

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Harn Engineering Solutions Public Company Limited

I have reviewed the accompanying statement of financial position of Harn Engineering Solutions Public Company Limited as at March 31, 2017 and the related statement of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with auditing standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

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 the accounting standards No. 34 “Interim Financial Reporting”.

OTHER MATTER

The statement of financial position of Harn Engineering Solutions Public Company Limited as at December 31, 2016, presented herewith for comparative information was audited by another auditor and expressed an unqualified opinion in report dated February 24, 2017. The statement of comprehensive income, changes in shareholder's equity and cash flows for the three-month period ended March 31, 2016, presented herewith for comparative information, were reviewed by another auditor and stated that 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 the accounting standards No. 34 "Interim Financial Reporting", whose report dated May 13, 2016.

(Mr. Thanawut Piboonsawat)
Certified Public Accountant
Registration No. 6699

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 12, 2017

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

ASSETS

		Thousand Baht	
		As at March	As at December
	Note	31, 2017	31, 2016
CURRENT ASSETS			
Cash and cash equivalents		25,154	35,866
Temporary investments	5	337,694	265,179
Trade and other receivables	6	265,481	291,317
Current portion of finance lease receivables	7	9,566	10,017
Unbilled receivables		10,008	7,140
Inventories	8	261,871	237,566
Other current assets		540	750
TOTAL CURRENT ASSETS		910,314	847,835
NON-CURRENT ASSETS			
General investment		242	242
Long-term finance lease receivables	7	9,040	10,044
Equipment	9	39,210	41,565
Goodwill	10	334,672	334,672
Customer relationship	11	99,309	102,983
Intangible assets	12	26,095	26,749
Other non-current assets		16,551	15,761
TOTAL NON-CURRENT ASSETS		525,119	532,016
TOTAL ASSETS		1,435,433	1,379,851

Notes to the interim financial statements form an integral part of these statements

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at March	As at December
	Note	31, 2017	31, 2016
CURRENT LIABILITIES			
Trade and other payables	13	201,774	176,566
Income tax payable		20,168	12,873
Short-term provisions		885	168
Other current liabilities		4,608	4,641
TOTAL CURRENT LIABILITIES		227,435	194,248
NON-CURRENT LIABILITIES			
Deferred tax liabilities		16,048	18,957
Employee's benefit obligations		12,422	13,910
Other non-current liabilities		15,784	15,097
TOTAL NON-CURRENT LIABILITIES		44,254	47,964
TOTAL LIABILITIES		271,689	242,212

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Thousand Baht	
	As at March	As at December
Note	31, 2017	31, 2016
SHAREHOLDERS' EQUITY		
Share capital		
Authorized share capital		
584,500,000 ordinary shares of Baht 0.50 each	292,250	292,250
Issued and paid-up share capital		
584,500,000 ordinary shares of Baht 0.50 each	292,250	292,250
Premium on ordinary shares	776,416	776,416
Retained earnings		
Appropriated		
Legal reserve	13,867	13,867
Unappropriated	81,211	55,106
TOTAL SHAREHOLDERS' EQUITY	1,163,744	1,137,639
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,435,433	1,379,851

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Thousand Baht	
Note	2017	2016
Revenues		
Revenues from sales	269,366	132,974
Revenue from rendering of services	23,436	28,633
Other income	5,033	5,270
Total revenues	297,835	166,877
Expenses		
Cost of sales	192,274	100,587
Cost of rendering of services	20,293	25,997
Selling expenses	20,178	8,856
Administrative expenses	34,062	14,391
Total expenses	266,807	149,831
Profit before income tax expenses	31,028	17,046
Income tax expenses	4,923	3,614
Profit for the period	26,105	13,432
Other comprehensive income for the period	-	-
Total comprehensive income for the period	26,105	13,432
Earnings per share	15	
Basic earnings per share (Baht per share)	0.04	0.04
Weighted average number of ordinary shares (shares)	584,500,000	350,000,000

Notes to the interim financial statements form an integral part of these statements

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Thousand Baht				
	Issued and	Premium	Retained earnings		Total
	paid-up	on	Appropriated	Unappropriated	shareholders'
Note	share capital	ordinary shares	legal reserve		equity
Beginning balance as at January 1, 2016	175,000	218,306	11,840	46,651	451,797
Total comprehensive income for the period	-	-	-	13,432	13,432
Ending balance as at March 31, 2016	<u>175,000</u>	<u>218,306</u>	<u>11,840</u>	<u>60,083</u>	<u>465,229</u>
Beginning balance as at January 1, 2017	292,250	776,416	13,867	55,106	1,137,639
Total comprehensive income for the period	-	-	-	26,105	26,105
Ending balance as at March 31, 2017	<u>292,250</u>	<u>776,416</u>	<u>13,867</u>	<u>81,211</u>	<u>1,163,744</u>

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Baht	
	2017	2016
Cash flows from operating activities		
Profit for the period	26,105	13,432
Adjustment to reconcile profit (loss) for the period to net cash provided by (used in) operating activities :		
Allowance for doubtful account (reversal)	(792)	13
Depreciation and amortization	3,899	1,173
Amortization of customer relationship	3,674	-
Loss on devaluation of inventories	1,459	971
(Gain) loss on disposals of fixed assets	-	219
Unrealized (gain) loss on exchange rate	(1,465)	88
(Gain) loss on disposals of investment	(1,170)	222
Unrealized (gain) loss on revaluation of temporary investments	813	(6,294)
Interest income	(5)	(6)
Dividend income	-	(89)
Employee's benefit expenses	413	270
Income tax expense	4,923	3,614
Profit from operating before changes in operating assets and liabilities		
(Increase) decrease in operating assets	37,854	13,613
Trade and other receivables	26,592	(13,815)
Finance lease receivables	1,455	-
Unbilled receivables	(2,868)	(3,763)
Inventories	(25,872)	16,509
Other current assets	210	1,452
Other non-current assets	(790)	(184)
Increase (decrease) in operating liabilities		
Trade and other payables	27,765	(33,084)
Other current liabilities	(33)	(2,246)
Employee's benefit obligations	(1,901)	-
Other non-current liabilities	687	219
Cash received (paid) from operating	63,099	(21,299)
Income tax paid	(538)	(296)
Net cash provided by (used in) operating activities	62,561	(21,595)

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Baht	
	2017	2016
Cash flows from investing activities		
Cash receipts from temporary investments	(72,158)	14,693
Cash payments for deposit at financial institution used as collateral	-	(2,393)
Cash payments for purchases of equipment	(448)	(200)
Cash receipts from disposal of equipment	-	443
Cash payments for purchase of intangible asset	(672)	(2,880)
Interest received	5	3
Dividends received	-	89
Net cash provided by (used in) investing activities	<u>(73,273)</u>	<u>9,755</u>
Net increase (decrease) in cash and cash equivalents	(10,712)	(11,840)
Cash and cash equivalents at beginning of period	<u>35,866</u>	<u>28,184</u>
Cash and cash equivalents at end of period	<u><u>25,154</u></u>	<u><u>16,344</u></u>
Supplementaly disclosures of cash flows information :		
Non-Cash transaction		
Liabilities incurred from acquisition of fixed assets and intangible assets		
Liabilities incurred from acquisition of fixed assets and intangible assets as at January 1,	670	-
Inventories transferred to fixed asset	(107)	-
<u>Add</u> Purchases of fixed assets and intangible assets	926	3,952
<u>Less</u> Cash payments	<u>(1,120)</u>	<u>(3,080)</u>
Liabilities incurred from acquisition of fixed assets and intangible assets as at March 31,	<u><u>369</u></u>	<u><u>872</u></u>

Notes to the interim financial statements form an integral part of these statements

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2017

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on May 9, 2001.

The Company has changed its status to be public company limited for trading their shares on the Stock Exchange of Thailand on May 22, 2014.

The addresses of its registered head office are as follows:

Locate at : 19/20-22 Soi Soonvijai, Rama 9 Road, Bangkapi, Huaykwang, Bangkok 10310, Thailand.

(b) Nature of the Company's operations

The principal business is involved in wholesaling, retailing, and repairing, renting, leasing, contracting and installation services of fire protection system and fire suppression agent, trading cold storage devices, trading, repairing and renting of printing equipment.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

These interim financial statements are prepared in accordance with the Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2016.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the financial statements in Thai language version.

2.2 Thai Financial Reporting Standards that become effective in the current year

The Company have adopted the revised 2016 Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of the standards. The adoption of these financial reporting standards do not have any significant impact on the Company financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company prepared the interim financial statements with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2016.

4. RELATED PARTY TRANSACTIONS

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships or close member of family. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Types of relationship of related parties were as follows:

<u>Company/Person name</u>	<u>Country/ Nationality</u>	<u>Related</u>	<u>Relationship</u>
Harn Engineering Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Q II S Co., Ltd.	Thailand	Subsidiary	Major shareholders
Chillmatch Co., Ltd.	Thailand	Subsidiary	Major shareholders
Mr. Jain Charnnarong	Thai	Related person	Shareholder and close member of the director's family
Mrs. Sirima Iamsakulrat	Thai	Related person	Shareholder and close member of the director's family

Bases of measurement for intercompany revenues and expenses

	<u>Pricing Policy</u>
Purchase of goods	Market price
Purchase and sale of equipment and intangible asset	Contractually agreed prices
Other income	Contractually agreed prices
Rental and service expenses	Contractually agreed prices

Significant agreements with related parties

The Company entered into office building rental agreement as follows:

	<u>As at March 31, 2017</u>		
	<u>Lessor</u>	<u>Period</u>	<u>Rate per month (Baht)</u>
Office rental agreement	Mr. Jain Charnnarong	3 years	53,100
	Harn Engineering Co., Ltd.	3 year	498,996
Warehouse rental agreement	Mrs. Sirima Iamsakulrat	3 year	280,900

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Balances with the related parties as at March 31, 2017 and December 31, 2016 consisted of:

	Thousand Baht	
	As at March 31, 2017	As at December 31, 2016
Trade and other receivables		
Harn Engineering Co., Ltd.	2,360	3,820

Transactions for the three-month periods ended March 31, 2017 and 2016 with related parties were summarized as follows:

	Thousand Baht	
	For the three-month periods ended March 31,	
	2017	2016
Purchase of goods		
Chillmatch Co., Ltd.	-	1
Other income		
Q II S Co., Ltd.	-	690
Chillmatch Co., Ltd.	-	315
	-	1,005
Office rental and service expenses		
Harn Engineering Co., Ltd.	1,497	1,265
Mr. Jain Charnnarong	159	106
	1,656	1,371
Warehouse rental expenses		
Mrs. Sirima Iamsakulrat	843	-
Directors remuneration		
Directors	100	145
Management benefit expenses		
Short-term employee's benefits	3,080	2,011
Post-employment benefits	132	67
	3,212	2,078

5. TEMPORARY INVESTMENTS

Temporary investments were consisted of:

	Thousand Baht		
	As at March 31, 2017		
	Cost value As at March 31, 2017	Unrealized gain (loss) on revaluation of investments	Fair value As at March 31, 2017
Trading securities			
- Investment units	295,476	7,399	302,875
- Investments in listed securities	35,872	(1,047)	34,825
<u>Less</u> Allowance for diminution in value of investment	(6)	-	(6)
Total	<u>331,342</u>	<u>6,352</u>	<u>337,694</u>

	Thousand Baht		
	As at December 31, 2016		
	Cost value As at December 31, 2016	Unrealized gain (loss) on revaluation of investments	Fair value As at December 31, 2016
Trading securities			
- Investment units	225,540	6,316	231,856
- Investments in listed securities	32,481	848	33,329
<u>Less</u> Allowance for diminution in value of investment	(6)	-	(6)
Total	<u>258,015</u>	<u>7,164</u>	<u>265,179</u>

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables were consisted of:

	Thousand Baht	
	As at March 31, 2017	As at December 31, 2016
Trade receivable		
Trade receivables - other companies	237,405	259,332
<u>Less</u> Allowance for doubtful accounts	(4,623)	(5,415)
Net	<u>232,782</u>	<u>253,917</u>
Other receivables		
Other receivables - related parties	2,360	3,820
Other receivables - other companies	1,157	3,217
Accrued retentions	9,543	9,678
Deposit of inventories	13,163	17,369
Prepaid expenses	4,503	2,782
Accrued income	1,973	534
Total other receivables	<u>32,699</u>	<u>37,400</u>
Total trade and other receivables	<u>265,481</u>	<u>291,317</u>

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Trade receivables are classified by aging as follows:

	Thousand Baht	
	As at March 31, 2017	As at December 31, 2016
Current	171,969	162,303
Overdue		
Less than 3 months	55,400	88,461
Over 3 months up to 6 months	4,733	560
Over 6 months up to 12 months	1,074	1,792
Over 12 months	4,229	6,216
Total	237,405	259,332
<u>Less</u> Allowance for doubtful account	(4,623)	(5,415)
Trade receivables, net	<u>232,782</u>	<u>253,917</u>

7. FINANCE LEASE RECEIVABLES

Finance lease receivables were consisted of:

	Thousand Baht	
	As at March 31, 2017	As at December 31, 2016
Finance lease receivables - printing devices	18,606	20,061
<u>Less</u> Current portion	(9,566)	(10,017)
Long-term finance lease receivables	<u>9,040</u>	<u>10,044</u>

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the financial lease agreements as at March 31, 2017 and December 31, 2016, are as follows:

	Thousand Baht			
	As at March 31, 2017		As at December 31, 2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	13,207	9,566	13,756	10,017
Over 1 year but less than 5 years	13,377	9,040	15,049	10,044
	26,584	18,606	28,805	20,061
<u>Less</u> Deferred interest	(7,978)	-	(8,744)	-
	<u>18,606</u>	<u>18,606</u>	<u>20,061</u>	<u>20,061</u>

8. INVENTORIES

Inventories were consisted of :

	Thousand Baht	
	As at March 31, 2017	As at December 31, 2016
Finished goods	218,675	211,587
Goods in transit	59,634	40,958
Total	278,309	252,545
<u>Less</u> Allowance for loss on devaluation of inventories	(16,438)	(14,979)
Total	<u>261,871</u>	<u>237,566</u>

Decline in value of inventory recognized as cost of goods sold for the three-month period ended March 31, 2017 was Baht 1.46 million.

9. EQUIPMENT

Changes in the equipment for the three-month period ended March 31, 2017 were summarized as follows:

	Thousand Baht
<u>Cost</u>	
Balance as at December 31, 2016	89,432
Acquisitions during the period	733
Disposals and write-off during the period	(116)
Transfer in / (out)	(141)
Balance as at March 31, 2017	<u>89,908</u>
<u>Accumulated depreciation</u>	
Balance as at December 31, 2016	(47,867)
Depreciation for the period	(3,051)
Accumulated depreciation on disposals and write-off	79
Transfer in / (out)	141
Balance as at March 31, 2017	<u>(50,698)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>41,565</u>
Balance as at March 31, 2017	<u>39,210</u>

As at March 31, 2017 and December 31, 2016, the Company had equipment which were fully depreciated but still in use with the cost price of Baht 24.20 million and Baht 23.31 million, respectively.

10. GOODWILL

On November 29, 2016, two subsidiaries were transferred their entire business into the Company by issuing capital increase shares for Baht 675.36 million to exchange for the identifiable net assets of both companies for Baht 340.69 million, resulting in a goodwill of Baht 334.67 million.

11. CUSTOMER RELATIONSHIP

Changes in customer relationship for the three-month period ended March 31, 2017 were summarized as follows:

	<u>Thousand Baht</u>
<u>At cost</u>	
Balance as at December 31, 2016	104,308
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at March 31, 2017	<u>104,308</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2016	(1,325)
Amortization for the period	(3,674)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2017	<u>(4,999)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>102,983</u>
Balance as at March 31, 2017	<u>99,309</u>

12. INTANGIBLE ASSETS

Changes in intangible assets for the three-month period ended March 31, 2017 were summarized as follows:

	<u>Thousand Baht</u>
<u>At cost</u>	
Balance as at December 31, 2016	32,437
Acquisitions during the period	194
Disposals and write-off during the period	-
Balance as at March 31, 2017	<u>32,631</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2016	(5,688)
Amortization for the period	(848)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2017	<u>(6,536)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>26,749</u>
Balance as at March 31, 2017	<u>26,095</u>

As at March 31, 2017 and December 31, 2016, the Company had intangible assets, which were fully amortized but still in use with the cost price of Baht 0.96 million and Baht 0.91 million, respectively.

13. TRADE AND OTHER PAYABLES

Trade and other payables were consisted of :

	Thousand Baht	
	As at March	As at December
	31, 2017	31, 2016
Trade payables		
Trade payables - other companies	150,628	104,569
Other payables		
Other payables	4,962	7,640
Accrued commission expenses	13,384	13,582
Accrued bonus	3,663	15,842
Advance from customers for goods and services	12,355	12,649
Accrued expenses	6,891	14,376
Other	9,891	7,908
Total	<u>51,146</u>	<u>71,997</u>
Total trade and other payables	<u><u>201,774</u></u>	<u><u>176,566</u></u>

14. OPERATING SEGMENT

Segment information is presented in respect of the business segments. The primary format in segment information report is based on the management and internal reporting structure.

The Company comprises the following main business segments:

Segment 1	Fire Protection Products and Project
Segment 2	Sanitary and Air-Conditioning System
Segment 3	Cold Storage Devices
Segment 4	Digital Printing System

For the three-month periods ended March 31, 2017 and 2016, there was no revenue from sales with a single external customers contributed 10% or more to the total revenue.

The Company has revenues from service with external customers over 10% of total revenue from service.

For the three-month periods ended March 31, 2017 and 2016, the Company has revenue from service with 5 major customers and 3 major customers in amount of Baht 9.00 million and Baht 17.32 million, respectively.

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Operating segment by business in the statement of comprehensive income for the three-month periods ended March 31, 2017 and 2016 were as follows:

	Thousand Baht											
	For the three-month period ended March 31,											
	2017						2016					
	Segment 1	Segment 2	Segment 3	Segment 4	Elimination of inter- segment	Total	Segment 1	Segment 2	Segment 3	Segment 4	Elimination of inter- segment	Total
Revenue from sale of goods	119,204	21,362	65,518	63,282	-	269,366	120,750	12,224	-	-	-	132,974
Revenue from rendering of services	16,552	-	25	6,859	-	23,436	28,633	-	-	-	-	28,633
Cost of sale of goods	(89,964)	(15,827)	(47,795)	(38,688)	-	(192,274)	(92,154)	(8,433)	-	-	-	(100,587)
Cost of rendering of services	(13,137)	-	(107)	(7,049)	-	(20,293)	(25,997)	-	-	-	-	(25,997)
Gross profit	32,655	5,535	17,641	24,404	-	80,235	31,232	3,791	-	-	-	35,023
Other income	-	-	-	-	-	5,033	-	-	-	-	-	5,270
Selling expenses	-	-	-	-	-	(20,178)	-	-	-	-	-	(8,856)
Administrative expenses	-	-	-	-	-	(34,062)	-	-	-	-	-	(14,391)
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-
Profit before income tax expense	-	-	-	-	-	31,028	-	-	-	-	-	17,046
Income tax expense	-	-	-	-	-	(4,923)	-	-	-	-	-	(3,614)
Profit for the periods	-	-	-	-	-	26,105	-	-	-	-	-	13,432
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the periods	-	-	-	-	-	26,105	-	-	-	-	-	13,432

15. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the periods by the weighted average number of ordinary shares in issue during the periods.

	For the three-month periods ended March 31,	
	2017	2016
Profit for the periods (Thousand Baht)	26,105	13,432
Weighted average number of ordinary shares (Shares)	584,500,000	350,000,000
Basic earnings per share (Baht per share)	0.04	0.04

16. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2017 and December 31, 2016, the Company had commitments and contingent liabilities as follows:

16.1 As at March 31, 2017 and December 31, 2016, the Company has letters of guarantee issued by banks for goods and work under system installation service agreement in the amount of Baht 18.40 million and Baht 12.64 million, respectively.

16.2 The credit facilities with financial institutions as at March 31, 2017 and December 31, 2016 consisted of:

Type of credit	Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at March 31, 2017	As at December 31, 2016	As at March 31, 2017	As at December 31, 2016
Bank overdrafts	15.00	17.00	MOR	MOR
Letter of credit/trust receipt	197.00	231.00	Fixed deposit	Fixed deposit
Letter of guarantee	30.00	30.00	MLR-1,MMR	MLR-1,MMR
Forward exchange contracts	362.39	363.39	2%	2%
Promissory notes	15.00	15.00	MLR	MLR
Up country check purchase	-	3.00		
Total	619.39	659.39		
Forward foreign exchange contracts (Million US dollars)	3.00	3.00		

16.3 Minimum lease and service payments are as follows:

Payment periods	Million Baht	
	As at March 31, 2017	As at December 31, 2016
Due not later than 1 year	12.34	12.83
Due later than 1 year but not later than 5 years	20.24	22.03

Rental and service expenses for the three-month period ended March 31, 2017 and 2016 are Baht 3.46 million and Baht 1.45 million, respectively.

17. FAIR VALUE MEASUREMENT

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant TFRS, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at March 31, 2017 and December 31, 2016, the Company had the following financial assets and liabilities that were measured at fair value on which the fair value hierarchy is classified as follows:

	Thousand Baht			
	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	302,875		302,875
Investments in equity securities	34,819	-		34,819
Foreign currency forward contracts	-	(855)		(855)
	Thousand Baht			
	As at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	231,856	-	231,856
Investments in equity securities	33,329	-	-	33,329
Foreign currency forward contracts	-	(168)	-	(168)

Fair valuation techniques and inputs to Level 2 fair valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward rate of the respective currencies, and interest rate yield curves.

During the period, there were no transfers within the fair value hierarchy.

Certain financial assets and financial liabilities is measured at fair value

The following table gives information about how the fair values of these financial assets and financial liabilities are measured at fair value on fair value hierarchy as at March 31, 2017 and December 31, 2016.

Financial assets and financial liabilities	Fair value (Baht)		Fair value Hierarchy	Valuation techniques and key inputs for fair value measurement
	As at March 31, 2017	As at December 31, 2016		
<u>Financial liabilities</u>				
1. Foreign currency forward contracts	855,363	168,223	Level 2	Discounted cash flow The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

18. RECLASSIFICATIONS

Certain reclassifications have been made in the statement of financial position as at December 31, 2016 to conform to the classifications used in the statement of financial position as at March 31, 2017 as follows:

	Thousand Baht		
	As at 31 December 2016		
	As previously reported	Increase (decrease)	As reclassified
Trade and other receivables	273,948	17,369	291,317
Other current assets	18,119	(17,369)	750
Trade and other payables	171,451	5,115	176,566
Other current liabilities	9,756	(5,115)	4,641

Certain reclassifications have been made in the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2016 to conform to the classifications used in the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2017 as follows:

	Thousand Baht		
	For the three-month periods ended March 31, 2016		
	As previously reported	Increase (decrease)	As reclassified
Revenue from sale of goods and rendering			
of services	161,807	(161,807)	-
Revenues from sales	-	132,974	132,974
Revenue from rendering of services	-	28,633	28,633
Other income	7,908	(2,638)	5,270
Cost of sale of goods and rendering of			
services	126,584	(126,584)	-
Cost of sales	-	100,587	100,587
Cost of rendering of services	-	25,997	25,997
Administrative expenses	17,229	(2,838)	14,391

19. EVENT AFTER THE REPORTING PERIOD

On February 24, 2017, the Company’s Board of Directors No. 1/2017 passed the resolution to declare dividend at Baht 0.09 per share for 584,500,000 issued and paid up ordinary shares, in total amount of Baht 52,605,000. The dividend declaration had been approved from Annual General Shareholders’ Meeting No. 1/2017 on April 28, 2017.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on May 12, 2017.