

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023
(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, 2023, the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2023, 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.

Emphasis of Matter

I draw your attention to notes 8 to financial statements, in the second quarter of 2023 that pertaining to the Company has determined to set up impairment loss on investment in an associate (Property Aim Solutions Company Limited) in the amount of Baht 121.49 million and Baht 126.47 million in the consolidated and separate financial statements respectively, due to events that affect the associates' inability to continue its business as following; 1) the associate lacks financial liquidity and is unable to pay salaries to all employees. As a result, some employees complained to the Department of Labor Protection and Welfare for requesting the payment of unpaid salaries and the employees stopped their working. The termination of employee performance may cause the customer to terminate the employment contract and claim damages, prosecution against the associate including non-payment outstanding services fee, 2) three members of the Board of directors of associate had resigned from their position due to conflicts in management, and 3) the associate has already ceased to operate its business.

D I A International Audit Co., Ltd.



(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

November 10, 2023

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
		(Unaudited /Reviewed only)	(Audited)	(Unaudited /Reviewed only)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		38,164,335.25	35,252,439.44	20,608,566.56	26,279,941.09
Trade and other current receivables	5	58,381,353.04	98,332,580.35	54,731,609.29	92,754,000.91
Contract assets	6	56,226,442.48	60,177,575.00	56,286,592.01	60,191,788.92
Inventories		8,759,416.07	7,735,226.76	4,876,986.38	4,437,124.64
Total current assets		161,531,546.84	201,497,821.55	136,503,754.24	183,662,855.56
Non-current assets					
Capital lease receivables	7	17,345,540.08	18,158,065.57	0.00	0.00
Investments in associate	8	0.00	122,935,115.86	0.00	126,466,276.77
Investment in subsidiaries	9	0.00	0.00	32,263,430.00	26,663,430.00
Property, plant and equipment	10	141,246,323.53	145,242,935.64	140,316,206.07	144,087,666.32
Right-of-use assets	11	18,317,297.23	14,653,868.09	18,317,297.23	14,653,868.09
Goodwill		4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill		1,791,209.79	2,085,292.72	1,791,209.79	2,085,292.72
Deferred tax assets		13,225,076.72	3,101,832.46	13,502,929.05	3,404,918.65
Income tax for refund		8,154,808.78	7,475,047.77	8,146,263.16	7,466,491.95
Non-current non-cash financial assets					
pledged as collateral		3,020,401.07	3,010,000.00	3,020,401.07	3,010,000.00
Others non-current assets	12	973,037.63	811,508.66	973,037.63	811,508.66
Total non-current assets		208,918,034.20	322,318,006.14	218,330,774.00	328,649,453.16
Total assets		370,449,581.04	523,815,827.69	354,834,528.24	512,312,308.72

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, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
		(Unaudited /Reviewed only)	(Audited)	(Unaudited /Reviewed only)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	13	0.00	7,741,711.57	0.00	7,741,711.57
Trade and other current payables	14	30,059,088.86	42,906,337.34	29,431,829.25	43,870,602.18
Current portion of lease liabilities	15	4,069,277.09	3,185,562.40	4,069,277.09	3,185,562.40
Corporate income tax payable		656,758.01	354,741.24	0.00	0.00
Total current liabilities		34,785,123.96	54,188,352.55	33,501,106.34	54,797,876.15
Non-current liabilities					
Lease liabilities	15	7,626,932.72	3,444,016.73	7,626,932.72	3,444,016.73
Non-current provisions for employee benefit	16	22,547,755.31	20,009,067.38	22,391,949.74	19,902,113.23
Others non-current liabilities		2,966,454.69	2,995,000.00	0.00	0.00
Total non-current liabilities		33,141,142.72	26,448,084.11	30,018,882.46	23,346,129.96
Total liabilities		67,926,266.68	80,636,436.66	63,519,988.80	78,144,006.11

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, 2023

Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(Unaudited /Reviewed only)	(Audited)	(Unaudited /Reviewed only)	(Audited)
Liabilities and shareholders' equity				
Shareholders' equity				
Share capital				
Authorized share capital				
	98,568,485 common shares of			
	Baht 1 each			
	98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Issued and paid-up share capital				
	98,568,485 common shares of			
	Baht 1 each			
	98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Share premium on ordinary shares	75,175,543.40	75,175,543.40	75,175,543.40	75,175,543.40
Equity-settled share-based payment reserve	10,680,188.03	10,680,188.03	10,680,188.03	10,680,188.03
Retained earnings				
	Appropriated - legal reserve			
	10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
	Unappropriated			
	107,736,185.13	242,992,040.47	96,543,474.51	239,397,237.68
Other components of equity	201,493.95	0.00	0.00	0.00
Total owners of the Company	302,708,744.01	437,763,105.40	291,314,539.44	434,168,302.61
Non-controlling interests	(185,429.65)	5,416,285.63	0.00	0.00
Total shareholders' equity	302,523,314.36	443,179,391.03	291,314,539.44	434,168,302.61
Total liabilities and shareholders' equity	370,449,581.04	523,815,827.69	354,834,528.24	512,312,308.72

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, 2023
 (UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
Sales and services income		102,319,888.39	122,658,878.09	89,461,231.71	118,500,884.21
Cost of sale and services		(79,109,277.21)	(82,652,518.75)	(72,045,159.26)	(80,306,667.33)
Gross profit		23,210,611.18	40,006,359.34	17,416,072.45	38,194,216.88
Other income		388,244.45	660,356.06	449,255.51	798,099.76
Distribution costs		(2,746,443.23)	(2,407,066.02)	(2,155,485.00)	(2,090,682.50)
Administrative expenses		(29,574,889.06)	(23,345,187.87)	(28,889,523.22)	(22,153,822.88)
Profit (loss) from operating activities		(8,722,476.66)	14,914,461.51	(13,179,680.26)	14,747,811.26
Share of loss from investments in associate		0.00	(757,708.01)	0.00	0.00
Finance costs		(287,531.87)	(176,078.62)	(286,657.13)	(175,549.69)
Profit (loss) before income tax expense		(9,010,008.53)	13,980,674.88	(13,466,337.39)	14,572,261.57
Tax (expense) income	17	2,277,215.25	(1,064,312.32)	3,019,871.67	(902,682.36)
Profit (loss) for the period		(6,732,793.28)	12,916,362.56	(10,446,465.72)	13,669,579.21
Other comprehensive income (expense) for the period		0.00	0.00	0.00	0.00
Total comprehensive income (expense) for the period		(6,732,793.28)	12,916,362.56	(10,446,465.72)	13,669,579.21
Profit (loss) attributable to :					
Owners of the Company		(6,887,016.03)	12,966,576.31	(10,446,465.72)	13,669,579.21
Non-controlling interests		154,222.75	(50,213.75)	0.00	0.00
Total		(6,732,793.28)	12,916,362.56	(10,446,465.72)	13,669,579.21
Earnings per share					
Basic earnings (loss) per share		(0.07)	0.13	(0.11)	0.14
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, 2023

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
Sales and services income		298,122,620.26	316,114,358.64	278,698,796.58	304,603,311.32
Cost of sale and services		(221,985,054.65)	(222,056,679.90)	(212,890,235.27)	(216,415,716.56)
Gross profit		76,137,565.61	94,057,678.74	65,808,561.31	88,187,594.76
Other income		2,866,387.58	1,591,373.83	3,231,964.68	2,303,144.59
Distribution costs		(9,542,987.20)	(6,884,259.65)	(7,376,487.31)	(5,995,647.36)
Administrative expenses		(211,574,374.21)	(51,418,657.48)	(213,845,692.82)	(48,490,716.83)
Profit (loss) from operating activities		(142,113,408.22)	37,346,135.44	(152,181,654.14)	36,004,375.16
Share of loss from investments in associate		(1,441,411.78)	(757,708.01)	0.00	0.00
Finance costs		(772,715.13)	(538,511.89)	(770,119.43)	(536,942.38)
Profit (loss) before income tax expense		(144,327,535.13)	36,049,915.54	(152,951,773.57)	35,467,432.78
Tax (expense) income	17	9,271,458.46	(2,241,020.70)	10,098,010.40	(1,702,335.53)
Profit (loss) for the period		(135,056,076.67)	33,808,894.84	(142,853,763.17)	33,765,097.25
Other comprehensive income (expense) for the period		0.00	0.00	0.00	0.00
Total comprehensive income (expense) for the period		(135,056,076.67)	33,808,894.84	(142,853,763.17)	33,765,097.25
Profit (loss) attributable to :					
Owners of the Company		(135,255,855.34)	33,865,622.77	(142,853,763.17)	33,765,097.25
Non-controlling interests		199,778.67	(56,727.93)	0.00	0.00
Total		(135,056,076.67)	33,808,894.84	(142,853,763.17)	33,765,097.25
Earnings per share					
Basic earnings (loss) per share		(1.37)	0.34	(1.45)	0.34
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, 2023
 (UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)									
Note	Owners of the Company						Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings		Other components of equity			Total owners of the Company
				Appropriated	Unappropriated	Different of change in percentage of investment in subsidiary			
Beginning balance of the year 2023	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	242,992,040.47	0.00	437,763,105.40	5,416,285.63	443,179,391.03
Changes in shareholders' equity for the nine-month periods:									
Purchase of investment in subsidiary	3.4	0.00	0.00	0.00	0.00	201,493.95	201,493.95	(5,801,493.95)	(5,600,000.00)
Loss for the period		0.00	0.00	0.00	(135,255,855.34)	0.00	(135,255,855.34)	199,778.67	(135,056,076.67)
Ending balance of the year 2023		<u>75,175,543.40</u>	<u>10,680,188.03</u>	<u>10,346,848.50</u>	<u>107,736,185.13</u>	<u>201,493.95</u>	<u>302,708,744.01</u>	<u>(185,429.65)</u>	<u>302,523,314.36</u>
Beginning balance of the year 2022		75,175,543.40	10,680,188.03	10,346,848.50	238,587,773.18	0.00	433,358,838.11	3,790,916.09	437,149,754.20
Changes in shareholders' equity for the nine-month periods:									
Ordinary shares-additional paid-up		0.00	0.00	0.00	0.00	0.00	0.00	1,500,020.00	1,500,020.00
Dividend paid		0.00	0.00	0.00	0.00	(19,711,597.00)	(19,711,597.00)	0.00	(19,711,597.00)
Profit for the period		0.00	0.00	0.00	33,865,622.77	0.00	33,865,622.77	(56,727.93)	33,808,894.84
Ending balance of the year 2022		<u>75,175,543.40</u>	<u>10,680,188.03</u>	<u>10,346,848.50</u>	<u>252,741,798.95</u>	<u>0.00</u>	<u>447,512,863.88</u>	<u>5,234,208.16</u>	<u>452,747,072.04</u>

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, 2023
 (UNAUDITED/REVIEWED ONLY)

Note	Separate financial statements (Baht)					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings		
				Appropriated	Unappropriated	
Beginning balance of the year 2023	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	239,397,237.68	434,168,302.61
Changes in shareholders' equity for the nine-month periods:						
Loss for the period	0.00	0.00	0.00	0.00	(142,853,763.17)	(142,853,763.17)
Ending balance of the year 2023	<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>96,543,474.51</u>	<u>291,314,539.44</u>
Beginning balance of the year 2022	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	235,129,314.71	429,900,379.64
Changes in shareholders' equity for the nine-month periods:						
Dividend paid	0.00	0.00	0.00	0.00	(19,711,597.00)	(19,711,597.00)
Profit for the period	0.00	0.00	0.00	0.00	33,765,097.25	33,765,097.25
Ending balance of the year 2022	<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>249,182,814.96</u>	<u>443,953,879.89</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, 2023

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2023	2022	2023	2022
Cash flows from operating activities					
Profit (loss) for the period		(135,056,076.67)	33,808,894.84	(142,853,763.17)	33,765,097.25
Adjustments to reconcile profit (loss) to cash received (paid)					
Unrealized (gain) loss on exchange rate		(102,735.24)	(67,789.38)	(102,735.24)	(52,859.85)
Expected credit losses (reversed)		5,922,927.18	(8,908,039.01)	5,922,927.18	(8,908,039.01)
Loss on devaluation of inventories (reversed)		(1,238.74)	0.00	(1,238.74)	0.00
(Increase) decrease in contract assets		4,283,112.74	(3,913,406.93)	4,237,177.13	(2,228,873.24)
Impairment loss of investment in associate		121,493,704.08	0.00	126,466,276.77	0.00
Share of loss from investments in associate		1,441,411.78	757,708.01	0.00	0.00
Depreciation		19,895,787.71	16,296,372.03	19,583,789.55	15,978,310.84
(Gains) losses on sale of equipment		44,155.78	243,640.37	123,269.55	310,515.59
Loss on impairment of properties foreclosed (reversed)		(7,066.09)	1,681,860.21	(7,066.09)	1,681,860.21
Amortized other intangible assets other than goodwill		401,282.93	313,413.37	401,282.93	313,413.37
Provisions for employee benefits		2,116,221.98	1,365,500.67	2,069,966.26	1,345,648.51
Interest expenses		772,715.13	538,511.89	770,119.43	536,942.38
Tax expenses (income)		(9,271,458.46)	2,241,020.70	(10,098,010.40)	1,702,335.53
		11,932,744.11	44,357,686.77	6,511,995.16	44,444,351.58
(Increase) Decrease in portion of operating assets					
Trade and other current receivables		33,905,419.07	5,741,956.63	31,969,820.42	6,785,530.00
Inventories		(1,022,950.57)	789,563.67	(438,623.00)	750,680.29
Capital lease receivables		805,762.53	0.00	0.00	0.00
Non-current non-cash financial assets pledged as collateral		(10,401.07)	0.00	(10,401.07)	0.00
Others non-current assets		(161,528.97)	(15,043,264.02)	(161,528.97)	(8,264.02)
Increase (Decrease) in portion of operating liabilities					
Trade and other current payables		(11,723,529.17)	2,790,532.59	(13,315,053.62)	328,192.44
Others non-current liabilities		(28,545.31)	688,750.00	0.00	0.00

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, 2023

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
Cash generated (paid) from operation		33,696,970.62	39,325,225.64	24,556,208.92	52,300,490.29
Interest paid		(350,249.18)	(149,331.34)	(350,249.18)	(149,331.34)
Income tax paid		(4,348,912.11)	(4,843,902.03)	(3,799,153.28)	(4,320,808.91)
Income tax refunded		3,119,382.07	0.00	3,119,382.07	0.00
Net cash provided by (used in) operating activities		32,117,191.40	34,331,992.27	23,526,188.53	47,830,350.04
Cash flows from investing activities					
Proceeds from equity securities of other parties		0.00	130,664,562.16	0.00	130,664,562.16
Payments for acquire of equity securities of other parties		0.00	(10,000,000.00)	0.00	(10,000,000.00)
Payments for investments in associate		0.00	(144,550,000.00)	0.00	(144,550,000.00)
Payments for acquire of investment in subsidiaries		0.00	0.00	(5,600,000.00)	(3,499,980.00)
Proceeds from sales of equipment		1,386,172.34	5,042,446.44	1,261,672.34	4,916,946.44
Payments for equipment acquisition		(13,250,298.71)	(11,589,844.30)	(13,118,066.18)	(11,218,948.04)
Payments for right-of-use assets		(472,710.28)	(785,000.00)	(472,710.28)	(785,000.00)
Payments for other intangible assets acquisition other than goodwill		(107,200.00)	(36,250.00)	(107,200.00)	(36,250.00)
Net cash provided by (used in) investing activities		(12,444,036.65)	(31,254,085.70)	(18,036,304.12)	(34,508,669.44)
Cash flows from financing activities					
Short-term borrowings from financial institutions, increase (decrease)		(7,741,711.57)	0.00	(7,741,711.57)	0.00
Payments for lease liabilities		(3,419,547.37)	(2,418,537.26)	(3,419,547.37)	(2,418,537.26)
Payments for dividend		0.00	(19,711,597.00)	0.00	(19,711,597.00)
Proceeds from non-controlling interests		0.00	1,500,020.00	0.00	0.00
Payments for acquire of non-controlling interests		(5,600,000.00)	0.00	0.00	0.00
Net cash provided by (used in) financing activities		(16,761,258.94)	(20,630,114.26)	(11,161,258.94)	(22,130,134.26)
Net increase (decrease) in cash and cash equivalents		2,911,895.81	(17,552,207.69)	(5,671,374.53)	(8,808,453.66)
Cash and cash equivalents as at the beginning of the period		35,252,439.44	40,888,782.89	26,279,941.09	21,978,323.05
Cash and cash equivalents as at the end of the period	18	38,164,335.25	23,336,575.20	20,608,566.56	13,169,869.39

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023
(UNAUDITED/REVIEWED ONLY)

1. GENERAL INFORMATION

- 1.1 Qualitech Public Company Limited (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, 1) at 50, Soi Pattanakarn 57, Prawet, Bangkok, and 2) 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 INFORMATION BASIS

The interim financial information has been prepared and presented the condensed form in conformity with TAS 34 "Interim Financial Reporting", guidelines promulgated by the Federation of Accounting Professions (FAP) and presented in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

This interim financial information has been prepared for the purpose to provide the update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows are presented the same as previous annual financial statements. Therefore, this interim financial information should access to the most recent annual financial statements.

The interim financial information in Thai language are the official statutory financial information of the Group. The interim financial information in English language have been translated from the Thai language financial information.

3. INTERIM CONSOLIDATED FINANCIAL INFORMATION PREPARATION BASIS

3.1 The interim financial information has been prepared by including financial information of Qualitech Public Company Limited and subsidiaries in which Qualitech Public Company Limited has controlled the entire financial policy and operations of subsidiaries since the controllable date until the control is ceased, and recognized investments in associate by using equity method as follows:

	Registration in	Percentage of investment %		Type of business
		September 30, 2023	December 31, 2022	
<u>Subsidiaries</u>				
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar	80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business
Duwell Intertrade Co., Ltd.	Thailand	99.99	99.99	Providing materials and equipment for engineering services, inspection
Qualitech Solution Energy Company Limited	Thailand	99.99	70.00	Producing and distributing electricity from solar power or other sources of energy
<u>Associates</u>				
Property Aim Solutions Company Limited.	Thailand	49.00	49.00	Providing real estate management services both purchase and sale, rent and related real estate services
NGINDEX Co., Ltd.	Thailand	40.00	40.00	Artificial intelligence computer system Improve of information technology Research, development and design

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

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

3.4 Non-controlling interests

On May 13, 2023, the Board of directors' meeting No. 5/2023 passed the resolution to purchase additional investment in 149,999 ordinary shares of Qualitech Solution Energy Co., Ltd. at the price of Baht 37.33 per share, totaling Baht 5.60 million, equivalent to 29.99%. As a result, the Company's shareholding proportion in such subsidiary will increase from 70% to 99.99% (note 9).

From the purchase of investment in such subsidiary, as a result, the Company has a difference of changes in the proportion of investment in subsidiary as follows

	Unit: Baht
Net assets of subsidiary	<u>19,338,466.61</u>
Carrying value of net assets acquired (29.99%)	5,801,493.95
Payments for acquired investment from non-controlling interests	<u>(5,600,00.00)</u>
Difference from changes in investment proportion in subsidiary	<u>201,493.95</u>

- 3.5 According to the minutes of the Board of directors' meeting No. 4/2023 held on May 6, 2023, passed the resolution to approve the establishment another subsidiary with registered capital of Baht 10 million, for 100,000 ordinary shares with a par value of Baht 100 each, engaged in real estate management business, in which the Company acquired 99.998%.

On June 3, 2023, the Board of directors' meeting No. 6/2023, passed the resolution to approve the cancellation of a subsidiary because one of the directors who proposed to establish a subsidiary in order to engage such business, has already resigned from the director position of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 4.1 These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2022.
- 4.2 The revised financial reporting standards which are effective for the financial statements for the fiscal period beginning on or after January 1, 2023 that do not have a material impact on the Company's financial statements.
- 4.3 The Federation of Accounting Professions has announced the adoption a number of revised financial reporting standards, which are effective for the financial statements for the fiscal year beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with the most of the changes directed towards clarifying accounting treatment and providing the accounting guidance for users of the standards.

The management of the Group deems that these financial reporting standards does not have any significant impact on the Group financial Statements.

5. TRADE AND OTHER CURRENT RECEIVABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Trade accounts receivable	60,361,236.37	93,846,227.16	57,710,672.68	91,031,537.63
Other current receivables				
Prepaid expenses	6,175,861.74	4,886,289.66	6,122,439.55	4,815,788.48
Employee welfare receivables	1,950,290.00	2,705,476.65	1,950,290.00	2,705,476.65
Others	2,811,477.04	4,005,136.95	1,865,719.17	1,311,748.22
Total	71,298,865.15	105,443,130.42	67,649,121.40	99,864,550.98
Less Allowance for expected credit losses - trade accounts receivable	(12,198,076.03)	(7,110,550.07)	(12,198,076.03)	(7,110,550.07)
Less Allowance for expected credit losses – other current receivables	(719,436.08)	0.00	(719,436.08)	0.00
Net	58,381,353.04	98,332,580.35	54,731,609.29	92,754,000.91

Billed trade accounts receivable separated on aging are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Undue trade accounts receivable	30,799,526.85	60,063,555.74	30,514,762.96	58,386,340.82
Overdue trade accounts receivable				
- Less than 3 months	15,705,948.44	24,809,194.82	13,419,007.64	24,036,055.21
- Over 3 months to 6 months	1,864,458.00	2,842,822.10	1,785,599.00	2,478,487.10
- Over 6 months to 9 months	1,318,931.66	139,163.00	1,318,931.66	139,163.00
- Over 9 months to 12 months	5,098,005.72	89,924.00	5,098,005.72	89,924.00
- Over 12 months	5,574,365.70	5,901,567.50	5,574,365.70	5,901,567.50
Total	60,361,236.37	93,846,227.16	57,710,672.68	91,031,537.63

6. CONTRACT ASSETS

6.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Contract assets	57,021,346.20	63,051,312.45	57,081,495.73	63,065,526.37
Less Allowance for expected credit losses	(4,197,380.37)	(4,529,360.59)	(4,197,380.37)	(4,529,360.59)
Net	<u>52,823,965.83</u>	<u>58,521,951.86</u>	<u>52,884,115.36</u>	<u>58,536,165.78</u>
Retention receivable under contracts	5,880,862.29	4,134,008.78	5,880,862.29	4,134,008.78
Less Allowance for expected credit losses	(2,478,385.64)	(2,478,385.64)	(2,478,385.64)	(2,478,385.64)
Net	<u>3,402,476.65</u>	<u>1,655,623.14</u>	<u>3,402,476.65</u>	<u>1,655,623.14</u>
Total	<u><u>56,226,442.48</u></u>	<u><u>60,177,575.00</u></u>	<u><u>56,286,592.01</u></u>	<u><u>60,191,788.92</u></u>

6.2 Revenues expected to recognize for unsatisfied performance obligations

As at September 30, 2023 and December 31, 2022, the Group expects to have revenues to be recognize in the future for unsatisfied performance obligations (or partial) of contracts with customers in the amount of Baht 162.17 million and Baht 130.33 million respectively (Separate : Baht 162.17 million and Baht 130.33 million respectively). The Group expects to satisfy this performance obligation to be completed within 1 year (Separate: 1 year).

7. CAPITAL LEASE RECEIVABLES

	Consolidated financial statements (Baht)	
	September 30, 2023	December 31, 2022
Capital lease receivables		
- Due within 1 year	2,449,638.36	2,455,803.84
- Due over 1 year to 5 years	8,965,001.06	8,936,542.30
- Due over 5 years to 15 years	20,717,211.06	22,408,790.19
Total	32,131,850.48	33,801,136.33
Less Deferred interest income	(13,933,829.45)	(14,797,352.77)
Capital lease receivables - net	18,198,021.03	19,003,783.56
Less Current portion due within 1 year	(852,480.95)	(845,717.99)
Net	17,345,540.08	18,158,065.57

Capital lease receivables are derived from the sale of electricity current generated from solar power generation equipment in the premises of the electricity current purchaser. The management of the subsidiary considered the substance of the power sale contract, found that the contract consisted of a lease and characterized as a capital lease.

8. INVESTMENTS IN ASSOCIATES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)	Percentage of shareholding		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
				September 30,	December 31,	Carrying amounts under equity method		Cost method	
				2023	2022	September 30,	December 31,	September 30,	December 31,
Property Aim Solutions Company Limited.	Providing real estate management services both purchase and sale, rent and related real estate services	The Company held 49.00% share capital, Shareholders and directorship	3,000,000.00	49.00	49.00	121,493,704.08	122,935,115.86	144,550,000.00	144,550,000.00
NGINDEX Co., Ltd.	Artificial intelligence computer system, Improvement of information technology, research, development, design	The Company held 40.00% share capital, Common directors	1,250,000.00	40.00	40.00	0.00	0.00	500,000.00	500,000.00
Total						121,493,704.08	122,935,115.86	145,050,000.00	145,050,000.00
Less Provision for impairment of investment						(121,493,704.08)	0.00	(145,050,000.00)	(18,583,723.23)
Net						0.00	122,935,115.86	0.00	126,466,276.77

Property Aim Solutions Company limited

According to the minutes of the Board of directors' meeting No. 7/2023 held on July 7, 2023, the Board of directors has been informed of the incident with an associate (Property Aim Solutions Company Limited) as following; 1) the associate lacks financial liquidity and is unable to pay salaries to all employees. As a result, some employees complained to the Department of Labor Protection and Welfare for requesting the payment of unpaid salaries and the employees stopped working. Discontinuation of employees may cause the customer to terminate the employment contract and claim damages, 2) three members of the Board of directors of the associate have resigned from their position due to conflicts in the management, and 3) the associate has already ceased to operate its business. Therefore, the Company considered to provide allowance for impairment loss on investment in associate amounting to Baht 121.49 million and Baht 126.47 million in the consolidated and separate financial statements, respectively.

Subsequently, on August 8, 2023, the Board of directors' meeting No. 8/2023, passed the resolution to offer investment in all associate for 14,700 shares at totaling price of Baht 1 because the Company was unable to solve any problems in the associates and assigned the Executive Committee as the authority to sell shares investment in the associates.

9. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)	
				September 30,	December 31,	Cost price	
				2023	2022	September 30,	December 31,
				2023	2022	2023	2022
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital, has common director and management	200,000 USD	80.00	80.00	5,323,600.00	5,323,600.00
Duwell Intertrade Company Limited	Sales of materials and equipment use in engineering services, inspection	The Company held 99.99% share capital, has common director and management	9,930,000 Baht	99.99	99.99	14,413,500.00	14,413,500.00
Qualitech Solution Energy Company Limited	Producing and distributing electricity from solar power or other sources of energy	The Company held 99.99% share capital, has common director and management	17,500,000 Baht	99.99	70.00	17,849,930.00	12,249,930.00
Total						37,587,030.00	31,987,030.00
Less Provision for impairment of investment in Qualitech Myanmar Company Limited						(5,323,600.00)	(5,323,600.00)
Net						32,263,430.00	26,663,430.00

9.1 On May 13, 2023, the Board of directors' meeting No. 5/2023, passed the resolution to purchase additional investment in 149,999 ordinary shares of Qualitech Solution Energy Co., Ltd. at the price of Baht 37.33 per share, totaling Baht 5.60 million, equivalent to 29.99%. As a result, the Company's shareholding proportion in such subsidiary from 70% to 99.99%, of which the Company has already purchased investment on June 2, 2023.

9.2 The financial statements for the three-month and nine-month periods ended September 30, 2023 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

10. PROPERTY, PLANT AND EQUIPMENT

10.1 The increase and decrease of property, plant and equipment for the nine-month periods ended September 30, 2023 are as follow:

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Net book value as at January 1, 2023	145,242,935.64	144,087,666.32
Purchase during the period - cost	12,126,579.40	11,994,346.87
Disposal during the period - net book value as at disposal date	(1,423,262.03)	(1,377,875.80)
Depreciation for the period	(17,525,942.54)	(17,213,944.38)
Transfer from right-of-use assets	2,826,013.06	2,826,013.06
Net book value as at September 30, 2023	<u>141,246,323.53</u>	<u>140,316,206.07</u>

10.2 As at September 30, 2023 and December 31, 2022, assets at cost of Baht ๒๑๗.๙๐ million and Baht 218.21 million respectively, in the consolidated financial statements, and Baht 217.59 million and Baht 217.93 million respectively, in the separate financial statements which were fully depreciated but are still in operation.

10.3 As at September 30, 2023 and December 31, 2022, land with its construction at cost of Baht 36.94 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million and letter of guarantee line amount of Baht 30 million.

11. RIGHT-OF-USE ASSETS

11.1 The increase and decrease of right-of-use assets for the nine-month periods ended September 30, 2023 are as follow:

	Consolidated and Separate financial statements (Baht)
Net book value as at January 1, 2023	14,653,868.09
Purchase during the period - cost	8,859,287.37
Depreciation for the period	(2,369,845.17)
Transfer to property, plant and equipment	<u>(2,826,013.06)</u>
Net book value as at September 30, 2023	<u>18,317,297.23</u>

11.2 As at September 30, 2023 and December 31, 2022, right-of-use-assets (building space and vehicles) at cost of Baht 22.72 million and Baht 17.90 million in the consolidated financial statements which is still pending the payment under leases (note 15).

12. OTHER NON-CURRENT ASSETS

	Consolidated and Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022
Properties foreclosed	1,152,022.49	1,167,191.74
Others	973,037.63	811,508.66
Total	2,125,060.12	1,978,700.40
Less Provisions for impairment of assets	(1,152,022.49)	(1,167,191.74)
Net	973,037.63	811,508.66

13. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS.

As at December 31, 2022, the Group had borrowings from a bank of Baht 7.41 million in the consolidated and separate financial statements, by discounted bills of exchange, at the interest rate of average MLR-1.8425% per annum, guaranteed by transferring the right to claim the payment from trade receivables and pledging the right to receive the fixed deposit of the said bank.

14. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Trade accounts payable	11,090,111.12	15,988,907.48	11,355,982.71	17,728,386.97
Other current payables				
Accrued expenses	15,420,705.24	21,886,541.38	14,657,046.46	21,190,566.05
Revenue Department payable	2,853,355.98	3,166,233.02	2,771,044.56	3,110,151.83
Assets payables	507,061.52	1,630,780.83	507,061.52	1,630,780.83
Others	187,855.00	233,874.63	140,694.00	210,716.50
Total	30,059,088.86	42,906,337.34	29,431,829.25	43,870,602.18

15. LEASE LIABILITIES

15.1 Lease liabilities excluded future interest expenses as follows:

	Consolidated and Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022
Hire purchase payable	12,752,091.50	6,820,166.00
Less Future interest expenses of financial lease	<u>(1,055,881.69)</u>	<u>(190,586.87)</u>
Total	11,696,209.81	6,629,579.13
Less Current portion of long-term liabilities	<u>(4,069,277.09)</u>	<u>(3,185,562.40)</u>
Net	<u>7,626,932.72</u>	<u>3,444,016.73</u>

15.2 The increase and decrease of lease liabilities for the nine-month periods ended September 30, 2023 are as follows:

	Consolidated and Separate financial statements (Baht)
Book value as at January 1, 2023	6,629,579.13
Increase during the period	8,486,178.05
Repayment during the period	<u>(3,419,547.37)</u>
Book value as at September 30, 2023	<u>11,696,209.81</u>

15.3 The Group's right-of-use assets at cost are being made the payment under the aforementioned lease as follows:

	Consolidated and Separate financial statements (Baht)	
	September 30, 2023	December 31, 2022
Building space	1,106,809.62	0.00
Vehicles	<u>21,613,730.11</u>	<u>17,900,214.97</u>
Total	<u>22,720,539.73</u>	<u>17,900,214.97</u>

16. 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, 2023 are as follows:

	<u>Consolidated financial statements (Baht)</u>	<u>Separate financial statements (Baht)</u>
Book value as at January 1, 2023	20,009,067.38	19,902,113.23
Recognized in profit or loss		
Current service costs	2,116,221.98	2,069,966.26
Interest costs	422,465.95	419,870.25
Book value as at September 30, 2023	<u>22,547,755.31</u>	<u>22,391,949.74</u>

17. INCOME TAX

17.1 The calculation of current income taxes

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).

17.2 Income tax recognized in profit or loss for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	<u>For the three-month periods</u>			
	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Current income tax				
Corporate income tax for the period	715,399.58	1,064,312.32	0.00	902,682.36
Deferred tax				
Changes in temporary differences	(2,992,614.83)	0.00	(3,019,871.67)	0.00
Total tax expense (income)	<u>(2,277,215.25)</u>	<u>1,064,312.32</u>	<u>(3,019,871.67)</u>	<u>902,682.36</u>

	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
Current income tax				
Corporate income tax for the period	851,785.80	1,613,063.28	0.00	1,072,965.69
Deferred tax				
Changes in temporary differences	(10,123,244.26)	627,957.42	(10,098,010.40)	629,369.84
Total tax expense (income)	(9,271,458.46)	2,241,020.70	(10,098,010.40)	1,702,335.53

18. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

18.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
	Cash	247,724.28	310,603.13	181,092.13
Cash at bank - current accounts	53,752.77	58,391.55	31,768.04	34,769.59
Cash at bank - savings deposit	37,862,858.20	22,967,580.52	20,395,706.39	12,811,607.07
Total	38,164,335.25	23,336,575.20	20,608,566.56	13,169,869.39

18.2 Non-cash transaction

Non-cash transaction for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
	Transfer equipment to be properties foreclosed	(410.55)	(1,206,860.21)	(410.55)
Transfer equipment to be other intangible assets other than goodwill	0.00	(610,396.43)	0.00	(610,396.43)
Transfer right-of-use assets to be equipment	(2,826,013.06)	(1,760,266.83)	(2,826,013.06)	(1,760,266.83)
Right-of-use assets under lease liabilities	8,486,178.05	2,355,000.00	8,486,178.05	2,355,000.00
Payables from acquire of equipment	1,123,719.31	186,418.59	1,123,719.31	460,867.21

19. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

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

19.1 General information

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

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

	<u>Separate financial statements (Baht)</u>	
	<u>September 30,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
<u>Subsidiaries</u>		
Qualitech Myanmar Company Limited		
Trade and other current receivables	0.00	20,634.78
Duwell Intertrade Company Limited		
Trade and other current receivables	85,026.11	83,910.69
Contract assets	15,149.53	0.00
Trade and other current payables	1,182,371.40	1,781,303.90
Qualitech Solution Energy Company Limited		
Trade and other current receivables	27,400.00	27,400.00

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other related parties</u>				
Creative Solutions Energy Company Limited				
Trade and other current payables	0.00	21,400.00	0.00	0.00

19.3 Revenues and expenses transaction with related persons and parties for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	<u>For the three-month periods</u>	
	<u>Separate financial statements (Baht)</u>	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2023</u>	<u>2022</u>
<u>Subsidiaries</u>		
Qualitech Myanmar Company Limited		
Other income - management fee	0.00	33,366.18
Duwell Intertrade Company Limited		
Other income - rental	66,141.19	63,485.84
Other income - management fee	56,074.77	56,074.77
Other income - other service charges	32,130.19	13,153.74
Cost of sales and services - material supply	2,570,955.00	2,517,235.00
Cost of sales and services - contractor wages	51,400.00	49,110.00
Cost of sales and services - other service charge	0.00	5,500.00
Qualitech Solution Energy Company Limited		
Other income - rental	9,000.00	9,000.00
Other income - management fee	30,000.00	90,000.00

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

Other related parties

Creative Solutions Energy Company Limited

Administrative expenses – management fee	0.00	30,000.00	0.00	0.00
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For the nine-month periods

Separate financial statements (Baht)

September 30, 2023	September 30, 2022
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Subsidiaries

Qualitech Myanmar Company Limited

Service income - wages	0.00	472,000.00
Other income - management fee	30,757.53	94,265.04

Duwell Intertrade Company Limited

Service income - wages	0.00	43,000.00
Other income - rental	197,003.14	192,755.42
Other income - management fee	168,224.31	364,485.99
Other income - other service charges	55,027.40	41,651.92
Cost of sales and services - material supply	7,446,135.00	7,302,312.50
Cost of sales and services - contractor wages	121,800.00	76,230.00
Cost of sales and services - other service charge	0.00	5,500.00

Qualitech Solution Energy Company Limited

Other income – rental	27,000.00	27,000.00
Other income - management fee	90,000.00	200,000.00

For the nine-month periods

Consolidated financial statements (Baht)		Separate financial statements (Baht)	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

Other related parties

Creative Solutions Energy Company Limited

Administrative expenses – management fee	60,000.00	170,000.00	0.00	0.00
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19.4 Other transaction with related persons and parties for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the three-month periods	
	Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022
<u>Subsidiaries</u>		
Duwell Intertrade Company Limited		
Construction in progress-wages	0.00	45,900.00

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<u>Other related parties</u>				
Creative Solutions Energy Company Limited				
Construction in progress-wages	0.00	21,750.00	0.00	0.00

	For the nine-month periods	
	Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022
<u>Subsidiaries</u>		
Duwell Intertrade Company Limited		
Fixed assets - equipment	220,000.00	82,800.00

	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<u>Other related parties</u>				
Creative Solutions Energy Company Limited				
Construction in progress-wages	0.00	435,000.00	0.00	0.00

20. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the three-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Changes in inventories	(649,544.72)	1,254,181.45	0.00	0.00
Employee benefit expenses	60,347,684.38	55,079,492.65	59,219,802.30	54,117,511.63
Depreciation	7,060,141.31	5,418,929.55	6,955,818.05	5,305,789.74
Supplies used	5,100,776.54	4,891,175.81	7,671,668.54	7,401,587.18
Contractor wage	7,340,930.61	14,946,639.52	7,362,830.61	14,970,970.52
Travelling and accommodation expenses	2,155,870.82	2,339,900.91	2,086,889.34	2,279,499.23
Office expenses	3,077,550.08	3,358,458.60	2,986,703.10	3,254,619.50
Fee and consulting fee	3,951,636.02	2,550,841.71	3,847,346.57	2,485,413.19
Directors' remuneration	644,000.00	672,400.00	644,000.00	672,400.00
Management benefit expenses	4,687,972.23	7,574,302.16	4,597,972.23	7,424,302.16
Expected credit losses (reversed)	1,884,717.07	322,886.62	1,884,717.07	322,886.62

	For the nine-month periods			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Changes in inventories	(584,324.05)	(30,953.65)	0.00	0.00
Employee benefit expenses	180,196,764.41	158,063,259.15	176,803,009.95	155,172,783.70
Depreciation	19,895,787.71	16,296,372.03	19,583,789.55	15,978,310.84
Supplies used	16,708,442.69	14,625,004.64	24,152,295.05	21,801,507.77
Contractor wage	19,907,770.15	28,762,617.96	19,941,530.97	28,768,389.68
Travelling and accommodation expenses	6,555,770.91	6,337,858.22	6,427,609.67	5,997,101.94
Office expenses	8,882,893.02	9,065,214.17	8,593,475.92	8,639,526.88
Fee and consulting fee	11,941,083.73	6,491,598.26	11,557,879.45	6,268,191.91
Directors' remuneration	2,021,600.00	1,687,200.00	2,021,600.00	1,687,200.00
Management benefit expenses	16,761,627.32	18,802,089.92	16,491,627.32	18,502,089.92
Expected credit losses (reversed)	6,026,927.18	(8,908,039.01)	6,026,927.18	(8,908,039.01)
Impairment loss of investment in associate	121,493,704.08	0.00	126,466,276.77	0.00

21. PROMOTIONAL PRIVILEGES

Revenues of the Group for the nine-month periods ended September 30, 2023 and 2022 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Million Baht)					
	Promoted business		Non-promoted business		Total	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales	0.00	0.00	17.06	8.46	17.06	8.46
Services income	144.05	144.11	137.02	163.54	281.07	307.65
Other income	0.26	0.24	2.60	1.35	2.86	1.59
Total	144.31	144.35	156.68	173.35	300.99	317.70

22. OPERATING SEGMENTS

22.1 Revenues separated by nature of services for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated financial statements (Million Baht)			
	For the three-month periods		For the nine-month periods	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
Sales	11.67	3.50	17.06	8.46
Services income				
Non-Destructive Testing	39.81	55.93	137.16	149.72
Inspection and certificate	40.24	56.76	119.82	140.94
Others	10.60	6.47	24.08	16.99
Total	90.65	119.16	281.06	307.65
Total	102.32	122.66	298.12	316.11

22.2 For the nine-month periods ended September 30, 2023 and 2022, the Group has revenues from five major customers in the amount of Baht 109.52 million and Baht 119.75 million respectively.

23. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

Liquidity risk

As at September 30, 2023 and December 31, 2022, the Group has the maturity details of non-derivatives financial liabilities which considered from undiscounted cash flows to be present value as follows:

	Note	Consolidated financial statements (Baht)			
		Less than 1 year	1 - 3 years	3 – 5 years	Total
As at September 30, 2023					
Trade and other current payables	14	30,059,088.86	0.00	0.00	30,059,088.86
Lease liabilities	15	4,147,021.07	5,420,664.15	2,128,524.59	11,696,209.81
Total		34,206,109.93	5,420,664.15	2,128,524.59	41,755,298.67
As at December 31, 2022					
Short-term borrowings from financial institutions	13	7,741,711.57	0.00	0.00	7,741,711.57
Trade and other current payables	14	42,906,337.34	0.00	0.00	42,906,337.34
Lease liabilities	15	3,264,771.28	2,792,186.64	572,621.21	6,629,579.13
Total		53,912,820.19	2,792,186.64	572,621.21	57,277,628.04

	Note	Separate financial statements (Baht)			Total
		Less than 1 year	1 - 3 years	3 – 5 years	
As at September 30, 2023					
Trade and other current payables	14	29,431,829.25	0.00	0.00	29,431,829.25
Lease liabilities	15	4,147,021.07	5,420,664.15	2,128,524.59	11,696,209.81
Total		33,578,850.32	5,420,664.15	2,128,524.59	41,128,039.06
As at December 31, 2022					
Short-term borrowings from					
financial institutions	13	7,741,711.57	0.00	0.00	7,741,711.57
Trade and other current payables	14	43,870,602.18	0.00	0.00	43,870,602.18
Lease liabilities	15	3,264,771.28	2,792,186.64	572,621.21	6,629,579.13
Total		54,877,085.03	2,792,186.64	572,621.21	58,241,892.88

24. COMMITMENT AND CONTINGENT LIABILITIES

- 24.1 As at September 30, 2023 and December 31, 2022, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 40.87 million and Baht 44.14 million respectively in the consolidated financial statements and in the amount of Baht 40.79 million and Baht 45.08 million in the separate financial statements respectively.
- 24.2 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, as at September 30, 2023 and December 31, 2022 total amount of Baht 9.38 million and Baht 8.30 million respectively. Contingent liabilities are guaranteed by mortgaging land with its construction (note 10).
- 24.3 On October 26, 2021, there is a flame erupted around the chemical tank, resulting the damages to property of the employer which is the area of the Company's sub-contractor performance. Currently, it is proceeding of the police officer for investigation and gathering file of a case and assessing the value of the damaged property by the employer. The management of the Company is unable to assess the contingent damages value that may occur.

During the first quarter of 2023, the prosecutor filed a lawsuit against the Company (co-defendant) to jointly pay indemnity to the mother of the contractor who died in the incident of Baht 4.67 million including interest in accordance with the law. At present, the case is under the proceedings of the Court.

24.4 The Company has a litigation arising from the employment of workers as at September 30, 2023 and December 31, 2022 amounting to Baht 6.69 million. The Court dismisses the case and the plaintiff filed the appeal. Subsequent on April 11, 2023, the Court of Appeal rejected the plaintiff's appeal. Therefore, this case is come an end, the Company has not suffered damages from the lawsuit.

25. RECLASSIFICATIONS

The Group has reclassified the 2022 accounts for corresponding with the presentation in the 2023 financial statements, as detailed following:

	Consolidated financial statements (Baht)		
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
As at December 31, 2022			
Trade and other current receivables	99,988,203.49	(1,655,623.14)	98,332,580.35
Contract assets	58,521,951.86	1,655,623.14	60,177,575.00
	Separate financial statements (Baht)		
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
As at December 31, 2022			
Trade and other current receivables	94,409,624.05	(1,655,623.14)	92,754,000.91
Contract assets	58,536,165.78	1,655,623.14	60,191,788.92

26. INTERIM FINANCIAL INFORMATION APPROVAL

This interim financial information was approved and authorized for issue by the Board of directors of the Company on November 10, 2023.