

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021**

## **INDEPENDENT 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 consolidated statement of financial position of Harn Engineering Solutions Public Company Limited and its subsidiary as at June 30, 2021 and the related consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2021, changes in shareholders’ equity and cash flows for the six-month period then ended and the condensed consolidated notes to financial statements and have reviewed the separate financial information of Harn Engineering Solutions Public Company Limited as well. Management is responsible for the preparation and presentation of this interim financial information 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 review.

### **SCOPE OF REVIEW**

I conducted my review in accordance with Thai 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 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.

### **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”.

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

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
August 11, 2021

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
Note		30, 2021	31, 2020	30, 2021	31, 2020
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	237,202,521	306,074,340	232,304,457	299,318,282
	Trade and other current receivables	256,768,471	250,986,608	256,073,363	250,372,389
	Current contract assets	11,545,058	12,797,613	9,980,574	12,054,033
	Short-term loans to related subsidiary	-	-	-	5,973,480
	Inventories	300,402,431	257,851,968	298,116,484	254,155,366
	Other current financial assets	18,311,429	6,957,944	18,311,429	6,957,944
	Other current assets	362,735	399,582	252,675	342,083
	<b>TOTAL CURRENT ASSETS</b>	<b>824,592,645</b>	<b>835,068,055</b>	<b>815,038,982</b>	<b>829,173,577</b>
<b>NON-CURRENT ASSETS</b>					
	Investment in subsidiaries	-	-	2,357,444	2,357,444
	Trade and other non-current receivables	9,343,439	11,251,986	9,343,439	11,251,986
	Long-term loans to subsidiary	-	-	6,376,940	-
	Investment property	154,269,672	154,591,332	154,269,672	154,591,332
	Property, plant and equipment	132,057,581	129,528,171	131,950,445	129,411,048
	Right-of-use assets	99,616,889	104,968,304	99,616,889	104,968,304
	Goodwill	334,672,061	334,672,061	334,672,061	334,672,061
	Customer relationship	33,462,162	40,332,654	33,462,162	40,332,654
	Intangible assets	15,990,063	18,015,510	15,990,063	18,015,510
	Deferred tax assets	5,577,275	3,843,042	5,542,360	3,826,408
	Other non-current assets	27,686,008	25,186,460	27,686,008	25,186,460
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>812,675,150</b>	<b>822,389,520</b>	<b>821,267,483</b>	<b>824,613,207</b>
	<b>TOTAL ASSETS</b>	<b>1,637,267,795</b>	<b>1,657,457,575</b>	<b>1,636,306,465</b>	<b>1,653,786,784</b>

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

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT JUNE 30, 2021**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht				
		Consolidated financial statements		Separate financial statements		
		As at June	As at December	As at June	As at December	
Note		30, 2021	31, 2020	30, 2021	31, 2020	
<b>CURRENT LIABILITIES</b>						
	Trade and other current payables	4.4, 15	185,085,655	167,659,996	183,734,797	164,045,038
	Short-term loan from related party	4.4	500,000	-	-	-
	Current portion of lease liabilities	4.4, 16	8,879,097	8,918,127	8,879,097	8,918,127
	Corporate income tax payable		10,179,998	11,101,390	10,179,998	11,096,112
	Other current provisions		1,655,345	1,750,320	1,655,345	1,750,320
	Other current liabilities		2,054,123	1,644,589	2,054,123	1,644,589
	<b>TOTAL CURRENT LIABILITIES</b>		<b>208,354,218</b>	<b>191,074,422</b>	<b>206,503,360</b>	<b>187,454,186</b>
<b>NON-CURRENT LIABILITIES</b>						
	Lease liabilities	4.4, 16	91,754,124	96,052,606	91,754,124	96,052,606
	Non-current provisions for employee benefit		28,475,292	27,765,012	28,304,009	27,684,826
	Other non-current liabilities		25,436,196	24,937,360	25,436,196	24,937,360
	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>145,665,612</b>	<b>148,754,978</b>	<b>145,494,329</b>	<b>148,674,792</b>
	<b>TOTAL LIABILITIES</b>		<b>354,019,830</b>	<b>339,829,400</b>	<b>351,997,689</b>	<b>336,128,978</b>

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**

**AS AT JUNE 30, 2021**

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

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorized share capital					
584,500,000 ordinary shares of Baht 0.50 each		292,250,000	292,250,000	292,250,000	292,250,000
Issued and paid-up share capital					
584,500,000 ordinary shares of Baht 0.50 each		292,250,000	292,250,000	292,250,000	292,250,000
Share premium on ordinary shares		776,416,427	776,416,427	776,416,427	776,416,427
Retained earnings					
Appropriated					
Legal reserve		29,225,000	29,225,000	29,225,000	29,225,000
Unappropriated		185,296,592	219,584,380	186,417,349	219,766,379
Other components of shareholders' equity		(366,178)	(453,897)	-	-
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF</b>					
<b>THE PARENT</b>					
		1,282,821,841	1,317,021,910	1,284,308,776	1,317,657,806
Non-controlling interest		426,124	606,265	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,283,247,965</b>	<b>1,317,628,175</b>	<b>1,284,308,776</b>	<b>1,317,657,806</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,637,267,795</b>	<b>1,657,457,575</b>	<b>1,636,306,465</b>	<b>1,653,786,784</b>

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales	4.5	229,591,672	253,939,884	228,109,812	252,442,621
Revenue from rendering of services		30,147,692	38,654,579	29,026,205	38,099,728
Other income	4.5	2,974,891	4,069,824	3,345,604	4,722,205
Total revenues		<u>262,714,255</u>	<u>296,664,287</u>	<u>260,481,621</u>	<u>295,264,554</u>
Expenses					
Cost of sales		152,178,515	168,151,503	151,453,571	166,743,545
Cost of rendering of services		26,041,880	33,649,938	24,306,593	33,648,134
Distribution cost		28,358,675	26,589,250	27,860,049	26,016,483
Administrative expenses	4.5	32,250,068	34,517,216	31,909,552	34,297,452
Total expenses		<u>238,829,138</u>	<u>262,907,907</u>	<u>235,529,765</u>	<u>260,705,614</u>
Profit from operating activities		23,885,117	33,756,380	24,951,856	34,558,940
Finance cost	4.5	633,835	38,809	633,588	38,809
Profit before income tax expenses		23,251,282	33,717,571	24,318,268	34,520,131
Income tax expenses		4,735,864	6,763,198	4,744,212	6,879,607
Profit for the period		<u>18,515,418</u>	<u>26,954,373</u>	<u>19,574,056</u>	<u>27,640,524</u>
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		154,729	(292,647)	-	-
		<u>154,729</u>	<u>(292,647)</u>	<u>-</u>	<u>-</u>
Other comprehensive income (expense) for the period, net of tax		154,729	(292,647)	-	-
Total comprehensive income for the period		<u>18,670,147</u>	<u>26,661,726</u>	<u>19,574,056</u>	<u>27,640,524</u>
Profit (loss) attributable to					
Owners of the parent		18,614,186	26,954,373	19,574,056	27,640,524
Non-controlling interest		(98,768)	-	-	-
		<u>18,515,418</u>	<u>26,954,373</u>	<u>19,574,056</u>	<u>27,640,524</u>
Total comprehensive income (expense) attributable to					
Owners of the parent		18,768,915	26,661,726	19,574,056	27,640,524
Non-controlling interest		(98,768)	-	-	-
		<u>18,670,147</u>	<u>26,661,726</u>	<u>19,574,056</u>	<u>27,640,524</u>
Basic earnings per share	19				
Profit attributable to owners of the parent		0.03	0.05	0.03	0.05
Weighted average number of ordinary shares (shares)		<u>584,500,000</u>	<u>584,500,000</u>	<u>584,500,000</u>	<u>584,500,000</u>

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF COMPREHENSIVE INCOME (CONT.)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales	4.5	463,218,523	529,464,962	458,850,372	526,258,448
Revenue from rendering of services		61,903,743	67,422,229	58,873,749	66,867,378
Other income	4.5	6,870,483	10,443,208	7,344,812	10,018,618
Total revenues		531,992,749	607,330,399	525,068,933	603,144,444
Expenses					
Cost of sales		305,460,417	347,000,085	302,130,475	344,514,132
Cost of rendering of services		53,176,621	59,172,041	50,168,573	59,170,237
Distribution cost		54,958,998	55,667,102	53,973,295	54,662,218
Administrative expenses	4.5	65,435,580	68,402,688	64,698,548	67,953,545
Total expenses		479,031,616	530,241,916	470,970,891	526,300,132
Profit from operating activities		52,961,133	77,088,483	54,098,042	76,844,312
Finance cost	4.5	1,074,090	66,530	1,073,843	66,530
Profit before income tax expenses		51,887,043	77,021,953	53,024,199	76,777,782
Income tax expenses		10,370,414	15,267,097	10,388,671	15,269,560
Profit for the period		41,516,629	61,754,856	42,635,528	61,508,222
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		87,719	(391,028)	-	-
		87,719	(391,028)	-	-
Other comprehensive income (expense) for the period, net of tax		87,719	(391,028)	-	-
Total comprehensive income for the period		41,604,348	61,363,828	42,635,528	61,508,222
Profit (loss) attributable to					
Owners of the parent		41,696,770	61,754,856	42,635,528	61,508,222
Non-controlling interest		(180,141)	-	-	-
		41,516,629	61,754,856	42,635,528	61,508,222
Total comprehensive income (expense) attributable to					
Owners of the parent		41,784,489	61,363,828	42,635,528	61,508,222
Non-controlling interest		(180,141)	-	-	-
		41,604,348	61,363,828	42,635,528	61,508,222
Basic earnings per share	19				
Profit attributable to owners of the parent		0.07	0.11	0.07	0.11
Weighted average number of ordinary shares (shares)		584,500,000	584,500,000	584,500,000	584,500,000

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

		Baht							
		Consolidated financial statements							
		Equity attributable to owners of the parent				Non-controlling	Total		
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity attributable to owners of the parent	interest	Total shareholders' equity
				Appropriated legal reserve	Unappropriated	Exchange differences on translating financial statements			
Note									
	Beginning balance as at January 1, 2020	292,250,000	776,416,427	29,225,000	223,824,610	(53,664)	1,321,662,373	-	1,321,662,373
	Dividend	-	-	-	(105,209,568)	-	(105,209,568)	-	(105,209,568)
	Total comprehensive income for the period								
	Profit for the period	-	-	-	61,754,856	-	61,754,856	-	61,754,856
	Other comprehensive income (expense) for the period	-	-	-	-	(391,028)	(391,028)	-	(391,028)
	Ending balance as at June 30, 2020	292,250,000	776,416,427	29,225,000	180,369,898	(444,692)	1,277,816,633	-	1,277,816,633
	Beginning balance as at January 1, 2021	292,250,000	776,416,427	29,225,000	219,584,380	(453,897)	1,317,021,910	606,265	1,317,628,175
	Dividend 17	-	-	-	(75,984,558)	-	(75,984,558)	-	(75,984,558)
	Total comprehensive income for the period								
	Profit for the period	-	-	-	41,696,770	-	41,696,770	(180,141)	41,516,629
	Other comprehensive income (expense) for the period	-	-	-	-	87,719	87,719	-	87,719
	Ending balance as at June 30, 2021	292,250,000	776,416,427	29,225,000	185,296,592	(366,178)	1,282,821,841	426,124	1,283,247,965

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

		Baht				
		Separate financial statements				
		Issued and	Premium on	Retained earnings		Total
		paid-up	ordinary shares	Appropriated	Unappropriated	shareholders'
Note		share capital		legal reserve		equity
	Beginning balance as at January 1, 2020	292,250,000	776,416,427	29,225,000	224,796,706	1,322,688,133
	Dividend	-	-	-	(105,209,568)	(105,209,568)
	Total comprehensive income for the period					
	Profit for the period	-	-	-	61,508,222	61,508,222
	Other comprehensive income for the period	-	-	-	-	-
	Ending balance as at June 30, 2020	292,250,000	776,416,427	29,225,000	181,095,360	1,278,986,787
	Beginning balance as at January 1, 2021	292,250,000	776,416,427	29,225,000	219,766,379	1,317,657,806
	Dividend	-	-	-	(75,984,558)	(75,984,558)
	Total comprehensive income for the period					
	Profit for the period	-	-	-	42,635,528	42,635,528
	Other comprehensive income for the period	-	-	-	-	-
	Ending balance as at June 30, 2021	292,250,000	776,416,427	29,225,000	186,417,349	1,284,308,776

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the period	41,516,629	61,754,856	42,635,528	61,508,222
Adjustment to reconcile profit for the period to net cash provided by (used in) operating activities :				
Bad debt and expected credit losses (reversal)	140,300	1,562,133	140,043	1,549,649
Depreciation and amortization	14,851,072	9,045,780	14,838,066	9,040,203
Amortization of customer relationship	6,870,492	7,430,135	6,870,492	7,430,136
Loss on devaluation of inventories (reversal)	(754,143)	1,647,589	(754,143)	1,647,589
(Gain) loss on disposals of equipment	75,692	22,417	75,692	22,417
Unrealized (gain) loss on exchange rate	(1,501,921)	(443,967)	(1,498,756)	(224,630)
(Gain) loss on disposals of investment	-	(3,380,909)	-	(3,380,909)
Unrealized (gain) loss on revaluation of other current financial assets	(1,194,626)	4,374,276	(1,194,626)	4,374,276
Loss on impairment of equipments (reversal)	(50,654)	-	(50,654)	-
Interest income	(112,532)	(764,402)	(304,868)	(879,293)
Employee's benefit expenses	1,374,280	1,285,490	1,283,183	1,285,490
Finance cost	1,074,090	66,530	1,073,843	66,530
Income tax expense	10,370,414	15,267,097	10,388,671	15,269,560
Profit from operating before changes in operating assets and liabilities	72,659,093	97,867,025	73,502,471	97,709,240
(Increase) decrease in operating assets				
Trade and other current receivables	(4,540,856)	46,807,981	(3,992,597)	49,534,562
Current contract assets	1,950,435	(9,112,841)	1,950,435	(9,112,841)
Inventories	(44,993,004)	(10,395,077)	(46,403,659)	6,601,038
Other current assets	36,847	636,912	89,408	333,022
Other non-current assets	(2,655,548)	(691,904)	(2,499,548)	(691,904)

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

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONT.)**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities				
Trade and other current payables	18,860,444	8,493,865	21,147,557	(1,075,367)
Other current provisions	(94,975)	1,086,628	(94,975)	1,086,628
Other current liabilities	409,534	393,022	409,534	393,022
Non-current provisions for employee benefit	(664,000)	(400,000)	(664,000)	(400,000)
Other non-current liabilities	498,836	701,900	498,836	701,900
Cash generated (paid) from operating	41,466,806	135,387,511	43,943,462	145,079,300
Income tax paid	(13,026,014)	(22,874,729)	(13,020,736)	(22,874,729)
Net cash provided by operating activities	28,440,792	112,512,782	30,922,726	122,204,571
Cash flows from investing activities				
Cash payments for redemption of other current financial assets	(10,158,859)	-	(10,158,859)	-
Cash receipts from redemption of other current financial assets	-	56,885,007	-	56,885,007
Cash payments for short-term loans	-	-	-	(6,352,000)
Cash payments for purchases of equipment	(6,326,088)	(2,357,474)	(6,326,088)	(2,300,370)
Cash receipts from disposal of equipment	44,826	76,838	44,826	76,838
Cash payments for purchases of intangible assets	(381,400)	(618,532)	(381,400)	(618,532)
Interest received	112,532	764,402	487,328	764,402
Net cash provided by (used in) investing activities	(16,708,989)	54,750,241	(16,334,193)	48,455,345
Cash flows from financing activities				
Cash receipts from short-term loans from related party	500,000	-	-	-
Cash payments for lease liabilities	(5,617,800)	(512,460)	(5,617,800)	(512,460)
Dividend paid	(75,984,558)	(105,209,568)	(75,984,558)	(105,209,568)
Net cash used in financing activities	(81,102,358)	(105,722,028)	(81,602,358)	(105,722,028)

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

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**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONT.)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net increase (decrease) in cash and cash equivalents	(69,370,555)	61,540,995	(67,013,825)	64,937,888
Cash and cash equivalents at beginning of period	306,074,340	127,099,721	299,318,282	120,123,681
Effect of translation adjustment on foreign currency financial statements	498,736	(311,574)	-	-
Cash and cash equivalents at end of period	<u>237,202,521</u>	<u>188,329,142</u>	<u>232,304,457</u>	<u>185,061,569</u>
Supplemental disclosures of cash flows information :				
Non-Cash transaction				
1) Liabilities incurred from acquisition of equipment and intangible assets - beginning of period				
	630,517	475,280	630,517	475,280
Inventories transferred to equipment	(3,196,684)	(2,020,641)	(3,196,684)	(2,020,641)
Fixed assets transferred to expense	(497,660)	-	(497,660)	-
<u>Add</u> Purchases of equipment and intangible assets	10,040,021	5,059,398	10,040,021	5,002,294
<u>Less</u> Cash payments	(6,707,488)	(2,976,006)	(6,707,488)	(2,918,902)
Liabilities incurred from acquisition of fixed assets and intangible assets - ending of period	<u>268,706</u>	<u>538,031</u>	<u>268,706</u>	<u>538,031</u>
2) Transfer investment property to be used as property, plant and equipment				
Increase (decrease) in investment property	-	74,129,902	-	74,129,902
Increase (decrease) in property, plant and equipment	-	(74,129,902)	-	(74,129,902)

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

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SURSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

1. GENERAL INFORMATION

(a) Legal status and address of the company group

Company

The Company was registered to be a limited company with the Ministry of Commerce 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 address of its registered head office are as follows:

Locate at: 559 Soi Soonvijai 4, Rama 9 Road, Bangkok, Huaykwang, Bangkok 10310, Thailand.

Subsidiaries

1) Harn Vietnam Company Limited is a company established in Vietnam on July 30, 2019.

The address of the subsidiary's head office is as follows:

5<sup>th</sup> floor, Vietcomreal Building, 68 Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

2) Aiyaraharn Company Limited is a company established in Thailand on July 8, 2020.

The address of the subsidiary's head office is as follows:

Locate at: 559 Soi Soonvijai 4, Rama 9 Road, Bangkok, 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.

The subsidiary 1 operates the main business related to the selling of printing equipment and subsidiary 2 operates in providing Smart Building Business Solution.

(c) Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is a new wave and continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “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, 2020.

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 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Harn Engineering Solutions Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of shareholding % of share capital		Country of establishment
		As at June 30, 2021	As at December 31, 2020	
<b>Direct shareholding</b>				
Harn Vietnam Co., Ltd.	Printing equipment	100.00	100.00	Vietnam
Aiyaraharn Co., Ltd.	Building-IoT Solutions	65.00	65.00	Thailand

2.2.2 The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Currency translation changes of the financial statements of foreign entity” in shareholders’ equity.

2.2.5 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

However, COVID-19 Related Rent Concessions beyond June 30, 2021 were adjusted in the financial reporting standard No.16 lease effective from April 1, 2021. Therefore, it is permitted for the company to adopt before the effective date. Such adjustment is a relief of practice, the lessee does not necessarily have to assess that the consent to reduce the rent is a change of lease agreement or not. The consent to reduce the rent is a direct result of the Coronavirus 2019 pandemic (COVID-19) and that falls under the condition specified (revised paragraph 46 khor.2 from formerly June 30, 2021 to June 30, 2022). The recording of the consent to reduce the rent is as if “ not a change of the lease” , which during the period, the Federation of Accounting Professions has issued and published in the Government Gazette.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

2.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company and its subsidiaries 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, 2020.

#### 4. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries 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.

##### 4.1 Types of relationship of related parties were as follows:

Company/Person name	Country/ Nationality	Related	Relationship
Harn Vietnam Co., Ltd.	Vietnam	Subsidiary	Major shareholder
Aiyaraharn Co., Ltd.	Thailand	Subsidiary	Major shareholder
Harn Engineering Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Phraboriban Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Nutrix Plc.	Thailand	Related company	Directorships and/or common shareholders
Jannopsiri Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Aiyarafun Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders of subsidiary
Throughwave (Thailand) Co., Ltd.	Thailand	Related company	Close members of the director’s family
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
Key management personnel	Thai	Related person	Authorized person and responsible in management

##### 4.2 Bases of measurement for intercompany revenues and expenses

	Pricing Policy
Sale of goods	Market price
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
Compensation to management	As approved by director and / or shareholder
Interest income	Contract price
Interest expenses	Market price

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4.3 Significant agreements with related parties. The Company entered into office building rental agreement as follows:

	As at June 30, 2021		
	Lessor	Period	Rate per month (Baht)
Office rental agreement	Jannopsiri Co., Ltd.	9 year	857,220
	Phraboriban Co., Ltd.	3 year	64,080

4.4 Balances with the related parties as at June 30, 2021 and December 31, 2020 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Trade and other current receivables				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	113,448	295,908
Aiyaraharn Co., Ltd.	-	-	-	57,933
Related company				
Harn Engineering Co., Ltd.	1,799,179	1,845,458	1,799,179	1,845,458
Nutrix Plc.	9,823	15,716	9,823	15,716
Jannopsiri Co., Ltd.	-	118,342	-	118,342
	<u>1,809,002</u>	<u>1,979,516</u>	<u>1,922,450</u>	<u>2,333,357</u>
Rental deposit				
Related company				
Phraboriban Co., Ltd.	150,000	150,000	150,000	150,000
Jannopsiti Co., Ltd.	2,000,000	-	2,000,000	-
	<u>2,150,000</u>	<u>150,000</u>	<u>2,150,000</u>	<u>150,000</u>

Loan to subsidiary

Movements of loans to subsidiary for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 were as follows:

	Separate financial statements			
	For the six-month periods ended June 30, 2021		For the year ended December 31, 2020	
	USD	Baht	USD	Baht
<b>Harn Vietnam Co., Ltd.</b>				
Beginning balance	200,000	5,973,480	-	-
Addition	-	-	200,000	6,352,000
Deduction	-	-	-	-
Conversion of unrealized on exchange rate	-	403,460	-	(378,520)
Ending balance	<u>200,000</u>	<u>6,376,940</u>	<u>200,000</u>	<u>5,973,480</u>

On March 12, 2020, the Company entered into loan agreement with the subsidiary in the amount of USD 200,000. The interest rate has been charged at 6.15% per annum in the term of year. Later, on March 11, 2021, the company renewed the loan agreement to the subsidiary for another 5 years, the agreement expired on March 11, 2026 and charged the interest rate at 5.85% per annum.

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Trade and other current payables				
Subsidiary				
Aiyaraharn Co., Ltd.	-	-	78,000	-
Related company				
Aiyarafun Co., Ltd.	247	-	-	-
	<u>247</u>	<u>-</u>	<u>78,000</u>	<u>-</u>
Lease liabilities				
Related company				
Phraboriban Co., Ltd.	1,680,522	2,013,542	1,680,522	2,013,542
Jansopsiri Co., Ltd.	98,287,788	102,425,395	98,287,788	102,425,395
	<u>99,968,310</u>	<u>104,438,937</u>	<u>99,968,310</u>	<u>104,438,937</u>

Short-term loans from related parties

Changes in short-term loans from related company for the six-month periods ended June 30, 2021 were as follows:

	Baht			
	Consolidated financial statements			
	As at December	During the periods		As at June
	31, 2020	Increase	Decrease	30, 2021
Aiyarafun Co., Ltd.	-	500,000	-	500,000
	-	500,000	-	500,000

Short-term loan represented the promissory notes from related parties are carrying interest rates of 3 percent per annum (according to commercial bank interest rates of MRR-3 percent per annum). The loans are unsecured and repayment on September 23, 2021.

4.5 Transactions with related parties for the three-month and six-month periods ended June 30, 2021 and 2020 were summarized as follows:

	Baht			
	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2021	2020	2021	2020
Sale of goods				
Related companies				
Nutrix Plc.	9,180	59,856	15,180	81,888
Jannopsiri Co., Ltd.	-	-	14,180	-
	9,180	59,856	29,360	81,888
Other income				
Related company				
Jannopsiri Co., Ltd.	13,500	-	13,500	-
Office rental and service expenses				
Related companies				
Harn Engineering Co., Ltd.	-	1,241,748	292,105	2,483,496
Phraboriban Co., Ltd.	-	586,470	-	1,172,940
Related person				
Mr. Jain Charnnarong	-	159,300	-	318,600
	-	1,987,518	292,105	3,975,036



	Baht			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Other income				
Subsidiaries				
Harn Vietnam Co., Ltd.	93,463	92,979	192,336	114,891
Aiyaraharn Co., Ltd.	153,000	-	306,000	-
Related company				
Jannopsiri Co., Ltd.	13,500	-	13,500	-
	<u>259,963</u>	<u>92,979</u>	<u>511,836</u>	<u>114,891</u>
Office rental and service expenses				
Related companies				
Harn Engineering Co., Ltd.	-	1,241,748	292,105	2,483,496
Phraboriban Co., Ltd.	-	586,470	-	1,172,940
Related person				
Mr. Jain Charnnarong	-	159,300	-	318,600
	<u>-</u>	<u>1,987,518</u>	<u>292,105</u>	<u>3,975,036</u>
Interest expenses				
Related company				
Phraboriban Co., Ltd.	24,591	38,809	51,460	66,530
Jannopsiri Co., Ltd.	599,484	-	1,005,713	-
	<u>624,075</u>	<u>38,809</u>	<u>1,057,173</u>	<u>66,530</u>
Directors remuneration				
Directors remuneration	845,667	1,025,000	1,718,167	1,950,000
Management benefit expenses				
Short-term employee’s benefits	2,541,144	2,708,004	5,053,184	5,987,128
Post-employment benefits	81,475	78,600	160,020	152,940
	<u>3,468,286</u>	<u>3,811,604</u>	<u>6,931,371</u>	<u>8,090,068</u>

#### 4.6 Guarantee

As at January 7, 2020, The Company has guaranteed the product cost to Harn Vietnam Co., Ltd. “subsidiary” in Vietnam under the product sale agreement in the full amount of GBP 472,586.

5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
<b>Trade receivable</b>				
Trade receivables - related parties	9,823	-	9,823	-
Trade receivables - other companies	224,236,603	218,292,058	224,236,603	217,917,270
Total trade receivable	224,246,426	218,292,058	224,246,426	217,917,270
<u>Less</u> Allowance for expected credit losses	(11,640,666)	(11,455,792)	(11,640,666)	(11,454,371)
Net	212,605,760	206,836,266	212,605,760	206,462,899
<b>Other receivables</b>				
Other receivables - related parties	1,799,179	1,845,458	1,912,627	2,174,299
Other receivables - other companies	3,274,256	3,585,280	3,030,166	3,540,280
Accrued retentions	14,776,151	15,104,338	14,758,536	15,104,338
Deposit	9,248,504	6,557,432	9,240,949	6,550,384
Prepaid expenses	5,997,506	5,151,224	5,612,972	4,784,669
Accrued income	1,248,142	3,802,728	1,093,380	3,651,638
Total other receivables	36,343,738	36,046,460	35,648,630	35,805,608
<b>Lease receivables</b>				
Lease receivables - printing devices	17,176,967	19,412,311	17,176,967	19,412,311
<u>Less</u> Allowance for doubtful account	(14,555)	(56,443)	(14,555)	(56,443)
Total	17,162,412	19,355,868	17,162,412	19,355,868
<u>Less</u> due between over 1 year	(9,343,439)	(11,251,986)	(9,343,439)	(11,251,986)
Net	7,818,973	8,103,882	7,818,973	8,103,882
Total trade and other receivables - net	256,768,471	250,986,608	256,073,363	250,372,389

Trade receivables are classified by aging as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Current	134,910,265	141,009,078	134,910,265	140,815,378
Overdue				
Less than 3 months	67,224,082	55,102,089	67,224,082	54,921,001
Over 3 months up to 6 months	6,697,950	14,096,467	6,697,950	14,096,467
Over 6 months up to 12 months	8,609,099	4,670,478	8,609,099	4,670,478
Over 12 months	6,805,030	3,413,946	6,805,030	3,413,946
Total	224,246,426	218,292,058	224,246,426	217,917,270
<u>Less</u> Allowance for expected credit losses	(11,640,666)	(11,455,792)	(11,640,666)	(11,454,371)
Trade receivables, net	212,605,760	206,836,266	212,605,760	206,462,899

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The minimum lease payments and present value of minimum lease payments which receivable will be paid under the lease agreements as at June 30, 2021 and December 31, 2020, are as follows:

	Baht			
	Consolidated financial statements / Separate financial statements			
	As at June 30, 2021		As at December 31, 2020	
Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	
Collection period				
Within 1 year	10,421,205	7,818,973	10,978,046	8,103,882
Over 1 year but less than 5 years	12,984,372	9,343,439	15,127,108	11,251,986
	23,405,577	17,162,412	26,105,154	19,355,868
<u>Less</u> Deferred interest	(6,243,165)	-	(6,749,286)	-
	17,162,412	17,162,412	19,355,868	19,355,868

## 6. INVENTORIES

Inventories were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Finished goods	260,044,918	247,098,155	257,881,064	245,120,206
Goods in transit	69,670,413	40,820,856	69,548,320	39,102,203
Total	329,715,331	287,919,011	327,429,384	284,222,409
<u>Less</u> Allowance for loss on devaluation of inventories	(29,312,900)	(30,067,043)	(29,312,900)	(30,067,043)
Net	300,402,431	257,851,968	298,116,484	254,155,366

Decline in value of inventory (reversal) recognized as cost of goods sold for the three-month and six-month periods ended June 30, 2021 were Baht 0.75 million and Baht 1.09 million, respectively (for the Company's only amounting to Baht 0.75 million and Baht 1.09 million, respectively).

## 7. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets were consisted of:

	Baht		
	Consolidated financial statements / Separate financial statements		
	As at June 30, 2021		
	Cost value	Unrealized gain (loss) on revaluation of investments	Fair value
Investment in debt instruments			
- Investment in unit trusts	19,784,113	(1,472,684)	18,311,429
<b>Total</b>	<b>19,784,113</b>	<b>(1,472,684)</b>	<b>18,311,429</b>

	Baht		
	Consolidated financial statements / Separate financial statements		
	December 31, 2020		
	Cost value	Unrealized gain (loss) on revaluation of investments	Fair value
Investment in debt instruments			
- Investment in unit trusts	9,625,255	(2,667,311)	6,957,944
<b>Total</b>	<b>9,625,255</b>	<b>(2,667,311)</b>	<b>6,957,944</b>

## 8. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries	Paid-up capital	Baht			
		Percentage of shareholding (%)		Separate financial statements	
		As at June 30, 2021	As at December 30, 2020	Cost method	
				As at June 30, 2021	As at December 30, 2020
Harn Vietnam Co., Ltd.	Vietnamese Dong 800 million	100.00	100.00	1,057,444	1,057,444
Aiyaraham Co., Ltd.	Baht 2 million	65.00	65.00	1,300,000	1,300,000
<b>Total</b>				<b>2,357,444</b>	<b>2,357,444</b>

The company registered Harn Vietnam Co.,Ltd. “subsidiary” in Vietnam on July 30, 2019 with the registered capital of Vietnamese Dong 800 million (Baht 1.06 million). The company held shares in the subsidiary at 100 percent of the registered capital. The principal business is sale of printing equipment with the objective to enhance competitive capacity and enhance customer service by starting from a business unit “digital printing system” as the first business unit.

On July 8, 2020, The Company joined invest in developing the digital business with Aiyarafun Group by establishment of company under the name “Aiyaraharn Company Limited” with the registered capital of Baht 2 million. The Company and the joint investor in Aiyarafun Group hold the shares in such company at 65 percent and 35 percent of the registered capital, respectively. The establishment of such company was in accordance with the resolution of the Board of Directors’ Meeting No. 4/2020, held on May 14, 2020. The new registered company will have status as the company’s subsidiary. Such investment has an objective to develop IT Products and Solutions system. The operation plan will focus in rendering Smart Building service, in order to extending the existing business of Aiyarafun Group and expanding the business for further growth.

#### 9. INVESTMENT PROPERTY

Changes in the investment property for the six-month period ended June 30, 2021 were summarized as follows:

	Baht
	Consolidated financial Statements / Separate financial statements
<u>Cost</u>	
Balance as at December 31, 2020	155,934,839
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at June 30, 2021	155,934,839
<u>Accumulated depreciation</u>	
Balance as at December 31, 2020	(1,343,507)
Depreciation for the period	(321,660)
Accumulated depreciation on disposals and write-off	-
Balance as at June 30, 2021	(1,665,167)
<u>Net book value</u>	
Balance as at December 31, 2020	154,591,332
Balance as at June 30, 2021	154,269,672

For the three-month and six-month periods ended June 30, 2021 and 2020, the Company and its subsidiary had rental income from investment property in the amount of Baht 0.60 million and Baht 1.50 million and Baht 1.64 million and Baht 4.34 million, respectively (for the Company’s only amounting to Baht 0.60 million and Baht 1.50 million and Baht 1.64 million and Baht 4.34 million, respectively) and operating expenses in the amount of Baht 0.64 million and Baht 0.52 million and Baht 0.83 million and Baht 1.07 million, respectively (for the Company’s only amounting to Baht 0.64 million and Baht 0.52 million and Baht 0.83 million and Baht 1.07 million, respectively), which was recognized in the statement of comprehensive income.

10. PROPERTY, PLANT AND EQUIPMENT

Changes in the property, plant and equipment for the six-month period ended June 30, 2021 were summarized as follows:

	Baht	
	<u>Consolidated financial Statements</u>	<u>Separate financial Statements</u>
<u>Cost</u>		
Balance as at December 31, 2020	196,776,306	196,647,030
Acquisitions during the period	9,525,024	9,525,024
Disposals and write-off during the period	(3,276,297)	(3,276,297)
Reclassification	(30,280)	(30,280)
Exchange difference on transactions financial statements	4,012	-
Balance as at June 30, 2021	<u>202,998,765</u>	<u>202,865,477</u>
<u>Accumulated depreciation</u>		
Balance as at December 31, 2020	(67,197,481)	(67,185,328)
Depreciation for the period	(6,898,426)	(6,885,420)
Accumulated depreciation on disposals and write-off	3,155,716	3,155,716
Exchange difference on transactions financial statements	(993)	-
Balance as at June 30, 2021	<u>(70,941,184)</u>	<u>(70,915,032)</u>
<u>allowance for impairment</u>		
Balance as at December 31, 2020	(50,654)	(50,654)
Disposals and write-off during the period	50,654	50,654
Balance as at June 30, 2021	<u>-</u>	<u>-</u>
<u>Net book value</u>		
Balance as at December 31, 2020	<u>129,528,171</u>	<u>129,411,048</u>
Balance as at June 30, 2021	<u>132,057,581</u>	<u>131,950,445</u>

As at June 30, 2021 and December 31, 2020, the Company and its subsidiaries had equipment which were fully depreciated but still in use with the cost price of Baht 35.34 million and Baht 36.52 million, respectively, (for the Company’s only amounting of Bah 35.34 million and Baht 36.52 million, respectively).

#### 11. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets related to building and building improvement and the movement for the six-month period ended June 30, 2021 are presented below.

	Baht
	Consolidated financial statements / Separate financial statements
<b>Cost</b>	
As at December 31, 2020	105,099,557
Addition	206,445
Written-off	-
As at June 30, 2021	<u>105,306,002</u>
<b>Accumulated depreciation</b>	
As at December 31, 2020	(131,253)
Depreciation for the year	(5,557,860)
Depreciation - written-off	-
As at June 30, 2021	<u>(5,689,113)</u>
<b>Net book value</b>	
As at December 31, 2020	<u>104,968,304</u>
As at June 30, 2021	<u>99,616,889</u>

#### 12. 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.

13. CUSTOMER RELATIONSHIP

Changes in customer relationship for the six-month period ended June 30, 2021 were summarized as follows:

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial statements</u>
<u>At cost</u>	
Balance as at December 31, 2020	104,307,663
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at June 30, 2021	<u>104,307,663</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2020	(63,975,009)
Amortization for the period	(6,870,492)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2021	<u>(70,845,501)</u>
<u>Net book value</u>	
Balance as at December 31, 2020	<u>40,332,654</u>
Balance as at June 30, 2021	<u><u>33,462,162</u></u>

14. INTANGIBLE ASSETS

Changes in intangible assets for the six-month period ended June 30, 2021 were summarized as follows:

	Baht
	Consolidated financial Statements / Separate financial Statements
<u>At cost</u>	
Balance as at December 31, 2020	39,901,355
Acquisitions during the period	17,400
Disposals and write-off during the period	-
Reclassification	30,280
Balance as at June 30, 2021	<u>39,949,035</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2020	(21,885,845)
Amortization for the period	(2,073,127)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2021	<u>(23,958,972)</u>
<u>Net book value</u>	
Balance as at December 31, 2020	<u>18,015,510</u>
Balance as at June 30, 2021	<u>15,990,063</u>

As at June 30, 2021 and December 31, 2020, the Company and its subsidiaries had intangible assets, which were fully amortized but still in use with the cost price of Baht 3.65 million and Baht 3.42 million, respectively (for the Company’s only amounting of Baht 3.65 million and Baht 3.42 million, respectively).

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Trade payables				
Trade payables - other companies	114,929,696	93,625,735	113,822,757	90,604,594
Other current payables				
Accrued commission expenses	14,397,104	13,891,115	14,397,104	13,891,115
Accrued bonus	8,099,099	13,957,340	8,099,099	13,849,556
Advance from customers for goods and services	23,519,251	20,832,788	23,357,479	20,533,687
Other accrued expenses	14,257,047	14,228,808	14,142,714	14,105,711
Account payable - Revenue department	3,032,476	4,330,726	2,986,662	4,266,891
Other deposit	1,244,220	1,094,940	1,322,220	1,094,940
Other	5,606,762	5,698,544	5,606,762	5,698,544
Total	70,155,959	74,034,261	69,912,040	73,440,444
Total trade and other current payables	185,085,655	167,659,996	183,734,797	164,045,038

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the six-month period ended June 30, 2021 are presented below.

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2020	104,970,733	104,970,733
Addition	206,445	206,445
Accretion of interest	1,073,843	1,073,843
Payments	(5,617,800)	(5,617,800)
Decrease from contract cancellation	-	-
As at June 30, 2021	100,633,221	100,633,221
Less: current portion	(8,879,097)	(8,879,097)
Lease liabilities - net of current portion	91,754,124	91,754,124

The following are the amounts recognized in profit or loss for the three-month and six-month periods ended June 30 ,2021 and 2020 are presented below.:

	Baht			
	Consolidated financial statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		30,	
	2021	2020	2021	2020
Depreciation of right-of-use assets	2,785,668	234,552	5,557,860	469,104
Interest expense on lease liabilities	633,588	38,809	1,073,843	66,530
Expense relating to short-term lease.	14,970	2,761,963	380,522	5,655,634
Leases of low-value assets	71,957	63,600	157,463	127,200
Total	<u>3,506,183</u>	<u>3,098,924</u>	<u>7,169,688</u>	<u>6,318,468</u>

  

	Baht			
	Separate financial statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Depreciation of right-of-use assets	2,785,668	234,552	5,557,860	469,104
Interest expense on lease liabilities	633,588	38,809	1,073,843	66,530
Expense relating to short-term lease.	14,970	2,694,481	380,522	5,521,755
Leases of low-value assets	64,539	63,600	142,878	127,200
Total	<u>3,498,765</u>	<u>3,031,442</u>	<u>7,155,103</u>	<u>6,184,589</u>

For the three-month and six-month periods ended June 30, 2021 and 2020, the Company and its subsidiaries had rental income from investment property in the amount of Baht 2,903,057 and Baht 3,081,793 and Baht 6,155,816 and Baht 6,295,294, respectively (for the Company’s only amounting to Baht 2,895,639 and Baht 3,014,311 and Baht 6,141,230 and Baht 6,161,415, respectively)

#### 17. APPROPRIATION OF RETAINED EARNINGS

According to the resolution of the Board of Directors' Meeting No. 1/2021 held on February 25, 2021, the Board of Directors approved dividend payment at Baht 0.13 per share for 584,500,000 issued and paid-up ordinary shares, in total amount of Baht 75,984,558. The dividend declaration had been approved from Annual General Shareholders’ Meeting No. 1/2021 on April 23, 2021. The dividend was paid on May 14, 2021.

18. 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
Segment 5	Building-IoT Solutions

Operating segment by business in the consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2021 and 2020 were as follows:

	Thousand Baht										
	Consolidated financial statements										
	For the three-month period ended June 30, 2021					For the three-month period ended June 30, 2020					
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	83,066	12,954	44,939	88,632	-	229,591	111,907	14,519	53,351	74,163	253,940
Revenue from rendering of services	18,930	-	-	10,256	962	30,148	28,445	-	-	10,210	38,655
Cost of sale of goods	(58,671)	(8,748)	(30,916)	(53,843)	-	(152,178)	(79,792)	(9,931)	(36,531)	(41,898)	(168,152)
Cost of rendering of services	(16,138)	-	-	(9,075)	(829)	(26,042)	(25,100)	-	-	(8,550)	(33,650)
Gross profit	<u>27,187</u>	<u>4,206</u>	<u>14,023</u>	<u>35,970</u>	<u>133</u>	<u>81,519</u>	<u>35,460</u>	<u>4,588</u>	<u>16,820</u>	<u>33,925</u>	<u>90,793</u>
Other income						2,974					4,070
Distribution cost						(28,359)					(26,589)
Administrative expenses						(32,249)					(34,517)
Profit from operation						23,885					33,757
Finance cost						(634)					(39)
Income tax expense						(4,735)					(6,764)
Profit for the periods						18,516					26,954
Other comprehensive income (expense)						154					(292)
Total comprehensive income for the periods						<u>18,670</u>					<u>26,662</u>

“UNAUDITED”

“REVIEWED”

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Thousand Baht											
Consolidated financial statements											
	For the six-month period ended June 30, 2021					For the six-month period ended June 30, 2020					
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	182,707	23,680	95,630	161,201	-	463,218	240,660	30,570	109,623	148,612	529,465
Revenue from rendering of services	39,185	-	-	20,435	2,284	61,904	46,804	-	-	20,618	67,422
Cost of sale of goods	(126,544)	(16,230)	(66,508)	(96,178)	-	(305,460)	(170,264)	(20,710)	(73,404)	(82,621)	(346,999)
Cost of rendering of services	(33,403)	-	-	(17,867)	(1,907)	(53,177)	(42,683)	-	-	(16,489)	(59,172)
Gross profit	<u>61,945</u>	<u>7,450</u>	<u>29,122</u>	<u>67,591</u>	<u>377</u>	<u>166,485</u>	<u>74,517</u>	<u>9,860</u>	<u>36,219</u>	<u>70,120</u>	<u>190,716</u>
Other income						6,870					10,443
Distribution cost						(54,959)					(55,667)
Administrative expenses						(65,435)					(68,404)
Profit from operation						52,961					77,088
Finance cost						(1,074)					(67)
Income tax expense						(10,370)					(15,266)
Profit for the periods						41,517					61,755
Other comprehensive income (expense)						87					(391)
Total comprehensive income for the periods						<u>41,604</u>					<u>61,364</u>

Thousand Baht											
Separate financial statements											
	For the three-month period ended June 30, 2021					For the three-month period ended June 30, 2020					
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total	
Revenue from sale of goods	83,066	12,955	44,939	87,150	228,110	111,907	14,519	53,351	72,666	252,443	
Revenue from rendering of services	18,931	-	-	10,096	29,027	28,445	-	-	9,655	38,100	
Cost of sale of goods	(58,670)	(8,749)	(30,916)	(53,118)	(151,453)	(79,792)	(9,931)	(36,531)	(40,490)	(166,744)	
Cost of rendering of services	(16,139)	-	-	(8,168)	(24,307)	(25,100)	-	-	(8,548)	(33,648)	
Gross profit	<u>27,188</u>	<u>4,206</u>	<u>14,023</u>	<u>35,960</u>	<u>81,377</u>	<u>35,460</u>	<u>4,588</u>	<u>16,820</u>	<u>33,283</u>	<u>90,151</u>	
Other income					3,346					4,722	
Distribution cost					(27,860)					(26,016)	
Administrative expenses					(31,910)					(34,297)	
Profit from operation					24,953					34,560	
Finance cost					(634)					(39)	
Income tax expense					(4,744)					(6,880)	
Profit for the periods					19,575					27,641	
Other comprehensive income					-					-	
Total comprehensive income for the periods					<u>19,575</u>					<u>27,641</u>	



Thousand Baht										
Separate financial statements										
As at June 30, 2021						As at December 31, 2020				
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Assets for reportable segments										
Trade receivables -										
other companies	110,311	14,140	44,130	55,666	224,247	119,907	16,737	35,533	45,741	217,918
Inventories	150,648	5,196	67,149	75,124	298,117	127,853	6,282	58,918	61,103	254,156
Goodwill	-	-	200,066	134,606	334,672	-	-	200,066	134,606	334,672
Customer relationship	-	-	24,321	9,141	33,462	-	-	29,318	11,015	40,333
Assets under common use										
- Investment property	-	-	-	-	154,270	-	-	-	-	154,591
- Property, plant and equipment	-	-	-	-	131,950	-	-	-	-	129,411
- Right-of-use assets	-	-	-	-	99,617	-	-	-	-	104,968
- Intangible assets	-	-	-	-	15,990	-	-	-	-	18,016
- Others	-	-	-	-	343,981	-	-	-	-	399,723
Total assets for reportable segments	<u>260,959</u>	<u>19,336</u>	<u>335,666</u>	<u>274,537</u>	<u>1,636,306</u>	<u>247,760</u>	<u>23,019</u>	<u>323,835</u>	<u>252,465</u>	<u>1,653,788</u>
Total liabilities for reportable segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,129</u>

## 19. 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.

	Consolidated financial statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Profit for the periods of percent company (Baht)	18,515,418	26,954,373	41,516,629	61,754,856
Weighted average number of ordinary shares (Shares)	584,500,000	584,500,000	584,500,000	584,500,000
Basic earnings per share (Baht per share)	0.03	0.05	0.07	0.11
	Separate financial Statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Profit for the periods of percent company (Baht)	19,574,056	27,640,524	42,635,528	61,508,222
Weighted average number of ordinary shares (Shares)	584,500,000	584,500,000	584,500,000	584,500,000
Basic earnings per share (Baht per share)	0.03	0.05	0.07	0.11

20. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2021 and December 31, 2020, the Company and its subsidiaries had commitments and contingent liabilities as follows:

20.1 As at June 30, 2021 and December 31, 2020, the Company and its subsidiaries have letters of guarantee issued by banks for goods and work under system installation service agreement of:

	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Million Bath	21.60	21.04	21.60	21.04
Million US dollars	0.15	0.27	0.15	0.27

20.2 The credit facilities with financial institutions as at June 30, 2021 and December 31, 2020 consisted of:

Type of credit	Consolidated financial statements / Separate financial statements			
	Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at June	As at December	As at June	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Bank overdrafts	10.00	10.00	MOR, MOR-0.50	MOR, MOR-0.50
Letter of credit/trust receipt	150.00	150.00	MLR-1,MMR	MLR-1,MMR
Letter of guarantee	74.00	74.00	1.25 - 2%	1.25 - 2%
Forward exchange contracts	560.00	560.00	-	-
Total	794.00	794.00		
Forward foreign exchange contracts (Million US dollars)	7.00	7.00		

20.3 Minimum lease and service payments are as follows :

Payment periods	Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Due not later than 1 year	0.57	0.84	0.54	0.81
Due later than 1 year but not later than 5 years	1.29	1.38	1.29	1.37

Rental and service expenses for the six-month period ended June 30, 2021 and 2020 were Baht 0.71 million and Baht 6.76 million, respectively (for the Company’s only to Baht 0.69 million and Baht 6.63 million, respectively)

20.4 Commitment on capital expenditure

20.4.1 As at June 30, 2021 the Company has commitment to pay under computer equipment and access control system for office building contract totaled Baht 13.77 million. The Company has an outstanding commitment under the agreement amounted Baht 5.93 million.

20.4.2 As at June 30, 2021 the Company has commitment to pay under furniture and fixtures purchase contract totaled Baht 2.29 million. The Company has an outstanding commitment under the agreement amounted Baht 0.97 million.

21. FAIR VALUE MEASUREMENT

The Company and its subsidiaries use 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 and its subsidiary 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, 2021 and December 31, 2020, the Company and its subsidiaries had the following financial assets and liabilities that were measured at fair value on which the fair value hierarchy is classified as follows :

	Baht			
	Consolidated financial statements/Separate financial statement			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	18,311,429	-	18,311,429
Foreign currency forward contracts	-	733,719	-	733,719
	Baht			
	Consolidated financial statements/Separate financial statement			
	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	6,957,944	-	6,957,944
Foreign currency forward contracts	-	(361,039)	-	(361,039)

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 were measured at fair value on fair value hierarchy as at June 30, 2021 and December 31, 2020.

Financial assets and financial liabilities	Fair value (Baht)		Fair value Hierarchy	Valuation techniques and key inputs for fair value measurement
	Consolidated financial statements / Separate financial statements			
	As at June 30, 2021	As at December 31, 2020		
<u>Financial assets (liabilities)</u>				
Foreign currency forward contracts	733,719	(361,039)	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.

## 22. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on August 11, 2021.