

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION**  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018  
(UNAUDITED/REVIEWED ONLY)

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To The Shareholders of Qualitech Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited as at March 31, 2018, the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of Review**

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

### **Conclusion**

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

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

May 12, 2018

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		64,679,757.20	47,089,196.95	56,185,421.18	42,016,263.49
Current investment	5	111,991,826.21	117,867,695.67	92,579,999.09	92,312,386.07
Trade and other current receivables	6	62,073,183.27	82,159,915.13	55,713,481.49	77,254,341.93
Unbilled services income	7	57,620,439.50	43,460,352.05	57,336,551.00	43,676,371.18
Inventories		6,779,737.38	6,622,838.74	4,726,768.27	4,983,164.15
<b>Total current assets</b>		<b>303,144,943.56</b>	<b>297,199,998.54</b>	<b>266,542,221.03</b>	<b>260,242,526.82</b>
<b>Non-current assets</b>					
Investment in subsidiaries	8	0.00	0.00	13,007,785.00	11,668,185.00
Bank deposits with obligations	9	3,500,000.00	3,500,000.00	3,500,000.00	3,500,000.00
Property, plant and equipment	10	192,132,499.39	194,648,738.23	188,515,795.57	190,153,761.27
Other intangible assets		2,103,080.43	2,138,871.46	2,103,080.43	2,138,871.46
Deferred tax assets		1,467,437.19	1,642,199.03	1,009,120.13	1,154,145.28
Income tax deducted at source		7,525,913.32	6,298,451.95	7,341,871.69	6,298,451.95
Others non-current assets	11	991,155.33	404,142.27	352,414.27	404,142.27
<b>Total non-current assets</b>		<b>207,720,085.66</b>	<b>208,632,402.94</b>	<b>215,830,067.09</b>	<b>215,317,557.23</b>
<b>Total assets</b>		<b>510,865,029.22</b>	<b>505,832,401.48</b>	<b>482,372,288.12</b>	<b>475,560,084.05</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2018

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
Current liabilities					
Trade and other current payables	12	37,119,812.18	34,882,934.66	35,913,961.81	31,795,014.87
Current portion of long-term liabilities	13	2,177,280.67	2,384,371.47	1,976,972.44	2,146,993.15
Current income tax payable		441,371.98	441,371.98		0.00
<b>Total current liabilities</b>		<b>39,738,464.83</b>	<b>37,708,678.11</b>	<b>37,890,934.25</b>	<b>33,942,008.02</b>
<b>Non-current liabilities</b>					
Financial lease liabilities	13	1,685,308.82	2,181,134.72	1,685,308.82	2,159,726.02
Non-current provisions for employee benefit	14	16,670,870.73	16,027,125.01	14,484,655.17	13,932,646.00
<b>Total non-current liabilities</b>		<b>18,356,179.55</b>	<b>18,208,259.73</b>	<b>16,169,963.99</b>	<b>16,092,372.02</b>
<b>Total liabilities</b>		<b>58,094,644.38</b>	<b>55,916,937.84</b>	<b>54,060,898.24</b>	<b>50,034,380.04</b>
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
103,468,485 common shares of Baht 1 each		103,468,485.00	103,468,485.00	103,468,485.00	103,468,485.00
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
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		5,817,105.98	5,273,407.30	5,817,105.98	5,273,407.30
Retained earnings					
Appropriated - legal reserve		10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
Unappropriated		264,510,681.51	262,113,054.48	239,096,752.18	236,854,764.99
Other components of shareholders' equity		(1,948,160.60)	(1,948,160.60)	(693,345.18)	(693,345.18)
<b>Total owners of the Company</b>		<b>452,470,503.79</b>	<b>449,529,178.08</b>	<b>428,311,389.88</b>	<b>425,525,704.01</b>
Non-controlling interests		299,881.05	386,285.56	0.00	0.00
<b>Total shareholders' equity</b>		<b>452,770,384.84</b>	<b>449,915,463.64</b>	<b>428,311,389.88</b>	<b>425,525,704.01</b>
<b>Total liabilities and shareholders' equity</b>		<b>510,865,029.22</b>	<b>505,832,401.48</b>	<b>482,372,288.12</b>	<b>475,560,084.05</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018

(UNAUDITED/REVIEWED ONLY)

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2018	2017	2018	2017
Services income		101,760,088.82	125,892,749.27	92,804,069.30	113,274,307.75
Cost of services		(81,564,418.38)	(90,426,897.12)	(75,023,576.34)	(84,862,901.57)
Gross profit		20,195,670.44	35,465,852.15	17,780,492.96	28,411,406.18
Other income		745,122.70	393,306.56	769,065.11	434,547.28
Administrative expenses		(17,822,108.30)	(20,371,394.28)	(15,640,555.49)	(17,789,860.26)
Finance costs		(168,628.08)	(168,627.10)	(155,568.57)	(154,352.25)
Profit before income tax		2,950,056.76	15,319,137.33	2,753,434.01	10,901,740.95
Income tax expenses	15	(638,834.24)	(2,203,801.50)	(511,446.82)	(1,064,993.87)
Profit for the period		2,311,222.52	13,115,335.83	2,241,987.19	9,836,747.08
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains (losses) on remeasurments of					
defined benefit plans		0.00	(2,733,789.00)	0.00	(1,031,379.00)
Other comprehensive income (expense)					
for the period-net of tax		0.00	(2,733,789.00)	0.00	(1,031,379.00)
Total comprehensive income for the period		2,311,222.52	10,381,546.83	2,241,987.19	8,805,368.08
Profit (loss) attributable to :					
Owners of the Company		2,397,627.03	13,312,082.34	2,241,987.19	9,836,747.08
Non-controlling interests		(86,404.51)	(196,746.51)	0.00	0.00
Total		2,311,222.52	13,115,335.83	2,241,987.19	9,836,747.08
Total comprehensive income (expense) attributable to :					
Owners of the Company		2,397,627.03	10,578,123.10	2,241,987.19	8,805,368.08
Non-controlling interests		(86,404.51)	(196,576.27)	0.00	0.00
		2,311,222.52	10,381,546.83	2,241,987.19	8,805,368.08
Earnings per share					
Basic earnings per share		0.02	0.14	0.02	0.10
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 THREE-MONTH PERIODS ENDED MARCH 31, 2018

(UNAUDITED/REVIEWED ONLY)

Consolidated financial statements (Baht)

	Owners of the Company					Other components of shareholders' equity Other comprehensive income Gains (losses) on remeasurements of defined benefit plans	Total 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 Appropriated	Unappropriated				
Beginning balance of the year 2018	98,568,485.00	75,175,543.40	5,273,407.30	10,346,848.50	262,113,054.48	(1,948,160.60)	449,529,178.08	386,285.56	449,915,463.64
Changes in shareholders' equity for the three-month periods:									
Share - based payment	0.00	0.00	543,698.68	0.00	0.00	0.00	543,698.68	0.00	543,698.68
Total comprehensive income for the period	0.00	0.00	0.00	0.00	2,397,627.03	0.00	2,397,627.03	(86,404.51)	2,311,222.52
Ending balance of the year 2018	98,568,485.00	75,175,543.40	5,817,105.98	10,346,848.50	264,510,681.51	(1,948,160.60)	452,470,503.79	299,881.05	452,770,384.84
Beginning balance of the year 2017	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	255,783,704.41	374,992.00	443,967,912.84	4,349.69	443,972,262.53
Changes in shareholders' equity for the three-month periods:									
Common shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	352,850.00	352,850.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	13,312,082.34	(2,733,959.24)	10,578,123.10	(196,576.27)	10,381,546.83
Ending balance of the year 2017	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	269,095,786.75	(2,358,967.24)	454,546,035.94	160,623.42	454,706,659.36

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, 2018

(UNAUDITED/REVIEWED ONLY)

	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings		Other components of shareholders' equity	
				Appropriated	Unappropriated	Other comprehensive income	
						Gains (losses) on remeasurements of defined benefit plans	
Beginning balance of the year 2018	98,568,485.00	75,175,543.40	5,273,407.30	10,346,848.50	236,854,764.99	(693,345.18)	425,525,704.01
Changes in shareholders' equity for the three-month periods:							
Share - based payment	0.00	0.00	543,698.68	0.00	0.00	0.00	543,698.68
Total comprehensive income for the period	0.00	0.00	0.00	0.00	2,241,987.19	0.00	2,241,987.19
Ending balance of the year 2018	<u>98,568,485.00</u>	<u>75,175,543.40</u>	<u>5,817,105.98</u>	<u>10,346,848.50</u>	<u>239,096,752.18</u>	<u>(693,345.18)</u>	<u>428,311,389.88</u>
Beginning balance of the year 2017	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	218,477,438.76	267,879.42	406,554,534.61
Changes in shareholders' equity for the three-month periods:							
Total comprehensive income for the period	0.00	0.00	0.00	0.00	9,836,747.08	(1,031,379.00)	8,805,368.08
Ending balance of the year 2017	<u>98,568,485.00</u>	<u>75,175,543.40</u>	<u>4,065,188.03</u>	<u>10,000,000.00</u>	<u>228,314,185.84</u>	<u>(763,499.58)</u>	<u>415,359,902.69</u>

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, 2018

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before income tax	2,950,056.76	15,319,137.33	2,753,434.01	10,901,740.95
Adjustments				
Unrealized gain on changes in investment valuation	(295,597.26)	(65,792.22)	(267,613.02)	(39,049.06)
Unrealized loss on exchange rate	6,671.10	43,169.11	6,671.10	43,169.11
Doubtful accounts	130,068.13	58,436.48	130,068.13	58,436.48
Increase in unbilled service income	(14,037,307.45)	(28,196,891.12)	(13,537,399.82)	(29,241,448.94)
Depreciation	6,719,138.39	7,774,731.51	6,476,488.26	7,551,042.40
(Gain) Loss on disposal of fixed assets	(158,069.12)	306,945.75	(166,073.87)	215,604.31
Loss on impairment of assets	3.00	21,036.63	3.00	21,036.63
Amortized other intangible assets	82,591.03	73,827.48	82,591.03	73,827.48
Employee benefits	518,914.94	502,661.13	437,867.69	423,618.63
Share - based payment	543,698.68	0.00	543,698.68	0.00
Interest expenses	168,628.08	168,627.10	155,568.57	154,352.25
	<u>(3,371,203.72)</u>	<u>(3,994,110.82)</u>	<u>(3,384,696.24)</u>	<u>(9,837,669.76)</u>
(Increase) Decrease in portion of operating assets				
Trade and other current receivables	19,827,212.63	26,975,052.09	19,941,741.21	33,081,233.67
Inventories	(156,898.64)	(583,313.85)	256,395.88	(843,345.88)
Other intangible assets	(46,800.00)	0.00	(46,800.00)	0.00
Other non-current assets	51,725.00	78,802.12	51,725.00	78,802.12
Increase (Decrease) in portion of operating liabilities				
Trade and other current payables	1,950,022.24	(3,701,122.82)	3,109,731.40	(5,275,119.86)
Cash generated (paid) from operation	18,254,057.51	18,775,306.72	19,928,097.25	17,203,900.29
Interest paid	(43,797.30)	(63,489.38)	(41,427.09)	(57,725.53)
Income tax paid	(1,691,533.77)	(1,896,079.30)	(1,409,841.41)	(1,562,385.81)
<b>Net cash provided by (used in) operating activities</b>	<u>16,518,726.44</u>	<u>16,815,738.04</u>	<u>18,476,828.75</u>	<u>15,583,788.95</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, 2018

(UNAUDITED/REVIEWED ONLY)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
(Increase) Decrease in current investment	6,171,466.72	(963,471.69)	0.00	(3,508,171.45)
Payments for acquire of ordinary share of subsidiary	0.00	0.00	0.00	(1,418,800.00)
Decrease in bank deposits with obligations	0.00	589,823.39	0.00	589,823.39
Proceeds from sales of fixed assets	192,523.37	73,644.86	192,523.37	0.00
Payments for fixed assets acquisition	(4,589,239.58)	(6,811,927.82)	(3,855,756.52)	(4,902,917.88)
<b>Net cash provided by (used in) investing activities</b>	<b>1,774,750.51</b>	<b>(7,111,931.26)</b>	<b>(3,663,233.15)</b>	<b>(9,240,065.94)</b>
<b>Cash flows from financing activities</b>				
Decrease in financial lease liabilities	(702,916.70)	(898,898.62)	(644,437.91)	(803,571.47)
Proceeds for non-controlling interests	0.00	352,850.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>(702,916.70)</b>	<b>(546,048.62)</b>	<b>(644,437.91)</b>	<b>(803,571.47)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,590,560.25</b>	<b>9,157,758.16</b>	<b>14,169,157.69</b>	<b>5,540,151.54</b>
<b>Cash and cash equivalents as at January 1</b>	<b>47,089,196.95</b>	<b>42,989,813.61</b>	<b>42,016,263.49</b>	<b>37,649,151.26</b>
<b>Cash and cash equivalents as at March 31</b>	<b>64,679,757.20</b>	<b>52,147,571.77</b>	<b>56,185,421.18</b>	<b>43,189,302.80</b>

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, 2018

(UNAUDITED/REVIEWED ONLY)

**1. GENERAL INFORMATION**

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

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

- 2.1 The financial statements have been prepared in conformity with TAS 34 (Revised 2017) "Interim Financial Reporting", guidelines promulgated by the Federation of Accounting Professions (FAP) and presented in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

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

## 2.2 New Financial Reporting Standards

### a. Financial report standards that became effective in the current year

During the year, the Company and subsidiaries have adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the period beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of those financial reporting standards does not have any significant impacts on the Company and subsidiaries' financial statements.

### b. Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for the financial statements for the period beginning on or after January 1, 2019. The Group has not applied this financial reporting standard in the preparation of interim financial statements before effective date.

TFRS 15 Revenue from Contracts with Customers establishes for the entity to use in accounting for revenue arising from contracts with customers, the core principle is that the entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled. This standard introduces a five-step model to revenue recognition and requires the exercise of judgment for taking into consideration of the principle in each step of model applying. TFRS 15 supersedes TAS 18 Revenue, TAS 11 Construction Contracts and the related interpretations.

At present, the Management of the Company and subsidiaries is being assessed the impacts of this standard on the financial statements in the year in which it is 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 up to the controllable is ceased as below :

	Registration		Percentage of investment %		Type of business
	in				
		March 31, 2018	December 31, 2017		
QLT International Limited	Thailand	99.99	99.99	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business	
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar	80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business	

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

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

#### 4. SUMMARY 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, 2017.

#### 5. CURRENT INVESTMENT

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Open-end fund	111,991,826.21	117,867,695.67	92,579,999.09	92,312,386.07

The increase and decrease of current investment for the three-month periods ended March 31, 2018 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<u>financial statements</u>	<u>financial statements</u>
Book value as at January 1, 2018	117,867,695.67	92,312,386.07
Sales of investment during the period	(6,171,466.72)	0.00
Gain on changes in fair value	295,597.26	267,613.02
Book value as at March 31, 2018	<u>111,991,826.21</u>	<u>92,579,999.09</u>

Such fund invested in debt securities which had minimal risk.

**6. TRADE AND OTHER CURRENT RECEIVABLES**

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Trade accounts receivable	68,599,434.49	88,919,241.07	62,951,816.37	83,661,294.64
Other current receivables	10,788,807.08	10,302,884.23	10,076,723.42	10,655,257.46
<b>Total</b>	<b>79,388,241.57</b>	<b>99,222,125.30</b>	<b>73,028,539.79</b>	<b>94,316,552.10</b>
Less Allowance for doubtful accounts				
- Trade accounts receivable	(17,315,058.30)	(17,062,210.17)	(17,315,058.30)	(17,062,210.17)
<b>Net</b>	<b>62,073,183.27</b>	<b>82,159,915.13</b>	<b>55,713,481.49</b>	<b>77,254,341.93</b>

Billed trade accounts receivable separated on aging are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Undue trade accounts receivable	20,150,012.69	42,526,655.79	17,689,756.53	39,593,777.80
Overdue trade accounts receivable				
- Less than 3 months	26,186,012.48	27,660,456.45	23,160,235.21	25,502,631.54
- Over 3 months to 6 months	4,624,727.53	1,752,052.18	4,463,142.84	1,584,808.65
- Over 6 months to 9 months	1,080,895.75	321,730.47	1,080,895.75	321,730.47
- Over 9 months to 12 months	26,621.50	0.00	26,621.50	0.00
- Over 12 months	16,531,164.54	16,658,346.18	16,531,164.54	16,658,346.18
<b>Total</b>	<b>68,599,434.49</b>	<b>88,919,241.07</b>	<b>62,951,816.37</b>	<b>83,661,294.64</b>

**7. UNBILLED SERVICES INCOME**

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Unbilled services income	57,620,439.50	43,823,552.05	57,336,551.00	44,039,571.18
Less Allowance for doubtful accounts	0.00	(363,200.00)	0.00	(363,200.00)
<b>Net</b>	<b>57,620,439.50</b>	<b>43,460,352.05</b>	<b>57,336,551.00</b>	<b>43,676,371.18</b>

## 8. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital		Percentage of shareholding		Separate financial statements (Baht)	
			March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	Cost price	
			March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
QLT International Company Limited	Providing engineering services, inspection and testing of agricultural crops in both Thailand and oversea and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding	10,250,000 Baht	10,250,000 Baht	99.99	99.99	10,249,385.00	10,249,385.00
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital have common director and management	100,000 USD	50,000 USD	80.00	80.00	2,758,400.00	1,418,800.00
Total							13,007,785.00	11,668,185.00

### 8.1 Qualitech Myanmar Company Limited

According to the minutes of Board of Directors' meeting No.6/2017 held on August 9, 2017, passed the resolution to increase the registered share capital of Qualitech Myanmar Company Limited from USD 50,000 to USD 200,000 USD by issuing 1,500 ordinary shares at par value of USD 100 each. The subsidiary has registered share capital on February 8, 2018.

In the forth quarter of 2017, the subsidiary has called for and received the payment for increase share capital amount of USD 50,000, total paid-up share capital amount of USD 100,000 (1,000 ordinary shares of USD 100 each). The subsidiary has registered the paid-up share capital on March 23, 2018.

8.2 The financial statements for the three-month periods ended March 31, 2018 of above subsidiaries have been taken for preparing the consolidated financial statements were reviewed by the auditor.

## 9. BANK DEPOSIT WITH OBLIGATIONS

As at March 31, 2018 and December 31, 2017, the Company has deposits at a bank amount of Baht 3.50 million in the consolidated and separate financial statements which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 21).

## 10. PROPERTY, PLANT AND EQUIPMENT

10.1 The increase and decrease of property, plant and equipment for the three-month periods ended March 31, 2018 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Net book value as at January 1, 2018	194,648,738.23	190,153,761.27
Purchase during the period - cost	4,873,472.06	4,864,972.06
Disposal during the period - net book value as at disposal date	(670,572.51)	(26,449.50)
Depreciation for the period	(6,719,138.39)	(6,476,488.26)
Net book value as at March 31, 2018	<u>192,132,499.39</u>	<u>188,515,795.57</u>

10.2 Tools and technical equipment as at March 31, 2018

	(Unit : Baht)		
		<b>Accumulated</b>	
<b>Assets acquired</b>	<b>Cost</b>	<b>depreciation</b>	<b>Net cost</b>
Depreciation by straight-line method			
- Before October 23, 1999	1,094,861.17	(1,094,824.17)	37.00
- 2004 until present	81,607,528.57	(50,067,317.85)	31,540,210.72
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	2,151,097.75	(2,151,061.75)	36.00
- 2006 until present	99,291,809.71	(79,956,070.16)	19,335,739.55
Total	<u>184,145,297.20</u>	<u>(133,269,273.93)</u>	<u>50,876,023.27</u>

Depreciation for the three-month periods ended March 31, 2018 and 2017 were Baht 3.73 million and Baht 4.73 million respectively.

10.3 As at March 31, 2018 and December 31, 2017, land and building at cost of Baht 36.43 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million and letter of guarantee line amount of Baht 30 million.



## 11. OTHER NON-CURRENT ASSETS

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Deposit receivable under contract	3,974,965.80	4,026,705.80	3,974,965.80	4,026,705.80
Others	728,792.52	90,036.46	90,051.46	90,036.46
Total	4,703,758.32	4,116,742.26	4,065,017.26	4,116,742.26
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Provision for impairment of assets	(90,038.92)	(90,035.92)	(90,038.92)	(90,035.92)
Net	991,155.33	404,142.27	352,414.27	404,142.27

## 12. TRADE AND OTHER CURRENT PAYABLES

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Trade accounts payable	19,551,018.68	8,629,783.52	19,105,683.79	9,087,653.51
Other current payables				
Accrued expenses	12,027,113.26	20,393,931.75	10,762,291.01	17,072,039.69
Assets payables	916,095.48	629,240.20	1,552,213.74	542,998.20
Others	4,625,584.76	5,229,979.19	4,493,773.27	5,092,323.47
Total	37,119,812.18	34,882,934.66	35,913,961.81	31,795,014.87

### 13. FINANCIAL LEASE LIABILITIES

13.1 Financial lease liabilities excluded future interest expenses as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Hire purchase payable	3,862,589.49	4,565,506.19	3,662,281.26	4,306,719.17
Less Current portion of long-term liabilities	<u>(2,177,280.67)</u>	<u>(2,384,371.47)</u>	<u>(1,976,972.44)</u>	<u>(2,146,993.15)</u>
Net	<u>1,685,308.82</u>	<u>2,181,134.72</u>	<u>1,685,308.82</u>	<u>2,159,726.02</u>

13.2 The increase and decrease of financial lease liabilities for the three-month periods ended March 31, 2018 are as follow :

(Unit : Baht)

	<b>Consolidated</b>	<b>Separate</b>
	<u>financial statements</u>	<u>financial statements</u>
Book value as at January 1, 2018	4,565,506.19	4,306,719.17
Repayment during the period	<u>(702,916.70)</u>	<u>(644,437.91)</u>
Book value as at March 31, 2018	<u>3,862,589.49</u>	<u>3,662,281.26</u>

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Vehicles	<u>13,248,000.00</u>	<u>15,508,000.00</u>	<u>12,050,000.00</u>	<u>14,310,000.00</u>

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

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Within 1 year	2,295,070.00	2,527,354.00	2,092,240.00	2,283,958.00
Over 1 year less than 3 years	1,654,665.00	2,105,771.00	1,654,665.00	2,085,488.00
Over 3 years less than 5 years	86,904.00	150,228.00	86,904.00	150,228.00
<b>Total</b>	<b>4,036,639.00</b>	<b>4,783,353.00</b>	<b>3,833,809.00</b>	<b>4,519,674.00</b>
Less Future interest expenses				
of financial lease	<b>(174,049.51)</b>	<b>(217,846.81)</b>	<b>(171,527.74)</b>	<b>(212,954.83)</b>
Present value of financial				
lease liabilities	<b>3,862,589.49</b>	<b>4,565,506.19</b>	<b>3,662,281.26</b>	<b>4,306,719.17</b>

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

The increase and decrease of non-current provisions for employee benefit for the three-month periods ended March 31, 2018 are as follow :

	(Unit : Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Book value as at January 1, 2018	16,027,125.01	13,932,646.00
Current cost of services and interest	643,745.72	552,009.17
Book value as at March 31, 2018	<b>16,670,870.73</b>	<b>14,484,655.17</b>

## 15. INCOME TAX

### 15.1 The calculation of current income taxes

#### Parent company

The Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 19).

#### Subsidiaries

Subsidiaries calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any).

### 15.2 Tax expense (income) recognized in profit or loss for the three-month periods ended March 31, 2018 and 2017 are

as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Current income tax</b>				
For the current year	464,072.40	2,203,801.50	366,421.67	1,064,993.87
<b>Deferred tax</b>				
Changes in temporary				
differences	174,761.84	0.00	145,025.15	0.00
Total tax expense (income)	<u>638,834.24</u>	<u>2,203,801.50</u>	<u>511,446.82</u>	<u>1,064,993.87</u>

## 16. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

Cash and cash equivalents

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash	838,433.10	1,063,245.41	713,993.44	731,905.03
Cash at bank - current accounts	36,437.90	255,177.72	34,000.00	14,669.00
Cash at bank - savings deposit	63,804,886.20	49,339,671.56	55,437,427.74	40,953,251.69
Cash at bank - fixed deposit	0.00	1,489,477.08	0.00	1,489,477.08
<b>Total</b>	<b>64,679,757.20</b>	<b>52,147,571.77</b>	<b>56,185,421.18</b>	<b>43,189,302.80</b>

## 17. 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 :

### 17.1 General information

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

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	37,325.00	72,893.00
Unbilled services income	0.00	0.00	18,691.59	530,691.59
Trade and other current payables	0.00	0.00	2,607,953.97	2,564,280.31
Qualitech Myanmar Company Limited				
Unbilled services income	0.00	0.00	162,195.00	648,800.00

17.3 Revenues and expenses transaction with related persons and parties for the three-month periods ended March 31, 2018 and 2017 are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2018	2017	2018	2017
QLT International Company Limited				
Other income - rental	0.00	0.00	26,074.77	41,181.30
Other income - management fee	0.00	0.00	56,074.77	74,766.36
Cost of services - wages	0.00	0.00	223,456.06	2,548,837.01
Cost of services - material supply	0.00	0.00	586,332.00	577,104.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	162,195.00	0.00
Ms. Yanakorn Rattakham				
Cost of services - rental	69,473.67	71,789.46	0.00	0.00

## 18. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature for the three-month periods ended March 31, 2018 and 2017 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2018	2017	2018	2017
Employee benefit expenses	55,328,725.57	61,807,477.47	50,214,515.14	56,042,746.97
Depreciation	6,719,138.39	7,774,731.51	6,476,488.26	7,551,042.40
Supplies used	6,711,467.46	9,812,102.38	5,106,188.01	7,875,316.65
Contractor wage	14,191,670.23	10,398,316.20	14,244,776.29	12,875,006.81
Travelling and accommodation expenses	3,345,513.39	3,288,358.14	2,693,559.44	2,611,690.28
Office expenses	2,338,459.02	2,955,583.71	2,167,257.16	2,501,665.37
Official fee and consultant fee	745,936.62	1,531,353.74	635,240.75	1,395,683.57
Repairs and maintenance expenses	810,270.96	958,997.39	805,680.83	941,083.95
Directors' remuneration	643,900.01	819,000.00	643,900.01	819,000.00
Management benefit expenses	5,829,805.56	6,477,869.25	5,063,167.93	5,721,724.55

## 19. PROMOTIONAL PRIVILEGES

The results of operation of the Company for the three-month periods ended March 31, 2018 and 2017 separated into promoted business and non-promoted business as follows :

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2018	2017	2018	2017	2018	2017
Services income	67,826,514.59	74,580,411.58	33,933,574.23	51,312,337.69	101,760,088.82	125,892,749.27
Cost of services	(55,295,360.80)	(56,943,136.48)	(26,269,057.58)	(33,483,760.64)	(81,564,418.38)	(90,426,897.12)
Gross profit	12,531,153.79	17,637,275.10	7,664,516.65	17,828,577.05	20,195,670.44	35,465,852.15
Other income	21,481.40	0.00	723,641.30	393,306.56	745,122.70	393,306.56
Administrative expenses	(11,363,159.00)	(11,860,499.84)	(6,458,949.30)	(8,510,894.44)	(17,822,108.30)	(20,371,394.28)
Finance costs	(112,258.71)	(102,906.65)	(56,369.37)	(65,720.45)	(168,628.08)	(168,627.10)
Profit before income tax	1,077,217.48	5,673,868.61	1,872,839.28	9,645,268.72	2,950,056.76	15,319,137.33
Income tax expenses	0.00	0.00	(638,834.24)	(2,203,801.50)	(638,834.24)	(2,203,801.50)
Profit for the period	1,077,217.48	5,673,868.61	1,234,005.04	7,441,467.22	2,311,222.52	13,115,335.83

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

## 20. OPERATING SEGMENTS

Revenues separated by nature of services for the three-month periods ended March 31, 2018 and 2017 are as follows:

	<b>Consolidated financial statements</b>	
	<b>(Million Baht)</b>	
	<b>2018</b>	<b>2017</b>
Non-Destructive Testing	46.69	49.04
Inspection and certificate	50.18	76.72
Mechanical Test	4.89	0.13

## 21. COMMITMENT AND CONTINGENT LIABILITIES

21.1 As at March 31, 2018 and December 31, 2017, the Company and subsidiaries have commitment under purchase and hire agreement with several seller as follow :

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Baht	11,919,787.88	8,233,270.88	11,919,787.88	8,233,270.88
US Dollar	66,330.92	290.00	15,247.58	290.00

21.2 The subsidiary has commitment under lease office building agreement as at March 31, 2018 and December 31, 2017 for the amount of Baht 0.15 million and Baht 0.48 million respectively.

21.3 The Company and subsidiaries have contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, as at March 31, 2018 and December 31, 2017 total amount of Baht 14.00 million and Baht 14.15 million in the consolidated and separate financial statements. Contingent liabilities are guaranteed by bank deposits (note 9).

## 22. EVENTS AFTER THE REPORTING PERIOD

According to the annual general shareholders' meeting for the year 2018 held on April 11, 2018, the shareholders passed the resolution to pay dividend from profit for the year 2017 to the shareholders at Baht 0.35 per share, amounting to Baht 34.50 million which was already paid interim dividend at Baht 0.05 per share, amounting to Baht 4.93 million, the remaining to be paid at Baht 0.30 per share for 98.57 million shares, totally Baht 29.57 million. Such dividend had already paid on April 27, 2018.

## 23. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on May 12, 2018.