

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED**

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 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 June 30, 2017 and the related statement of comprehensive income for the three-month and six-month periods ended June 30, 2017, changes in shareholders’ equity and cash flows for the six-month period then ended June 30, 2017, 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 for the three-month and six-month periods ended June 30, 2016, changes in shareholder's equity and cash flows for the six-month period ended June 30, 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 August 15, 2016.

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

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
August 10, 2017

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2017**

**ASSETS**

		Thousand Baht	
		As at June	As at December
	Note	30, 2017	31, 2016
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		30,372	35,866
Temporary investments	5	274,245	265,179
Trade and other receivables	6	269,471	291,317
Current portion of finance lease receivables	7	8,960	10,017
Unbilled receivables		19,695	7,140
Inventories	8	287,234	237,566
Other current assets		289	750
<b>TOTAL CURRENT ASSETS</b>		<b>890,266</b>	<b>847,835</b>
<b>NON-CURRENT ASSETS</b>			
General investment		242	242
Long-term finance lease receivables	7	7,903	10,044
Equipment	9	38,396	41,565
Goodwill	10	334,672	334,672
Customer relationship	11	95,594	102,983
Intangible assets	12	25,283	26,749
Other non-current assets		16,022	15,761
<b>TOTAL NON-CURRENT ASSETS</b>		<b>518,112</b>	<b>532,016</b>
<b>TOTAL ASSETS</b>		<b>1,408,378</b>	<b>1,379,851</b>

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 JUNE 30, 2017**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Thousand Baht	
		As at June	As at December
	Note	30, 2017	31, 2016
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	202,742	176,566
Income tax payable		15,645	12,873
Short-term provisions		928	168
Other current liabilities		4,111	4,641
<b>TOTAL CURRENT LIABILITIES</b>		<b>223,426</b>	<b>194,248</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		14,750	18,957
Employee's benefit obligations		12,835	13,910
Other non-current liabilities		15,221	15,097
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>42,806</b>	<b>47,964</b>
<b>TOTAL LIABILITIES</b>		<b>266,232</b>	<b>242,212</b>

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT JUNE 30, 2017**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Thousand Baht	
	As at June	As at December
Note	30, 2017	31, 2016
<b>SHAREHOLDERS' EQUITY</b>		
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	59,613	55,106
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,142,146</b>	<b>1,137,639</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,408,378</b>	<b>1,379,851</b>

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 COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2017**

	Thousand Baht	
Note	2017	2016
Revenues		
Revenues from sales	292,630	109,701
Revenue from rendering of services	35,637	11,034
Other income	3,120	5,094
Total revenues	<u>331,387</u>	<u>125,829</u>
Expenses		
Cost of sales	201,673	81,858
Cost of rendering of services	33,570	11,712
Selling expenses	23,010	7,251
Administrative expenses	34,219	22,285
Total expenses	<u>292,472</u>	<u>123,106</u>
Profit before income tax expenses	38,915	2,723
Income tax expenses	7,908	340
Profit for the period	<u>31,007</u>	<u>2,383</u>
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>31,007</u>	<u>2,383</u>
Earnings per share	16	
Basic earnings per share (Baht per share)	<u>0.05</u>	<u>0.01</u>
Weighted average number of ordinary shares (shares)	<u>584,500,000</u>	<u>350,000,000</u>

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 COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

		Thousand Baht	
	Note	2017	2016
Revenues			
Revenues from sales		561,996	242,675
Revenue from rendering of services		59,073	39,667
Other income		8,153	10,364
Total revenues		<u>629,222</u>	<u>292,706</u>
Expenses			
Cost of sales		393,947	182,445
Cost of rendering of services		53,863	37,709
Selling expenses		43,188	16,107
Administrative expenses		68,281	36,676
Total expenses		<u>559,279</u>	<u>272,937</u>
Profit before income tax expenses		69,943	19,769
Income tax expenses		12,831	3,954
Profit for the period		<u>57,112</u>	<u>15,815</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>57,112</u>	<u>15,815</u>
Earnings per share	16		
Basic earnings per share (Baht per share)		<u>0.10</u>	<u>0.05</u>
Weighted average number of ordinary shares (shares)		<u>584,500,000</u>	<u>350,000,000</u>

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 SIX-MONTH PERIOD ENDED JUNE 30, 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
	Dividend	-	-	-	(35,000)	(35,000)
	Total comprehensive income for the period	-	-	-	15,815	15,815
	Ending balance as at June 30, 2016	175,000	218,306	11,840	27,466	432,612
	Beginning balance as at January 1, 2017	292,250	776,416	13,867	55,106	1,137,639
14	Dividend	-	-	-	(52,605)	(52,605)
	Total comprehensive income for the period	-	-	-	57,112	57,112
	Ending balance as at June 30, 2017	292,250	776,416	13,867	59,613	1,142,146

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

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

	Baht	
	2017	2016
Cash flows from operating activities		
Profit for the period	57,112	15,815
Adjustment to reconcile profit (loss) for the period to net cash provided by (used in) operating activities :		
Allowance for doubtful account (reversal)	(878)	363
Depreciation and amortization	7,803	2,364
Amortization of customer relationship	7,389	-
Loss on devaluation of inventories	2,919	1,359
(Gain) loss on disposals of fixed assets	443	219
Unrealized (gain) loss on exchange rate	928	(359)
(Gain) loss on disposals of investment	(1,833)	1,574
Unrealized (gain) loss on revaluation of temporary investments	726	(7,130)
Interest income	(40)	(35)
Dividend income	(560)	(261)
Employee's benefit expenses	826	541
Income tax expense	12,831	3,954
Profit from operating before changes in operating assets and liabilities		
(Increase) decrease in operating assets	87,666	18,404
Trade and other receivables	22,723	(155)
Finance lease receivables	3,198	-
Unbilled receivables	(12,555)	4,454
Inventories	(55,477)	(1,902)
Other current assets	461	(6,679)
Other non-current assets	(261)	107
Increase (decrease) in operating liabilities		
Trade and other payables	25,840	(22,768)
Short-term provisions	760	(51)
Other current liabilities	(530)	(159)
Employee's benefit obligations	(1,901)	-
Other non-current liabilities	124	566
Cash received (paid) from operating	70,048	(8,183)
Income tax paid	(14,265)	(3,625)
Net cash provided by (used in) operating activities	55,783	(11,808)

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONT.)**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

	Baht	
	2017	2016
Cash flows from investing activities		
(Increase) decrease in temporary investments	(7,959)	40,583
Cash payments for purchases of equipment	(924)	(393)
Cash receipts from disposal of equipment	439	443
Cash payments for purchase of intangible asset	(828)	(2,940)
Interest received	40	36
Dividends received	560	261
Net cash provided by (used in) investing activities	<u>(8,672)</u>	<u>37,990</u>
Cash flows from financing activities		
Dividend paid	<u>(52,605)</u>	<u>(35,000)</u>
Net cash used in financing activities	<u>(52,605)</u>	<u>(35,000)</u>
Net increase (decrease) in cash and cash equivalents	(5,494)	(8,818)
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>30,372</u></u>	<u><u>19,366</u></u>
Supplementally 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	(3,572)	(20)
<u>Add</u> Purchases of fixed assets and intangible assets	4,733	4,053
<u>Less</u> Cash payments	<u>(1,752)</u>	<u>(3,313)</u>
Liabilities incurred from acquisition of fixed assets and intangible assets as at June 30,	<u>79</u>	<u>720</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**

**JUNE 30, 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 :

Company/Person name	Country/ Nationality	Related	Relationship
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

	Pricing Policy
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 :

As at June 30, 2017			
	Lessor	Period	Rate per month (Baht)
Office rental agreement	Mr. Jain Charnnarong	3 years	53,100
	Harn Engineering Co., Ltd.	3 years	498,996
Warehouse rental agreement	Mrs. Sirima Iamsakulrat	3 years	280,900

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Balances with the related parties as at June 30, 2017 and December 31, 2016 consisted of :

	Thousand Baht	
	As at June 30, 2017	As at December 31, 2016
Trade and other receivables		
Harn Engineering Co., Ltd.	2,360	3,820

Transactions for the three-month and six-month periods ended June 30, 2017 and 2016 with related parties were summarized as follows :

	Thousand Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Purchase of goods				
Chillmatch Co., Ltd.	-	-	-	1
Other income				
Q II S Co., Ltd.	-	690	-	1,380
Chillmatch Co., Ltd.	-	315	-	630
	<u>-</u>	<u>1,005</u>	<u>-</u>	<u>2,010</u>
Office rental and service expenses				
Harn Engineering Co., Ltd.	1,497	1,265	2,994	2,530
Mr. Jain Charnnarong	160	106	319	212
	<u>1,657</u>	<u>1,371</u>	<u>3,313</u>	<u>2,742</u>
Warehouse rental expenses				
Mrs. Sirima Iamsakulrat	842	-	1,685	-
Directors remuneration				
Directors	50	90	150	235
Management benefit expenses				
Shot-term employee’s benefits	2,554	2,027	5,634	4,038
Post-employment benefits	104	77	236	144
	<u>2,658</u>	<u>2,104</u>	<u>5,870</u>	<u>4,182</u>

5. TEMPORARY INVESTMENTS

Temporary investments were consisted of :

Thousand Baht			
As at June 30, 2017			
	Cost value As at June 30, 2017	Unrealized gain (loss) on revaluation of investments	Fair value As at June 30, 2017
Trading securities			
- Investment units	229,996	8,212	238,208
- Investments in listed securities	37,817	(1,774)	36,043
<u>Less</u> Allowance for diminution in value of investment	(6)	-	(6)
Total	<u>267,807</u>	<u>6,438</u>	<u>274,245</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 June 30, 2017	As at December 31, 2016
Trade receivable		
Trade receivables - other companies	248,653	259,332
<u>Less</u> Allowance for doubtful accounts	(4,537)	(5,415)
Net	<u>244,116</u>	<u>253,917</u>
Other receivables		
Other receivables - related parties	2,360	3,820
Other receivables - other companies	2,071	3,217
Accrued retentions	8,493	9,678
Deposit of inventories	6,587	17,369
Prepaid expenses	3,785	2,782
Accrued income	2,059	534
Total other receivables	<u>25,355</u>	<u>37,400</u>
Total trade and other receivables	<u>269,471</u>	<u>291,317</u>

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Trade receivables are classified by aging as follows :

	Thousand Baht	
	As at June 30, 2017	As at December 31, 2016
Current	182,594	162,303
Overdue		
Less than 3 months	57,964	88,461
Over 3 months up to 6 months	85	560
Over 6 months up to 12 months	1,902	1,792
Over 12 months	6,108	6,216
Total	248,653	259,332
<u>Less</u> Allowance for doubtful account	(4,537)	(5,415)
Trade receivables, net	244,116	253,917

#### 7. FINANCE LEASE RECEIVABLES

Finance lease receivables were consisted of :

	Thousand Baht	
	As at June 30, 2017	As at December 31, 2016
Finance lease receivables - printing devices	16,863	20,061
<u>Less</u> Current portion	(8,960)	(10,017)
Long-term finance lease receivables	7,903	10,044

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the financial lease agreements as at June 30, 2017 and December 31, 2016, are as follows:

	Thousand Baht			
	As at June 30, 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	12,492	8,960	13,756	10,017
Over 1 year but less than 5 years	11,589	7,903	15,049	10,044
	24,081	16,863	28,805	20,061
<u>Less</u> Deferred interest	(7,218)	-	(8,744)	-
	16,863	16,863	20,061	20,061



8. INVENTORIES

Inventories were consisted of :

	Thousand Baht	
	As at June 30, 2017	As at December 31, 2016
Finished goods	231,822	211,587
Goods in transit	73,309	40,958
Total	305,131	252,545
<u>Less</u> Allowance for loss on devaluation of inventories	(17,897)	(14,979)
Total	<u>287,234</u>	<u>237,566</u>

Decline in value of inventory recognized as cost of goods sold for the six-month period ended June 30, 2017 was Baht 2.92 million.

9. EQUIPMENT

Changes in the equipment for the six-month period ended June 30, 2017 were summarized as follows :

	Thousand Baht
<u>Cost</u>	
Balance as at December 31, 2016	89,432
Acquisitions during the period	4,496
Disposals and write-off during the period	(3,492)
Transfer in / (out)	(117)
Balance as at June 30, 2017	<u>90,319</u>
<u>Accumulated depreciation</u>	
Balance as at December 31, 2016	(47,867)
Depreciation for the period	(6,100)
Accumulated depreciation on disposals and write-off	1,902
Transfer in / (out)	142
Balance as at June 30, 2017	<u>(51,923)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>41,565</u>
Balance as at June 30, 2017	<u>38,396</u>

As at June 30, 2017 and December 31, 2016, the Company had equipment which were fully depreciated but still in use with the cost price of Baht 24.47 million and Baht 23.31 million, respectively.

10. GOODWILL

On November 29, 2016, Chillmatch Co., Ltd. and Q II S Co., Ltd. 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 six-month period ended June 30, 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 June 30, 2017	<u>104,308</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2016	(1,325)
Amortization for the period	(7,389)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2017	<u>(8,714)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>102,983</u>
Balance as at June 30, 2017	<u>95,594</u>

12. INTANGIBLE ASSETS

Changes in intangible assets for the six-month period ended June 30, 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	237
Disposals and write-off during the period	-
Balance as at June 30, 2017	<u>32,674</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2016	(5,688)
Amortization for the period	(1,703)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2017	<u>(7,391)</u>
<u>Net book value</u>	
Balance as at December 31, 2016	<u>26,749</u>
Balance as at June 30, 2017	<u>25,283</u>

As at June 30, 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 June 30, 2017	As at December 31, 2016
Trade payables		
Trade payables - other companies	142,786	104,569
Other payables		
Other payables	3,819	7,640
Accrued commission expenses	14,767	13,582
Accrued bonus	7,355	15,842
Advance from customers for goods and services	17,979	12,649
Accrued expenses	6,671	14,376
Other	9,365	7,908
Total	<u>59,956</u>	<u>71,997</u>
Total trade and other payables	<u><u>202,742</u></u>	<u><u>176,566</u></u>

## 14. DIVIDEND PAID

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.

## 15. 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	Refrigeration System
Segment 4	Digital Printing System

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**“REVIEWED”**

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Operating segment by business in the statement of comprehensive income for the three-month periods ended June 30, 2017 and 2016 were as follows :

	Thousand Baht											
	For the three-month period ended June 30,											
	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	121,002	19,951	82,243	69,434	-	292,630	99,496	10,205	-	-	-	109,701
Revenue from rendering of services	28,779	-	-	6,858	-	35,637	11,034	-	-	-	-	11,034
Cost of sale of goods	(89,993)	(14,813)	(58,101)	(38,889)	-	(201,673)	(74,480)	(7,378)	-	-	-	(81,858)
Cost of rendering of services	(24,987)	-	-	(8,460)	-	(33,570)	(11,712)	-	-	-	-	(11,712)
Gross profit	34,801	5,138	24,142	28,943	-	93,024	24,338	2,827	-	-	-	27,165
Other income						3,120						5,094
Selling expenses						(23,010)						(7,251)
Administrative expenses						(34,219)						(22,285)
Finance cost						-						-
Profit before income tax expense						38,915						2,723
Income tax expense						(7,908)						(340)
Profit for the periods						31,007						2,383
Other comprehensive income						-						-
Total comprehensive income for the periods						31,007						2,383

**“UNAUDITED”**

**“REVIEWED”**

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Operating segment by business in the statement of comprehensive income for the six-month periods ended June 30, 2017 and 2016 were as follows :

	Thousand Baht											
	For the six-month period ended June 30,											
	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	240,206	41,313	147,786	132,716	-	561,996	220,246	22,429	-	-	-	242,675
Revenue from rendering of services	45,331	-	-	13,717	-	59,073	39,667	-	-	-	-	39,667
Cost of sale of goods	(179,957)	(30,640)	(106,003)	(77,577)	-	(393,947)	(166,634)	(15,811)	-	-	-	(182,445)
Cost of rendering of services	(38,124)	-	-	(15,509)	-	(53,863)	(37,709)	-	-	-	-	(37,709)
Gross profit	67,456	10,673	41,783	53,347	-	173,259	55,570	6,618	-	-	-	62,188
Other income						8,153						10,364
Selling expenses						(43,188)						(16,107)
Administrative expenses						(68,281)						(36,676)
Finance cost						-						-
Profit before income tax expense						69,943						19,769
Income tax expense						(12,831)						(3,954)
Profit for the periods						57,112						15,815
Other comprehensive income						-						-
Total comprehensive income for the periods						57,112						15,815



For the six-month periods ended June 30, 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 six-month periods ended June 30, 2017 and 2016, the Company has revenue from service with 2 major customers and 3 major customers in amount of Baht 13.73 million and Baht 22.23 million, respectively.

#### 16. 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 June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Profit for the periods (Thousand Baht)	31,007	2,383	57,112	15,815
Weighted average number of ordinary shares (Shares)	584,500,000	350,000,000	584,500,000	350,000,000
Basic earnings per share (Baht per share)	0.05	0.01	0.10	0.05

#### 17. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2017 and December 31, 2016, the Company had commitments and contingent liabilities as follows :

17.1 As at June 30, 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 20.85 million and Baht 12.64 million, respectively.

17.2 The credit facilities with financial institutions as at June 30, 2017 and December 31, 2016 consisted of :

Type of credit	Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at June 30, 2017	As at December 31, 2016	As at June 30, 2017	As at December 31, 2016
Bank overdrafts	12.00	17.00	MOR	MOR
			Fixed deposit	Fixed deposit
Letter of credit/trust receipt	177.00	231.00	MLR-1,MMR	MLR-1,MMR
Letter of guarantee	24.47	30.00	1.65 - 2%	2%
Forward exchange contracts	472.39	363.39		
Promissory notes	5.00	15.00	MLR	MLR
Up country check purchase	-	3.00		
Total	690.86	659.39		
Forward foreign exchange contracts (Million US dollars)	3.00	3.00		

17.3 Minimum lease and service payments are as follows :

Payment periods	Million Baht	
	As at June 30, 2017	As at December 31, 2016
Due not later than 1 year	14.51	12.83
Due later than 1 year but not later than 5 years	19.01	22.03

Rental and service expenses for the six-month period ended June 30, 2017 and 2016 are Baht 6.92 million and Baht 2.87 million, respectively.

#### 18. 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 June 30, 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 June 30, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	238,208	-	238,208
Investments in equity securities	36,043	-	-	36,043
Foreign currency forward contracts	-	161	-	161
	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 June 30, 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 June 30, 2017	As at December 31, 2016		
<u>Financial assets (liabilities)</u>				
1. Foreign currency forward contracts	161,010	(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.

## 19. 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 June 30, 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 and six-month period ended June 30, 2016 to conform to the classifications used in the statements of profit or loss and other comprehensive income for the three-month and six-month period ended June 30, 2017 as follows :

	Thousand Baht		
	For the three-month periods ended June 30, 2016		
	As previously reported	Increase (decrease)	As reclassified
Revenue from sale of goods and rendering of services	120,735	(120,735)	-
Revenues from sales	-	109,701	109,701
Revenue from rendering of services	-	11,034	11,034
Other income	1,479	3,615	5,094
Cost of sale of goods and rendering of services	93,570	(93,570)	-
Cost of sales	-	81,858	81,858
Cost of rendering of services	-	11,712	11,712
Administrative expenses	18,670	3,615	22,285

	Thousand Baht		
	For the six-month periods ended June 30, 2016		
	As previously reported	Increase (decrease)	As reclassified
Revenue from sale of goods and rendering of services	282,342	(282,342)	-
Revenues from sales	-	242,675	242,675
Revenue from rendering of services	-	39,667	39,667
Other income	9,587	777	10,364
Cost of sale of goods and rendering of services	220,154	(220,154)	-
Cost of sales	-	182,445	182,445
Cost of rendering of services	-	37,709	37,709
Administrative expenses	35,899	777	36,676

## 20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on August 10, 2017.