000.00	189,697,766.83	358,363,998.23	

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax	31,628,393.59	18,449,934.99	28,972,925.40	19,161,021.97
Adjustments				
Unrealized gain on changes in investment valuation	(131,903.86)	(560,762.58)	(131,903.86)	(560,762.58)
Doubtful accounts	157,171.80	0.00	0.00	0.00
Reversal of doubtful accounts	(54,258.91)	(28,787.90)	(54,258.91)	(28,787.90)
Increase in unbilled service income	(12,498,134.47)	(8,286,789.57)	(12,845,697.73)	(8,286,789.57)
Depreciation	4,665,465.84	4,332,555.87	4,590,339.48	4,329,252.32
Loss on disposal of fixed assets	653,604.16	165,115.91	653,604.16	165,115.91
Employee benefits	666,751.35	296,160.65	658,030.47	296,160.65
Interest expenses	93,259.28	93,220.22	93,259.28	93,220.22
	<u>25,180,348.78</u>	<u>14,460,647.59</u>	<u>21,936,298.29</u>	<u>15,168,431.02</u>
(Increase) Decrease in portion of operating assets				
Trade and other receivables	1,624,395.13	11,956,264.76	1,519,289.41	11,095,423.45
Inventories	890,112.28	(591,686.72)	1,366,821.27	(591,686.72)
Other non-current assets	17,909.00	(67,968.00)	17,909.00	(67,968.00)
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	(13,358,827.73)	(16,928,670.73)	(11,720,019.09)	(17,533,441.73)
Cash generated (paid) from operation	<u>14,353,937.46</u>	<u>8,828,586.90</u>	<u>13,120,298.88</u>	<u>8,070,758.02</u>
Interest paid	(93,259.28)	(93,220.22)	(93,259.28)	(93,220.22)
Income tax received (paid)	(1,470,746.67)	867,403.80	(1,312,775.38)	867,403.80
Net cash provided by (used in) operating activities	<u>12,789,931.51</u>	<u>9,602,770.48</u>	<u>11,714,264.22</u>	<u>8,844,941.60</u>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease in current investment	17,063,567.82	1,855,256.45	17,063,567.82	1,855,256.45
Decrease in pledged bank deposit	29,785.92	0.00	29,785.92	0.00
Proceeds from sales of fixed assets	175,268.77	572,009.35	175,268.77	572,009.35
Payments for fixed assets acquisition	(7,387,365.75)	(10,245,702.80)	(7,213,702.15)	(10,210,002.25)
Net cash provided by (used in) investing activities	9,881,256.76	(7,818,437.00)	10,054,920.36	(7,782,736.45)
Cash flows from financing activities				
Decrease in financial lease liabilities	(863,215.51)	(726,029.64)	(829,296.27)	(726,029.64)
Proceeds from exercised of warrants to purchase ordinary shares	1,820,104.00	3,532,958.00	1,820,104.00	3,532,958.00
Net cash provided by (used in) financing activities	956,888.49	2,806,928.36	990,807.73	2,806,928.36
Net increase (decrease) in cash and cash equivalents	23,628,076.76	4,591,261.84	22,759,992.31	3,869,133.51
Cash and cash equivalents as at January 1	38,744,385.05	21,987,975.76	33,309,761.23	19,252,107.93
Cash and cash equivalents as at March 31	62,372,461.81	26,579,237.60	56,069,753.54	23,121,241.44

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONDENSED NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

(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 two branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi and at 50, Soi Pattanakarn 57, Prawet District, Bangkok.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

2. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

- 2.1 The financial statements have been prepared in conformity with TAS 34 (Revised 2012) "Interim Financial Reporting", enunciated under the Accounting Professions Act B.E. 2547 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 Accounting standards and financial reporting standards adoption during the period

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and financial reporting interpretations which are expected to be effective for the financial statements beginning on or after January 1, 2014 as detailed below:

Accounting Standards

- TAS 1 (Revised 2012) Presentation of Financial Statements
- TAS 7 (Revised 2012) Statement of Cash Flows
- TAS 12 (Revised 2012) Income Taxes
- TAS 17 (Revised 2012) Leases
- TAS 18 (Revised 2012) Revenue
- TAS 19 (Revised 2012) Employee Benefits
- TAS 21 (Revised 2012) The Effects of Changes in Foreign Exchange Rate
- TAS 24 (Revised 2012) Related Party Disclosures
- TAS 28 (Revised 2012) Investments in Associates
- TAS 31 (Revised 2012) Interests in Joint Venture
- TAS 34 (Revised 2012) Interim Financial Reporting
- TAS 36 (Revised 2012) Impairment of Assets
- TAS 38 (Revised 2012) Intangible Assets

Financial Reporting Standards

- TFRS 2 (Revised 2012) Share - Based Payments
- TFRS 3 (Revised 2012) Business Combinations
- TFRS 5 (Revised 2012) Non-current Held for Sale and Discontinued Operations
- TFRS 8 (Revised 2012) Operating Segments

Standing Interpretations

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangement contains a Lease
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 13 Customers Loyalty Programmes
- TFRIC 17 Distributions of Non-cash Assets to Owners
- TFRIC 18 Transfer of Assets from Customers

The above accounting standards, financial reporting standards, standing interpretations and financial reporting interpretations will have no significantly impacts on these financial statements.

2.3 The new issued and revised accounting standards and financial reporting standards which are effective for the financial statements beginning on or after January 1, 2016 onwards and the Company and subsidiaries have not applied for these financial statements as follows:

Financial Reporting Standards

- TFRS 4 Insurance Contracts

At present, the Company and subsidiaries are being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

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 upto the controllable is ceased as below :

	Percentage of investment %		Type of Business
	March 31, 2014	December 31, 2013	
Subsidiaries			
QLT International Limited	99.99	99.99	Providing engineering services in both Thailand and overseas and engage in relevant business
Qualitech Myanmar Limited	50.99	50.99	Providing safety engineering services in Myanmar and other related 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 subsidiary, unrealized gain between of the Company and net assets of subsidiary have been eliminated from the interim consolidated financial statements.

4. SUMMARY 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, 2013.

5. CURRENT INVESTMENT

	Consolidated and Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013
Open-end fund	37,334,184.23	54,265,848.19
Cash at bank - fixed deposit with 6 months maturity	20,915,115.31	20,915,115.31
Total	<u>58,249,299.54</u>	<u>75,180,963.50</u>

The increase and decrease of current investment for the three-month periods ended March 31, 2014 are as follow :

	(Unit : Baht)
	Consolidated and Separate financial statements
Book value as at January 1, 2014	75,180,963.50
Increase investment during the period	39,531,550.18
Sales of investment during the period	(56,595,118.00)
Gain on changes of fair value	<u>131,903.86</u>
Book value as at March 31, 2014	<u>58,249,299.54</u>

6. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Trade accounts receivable	71,200,320.28	73,069,143.37	70,488,074.42	72,675,874.83
Other receivables	6,767,150.97	6,522,723.01	6,636,968.62	5,968,457.62
Total	77,967,471.25	79,591,866.38	77,125,043.04	78,644,332.45
Less Allowance for doubtful accounts				
- trade accounts receivable	(13,646,610.10)	(13,543,697.21)	(13,489,438.30)	(13,543,697.21)
Net	64,320,861.15	66,048,169.17	63,635,604.74	65,100,635.24

Billed trade accounts receivable separated on aging

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Undue trade accounts receivable	21,212,865.32	25,483,298.52	21,289,438.93	25,344,521.78
Overdue trade accounts receivable				
- Less than 3 months	30,610,885.09	29,724,983.69	29,978,607.57	29,692,543.69
- Over 3 months to 6 months	6,342,432.90	4,773,344.34	6,342,432.90	4,708,464.34
- Over 6 months to 12 months	38,400.00	91,150.00	38,400.00	91,150.00
- Over 12 months	12,995,736.97	12,996,366.82	12,839,195.02	12,839,195.02
Total	71,200,320.28	73,069,143.37	70,488,074.42	72,675,874.83

7. INVESTMENTS IN SUBSIDIARIES

Company's name	Registration in	Paid-up share capital (Baht)	Percentage of shareholding	Separate financial statements (Baht)	
				March 31, 2014	December 31, 2013
QLT International Limited	Thailand	2,500,000.00	99.99	2,499,850.00	2,499,850.00
Qualitech Myanmar Limited	Thailand	2,000,000.00	50.99	1,019,700.00	1,019,700.00
	Total			3,519,550.00	3,519,550.00

The financial statements for the three-month periods ended March 31, 2014 of above subsidiaries have been taken for preparing the consolidated financial statements which were reviewed by the auditor.

8. PLEDGED BANK DEPOSIT

As at March 31, 2014, the Company has a bank deposit amount of Baht 13.98 million which is mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 22).

9. PROPERTY, PLANT AND EQUIPMENT

9.1 The increase and decrease of property, plant and equipment for the three-month periods ended March 31, 2014 are as follow :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2014	130,295,541.24	128,799,971.78
Purchase during the period - cost	13,669,596.72	13,495,933.12
Disposal during the period - net book value as at disposal date	(828,872.93)	(828,872.93)
Depreciation for the period	(4,665,465.84)	(4,590,339.48)
Net book value as at March 31, 2014	<u>138,470,799.19</u>	<u>136,876,692.49</u>

9.2 Tools and technical equipment as at March 31, 2014

Assets acquired	Cost	(Unit : Baht)	
		Accumulated depreciation	Net cost
Depreciation by straight-line method			
- Before October 23, 1999	2,266,549.95	(2,266,460.95)	89.00
- 2004 until present	47,256,385.22	(34,282,989.12)	12,973,396.10
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	4,147,694.17	(4,147,621.17)	73.00
- 2006 until present	76,268,255.60	(51,207,027.25)	25,061,228.35
Total	<u>129,938,884.94</u>	<u>(91,904,098.49)</u>	<u>38,034,786.45</u>

Depreciation for the three-month periods ended March 31, 2014 were Baht 3.09 million.

10. OTHER NON-CURRENT ASSETS

	Consolidated and Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013
	Deposit receivable under contract	4,539,185.99
Others	156,289.04	24,405.05
Total	<u>4,695,475.03</u>	<u>4,581,500.04</u>
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Provision for impairment of assets	(156,289.04)	(24,405.05)
Net	<u>916,621.92</u>	<u>934,530.92</u>

11. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Trade accounts payable	12,563,366.07	8,213,563.52	16,965,584.34	11,567,703.14
Other payables				
Accrued expenses	18,781,731.53	35,913,594.06	18,002,222.06	34,117,301.48
Assests payables	8,688,214.96	4,100,983.99	8,688,214.96	4,100,983.99
Others	2,722,371.83	3,299,139.58	2,108,202.47	3,111,023.34
Total	<u>42,755,684.39</u>	<u>51,527,281.15</u>	<u>45,764,223.83</u>	<u>52,897,011.95</u>

12. FINANCIAL LEASE LIABILITIES

12.1 Financial lease liabilities excluded future interest expenses as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Hire purchase payable	8,819,514.06	7,987,729.57	8,313,116.29	7,447,412.56
Less Current portion of				
long-term liabilities	(3,705,864.97)	(3,289,373.24)	(3,566,347.72)	(3,151,524.79)
Net	<u>5,113,649.09</u>	<u>4,698,356.33</u>	<u>4,746,768.57</u>	<u>4,295,887.77</u>

12.2 The increase and decrease of financial lease liabilities for the three-month periods ended March 31, 2014 are as follow :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2014	7,987,729.57	7,447,412.56
Increase during the period	1,695,000.00	1,695,000.00
Repayment during the period	(863,215.51)	(829,296.27)
Book value as at March 31, 2014	<u>8,819,514.06</u>	<u>8,313,116.29</u>

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Vehicles	19,595,037.38	17,335,037.38	18,816,037.38	16,556,037.38
Office equipment	242,780.16	242,780.16	242,780.16	242,780.16
Total	19,837,817.54	17,577,817.54	19,058,817.54	16,798,817.54

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Within 1 year	4,071,858.95	3,664,223.88	3,910,890.95	3,503,255.88
Over 1 year less than 3 years	4,847,688.99	4,647,199.97	4,458,682.99	4,217,951.97
Over 3 years less than 5 years	441,599.00	236,391.00	441,599.00	236,391.00
Total	9,361,146.94	8,547,814.85	8,811,172.94	7,957,598.85
Less Future interest expenses of financial lease	(541,632.88)	(560,085.28)	(498,056.65)	(510,186.29)
Present value of financial lease liabilities	8,819,514.06	7,987,729.57	8,313,116.29	7,447,412.56

13. EMPLOYEE BENEFIT OBLIGATIONS

The increase and decrease of employee benefit obligations for the three-month periods ended March 31, 2014 are as follow :

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2014	10,089,271.00	10,089,271.00
Present services and interest cost	666,751.35	658,030.47
Book value as at March 31, 2014	10,756,022.35	10,747,301.47

14. SHARE CAPITAL

14.1 The increase and decrease of share capital for the three-month periods ended March 31, 2014 are as follow :

	Authorized share capital		Issued and paid-up share capital	
	Number of shares	Amount (Baht)	Number of shares	Amount (Baht)
Balance as at January 1, 2014	99,000,000	99,000,000.00	96,577,285	96,577,285.00
Common shares issued from exercise				
of warrants (QLT -ESOP)	0	0.00	318,200	318,200.00
Balance as at March 31, 2014	99,000,000	99,000,000.00	96,895,485	96,895,485.00

14.2 The increase and decrease of Common shares issued from exercise of warrants (QLT -ESOP) for the three-month periods ended March 31, 2014 are as follow :

	Number of units
Balance as at January 1, 2014	2,222,350
Exercise of warrants	(318,200)
Balance as at March 31, 2014	1,904,150

15. INCOME TAX

15.1 The calculation of current income taxes

Parent company

For the first quarter of 2014, 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 20).

Subsidiary

For the first quarter of 2014, subsidiary calculated corporate income tax at the rate of 15 -20% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any).

15.2 Income tax recognized in profit or loss

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2014	2013	2014	2013
<u>For the three-month periods</u>				
Current income tax				
For the current year	1,047,381.63	573,713.48	515,698.66	742,498.48
Deferred tax				
Changes in temporary				
differences of deferred tax	0.00	0.00	0.00	0.00
Total income tax	<u>1,047,381.63</u>	<u>573,713.48</u>	<u>515,698.66</u>	<u>742,498.48</u>

As at March 31, 2014, allowance for doubtful accounts amount of Baht 13.49 million is allowance for doubtful accounts of trade accounts receivable granted from promotional investment which have no impacts on deferred tax from taking TAS 12 "Income Taxes" to apply.

17. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

17.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash	385,329.00	1,446,012.76	244,797.00	295,170.79
Cash at bank - current accounts	34,000.00	34,000.00	34,000.00	34,000.00
Cash at bank - savings deposit	35,353,132.81	24,956,863.20	29,190,956.54	22,649,709.01
Cash at bank - fixed deposit	26,600,000.00	142,361.64	26,600,000.00	142,361.64
Total	62,372,461.81	26,579,237.60	56,069,753.54	23,121,241.44

17.2 Non-cash transaction

For the first quarter of 2014, the Company entered into hire purchase vehicles agreement of Baht 2.26 million which was already made the initial installment in the amount of Baht 0.57 million. The remaining is presented as financial lease liabilities. The Company also has the outstanding for fixed assets acquisition amount of Baht 8.69 million which is presented as other payables.

18. 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 :

18.1 General information

Name	Relationship	Description	Pricing policy
Related persons			
Mr. Sannpat Rattakham	The Company's director and shareholder	Guarantee	Non-service charge
Mr. Sumet Techachainiran	The Company's director and shareholder	Guarantee	Non-service charge
Mrs. Monta Chaiyaban	Spouses of the Company's director and shareholder	Office rental	At the agreed rate of Baht 8,500 starting in June 2008
		Land and office building acquisition	At the value appraised by the independent appraiser plus Baht 1.5 million

Name	Relationship	Description	Pricing policy
Subsidiary companies			
Qualitech Myanmar Limited	The Company held 50.99% share capital, director and management have common shareholding	Wages	Close to market value
QLT International Limited	The Company held 99.99% share capital, director and management have common shareholding	Wages	Close to market value
Related company			
Parami Energy Service Co., Ltd.	Director and shareholder of subsidiary	Hire of work income Wages Management fee	At agreed price At agreed price At agreed price

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Trade and other receivables				
Qualitech Myanmar Limited	0.00	0.00	288,085.38	1,500.00
QLT International Limited	0.00	0.00	410,225.00	80,000.00
Parami Energy Service Co., Ltd.	422,357.90	392,113.68	0.00	0.00
Total	422,357.90	392,113.68	698,310.38	81,500.00
Trade and other payables				
Qualitech Myanmar Limited	0.00	0.00	0.00	107,836.74
QLT International Limited	0.00	0.00	4,820,700.17	3,985,101.44
Parami Energy Service Co., Ltd.	277,267.43	612,397.37	0.00	0.00
Total	277,267.43	612,397.37	4,820,700.17	4,092,938.18

18.3 Revenues and expenses transaction with related persons and parties for the three-month periods ended March 31, 2014 and 2013 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Service income - wages				
Qualitech Myanmar Limited	0.00	0.00	84,285.40	0.00
Parami Energy Service Co., Ltd.	388,935.30	0.00	0.00	0.00
Total	388,935.30	0.00	84,285.40	0.00
Other income - rental				
QLT International Limited	0.00	0.00	72,897.20	0.00
Other income - management fee				
Qualitech Myanmar Limited	0.00	0.00	197,900.00	0.00
QLT International Limited	0.00	0.00	120,000.00	0.00
Total	0.00	0.00	317,900.00	0.00
Cost of services - wages				
QLT International Limited	0.00	0.00	5,608,345.61	0.00
Parami Energy Service Co., Ltd.	137,323.98	18,771.36	0.00	0.00
Total	137,323.98	18,771.36	5,608,345.61	0.00
Administrative expenses - wages				
Parami Energy Service Co., Ltd.	37,106.25	0.00	0.00	0.00
Administrative expenses - office rental				
Mrs. Monta Chaiyaban	0.00	8,500.00	0.00	8,500.00

18.4 Fixed assets acquisition with related persons and parties are as follows :

For the first quarter of 2013, according to the minutes of Board of directors' meeting No. 1/2013 held on February 16, 2013, the Board of directors ratified involving land and office building acquisition instead of lease from spouses of the Company's director and shareholder (Mrs. Monta Chaiyaban). The Company acquired such land with its office building in the price of Baht 7.50 million which is higher than the appraisal value amount of Baht 1.50 million that the management deems that this price is appropriated, caused by the Company can save the cost of removal and renovation of its office.

19. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month periods ended March 31, 2014 and 2013 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2014	2013	2014	2013
Employee benefit expenses	56,532,721.12	44,785,928.48	54,699,525.48	44,533,384.78
Depreciation	4,665,465.84	4,332,555.87	4,590,339.48	4,329,252.32
Supplies used	9,020,891.92	7,481,037.77	8,260,189.99	7,327,225.16
Contractor wage	7,425,772.35	4,788,804.25	12,287,425.89	4,502,022.10
Travelling and accommodation expenses	3,024,112.61	2,421,352.49	2,751,587.52	2,367,244.23
Office expenses	2,092,256.34	1,838,663.12	2,003,726.82	1,838,599.12
Fee and consulting fee	738,821.10	722,457.07	689,655.22	697,178.49
Repairs and maintenance expenses	2,560,793.90	1,403,735.17	2,532,728.78	1,403,735.17
Directors' remuneration	749,275.60	615,288.22	749,275.60	615,288.22
Management benefit expenses	4,881,938.87	4,228,713.53	4,881,938.87	4,228,713.53

20. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the three-month periods ended March 31, 2014 and 2013 separated into promoted business and non-promoted business as follows

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2014	2013	2014	2013	2014	2013
Services income	99,146,817.86	75,541,512.13	26,393,429.40	16,587,665.55	125,540,247.26	92,129,177.68
Cost of services	(62,866,833.07)	(51,214,906.89)	(18,292,265.19)	(12,221,687.27)	(81,159,098.26)	(63,436,594.16)
Gross profit	36,279,984.79	24,326,605.24	8,101,164.21	4,365,978.28	44,381,149.00	28,692,583.52
Other income	0.00	0.00	835,259.41	1,122,994.46	835,259.41	1,122,994.46
Administrative expenses	(9,824,536.45)	(8,983,280.85)	(3,663,896.33)	(2,289,141.69)	(13,488,432.78)	(11,272,422.54)
Finance costs	(73,805.39)	(75,726.95)	(25,776.65)	(17,493.27)	(99,582.04)	(93,220.22)
Profit before income tax	26,381,642.95	15,267,597.44	5,246,750.64	3,182,337.78	31,628,393.59	18,449,935.22
Income tax expenses	0.00	0.00	(1,047,381.63)	(573,713.71)	(1,047,381.63)	(573,713.71)
Profit for the period	26,381,642.95	15,267,597.44	4,199,369.01	2,608,624.07	30,581,011.96	17,876,221.51

21. OPERATING SEGMENTS

21.1 Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker of the Company has been identified as the President of executive directors.

21.2 The Company and subsidiaries' operations involve virtually in a single in services providing for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment in both domestic and an overseas geographical segment since the overseas segment had services income less than 10% of services volume, therefore, the financial information by geographical segment has not been presented.

	Consolidated financial statements	
	(Million Baht)	
	2014	2013
<u>For the three-month periods</u>		
Nondestructive testing	74.48	52.71
Testing and certification of welding work	51.06	39.42

22. COMMITMENT AND CONTINGENT LIABILITIES

22.1 The Company has commitment under acquire technical equipment agreement as at March 31, 2014 and December 31, 2013 amount of USD 17,500.

22.2 The Company has 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, total amount as at March 31, 2014 and December 31, 2013 of Baht 13.65 million and Baht 13.34 million respectively. Contingent liabilities are guaranteed by bank deposits (Note 8).

23. EVENTS AFTER THE REPORTING PERIOD

According to the annual general shareholders' meeting for the year 2014 held on April 9, 2014, the shareholders passed the resolution to pay dividend to the shareholders at Baht 0.65 per share, total amount of Baht 62.68 million by making interim dividend payment at Baht 0.25 per share for 95.71 million ordinary shares, total amount of Baht 23.93 million, thus, the remaining annual dividend payment at Baht 0.40 per share for 96.90 million ordinary shares, total amount of Baht 38.75 million will be paid on May 7, 2014.

24. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on May 10, 2014.