

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL INFORMATION
JUNE 30, 2025
AND AUDITOR'S REPORT ON THE REVIEW
OF INTERIM FINANCIAL INFORMATION

AUDITOR'S REPORT ON THE REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Harn Engineering Solutions Public Company Limited

I have reviewed the interim consolidated financial information of Harn Engineering Solutions Public Company Limited and its subsidiaries and the interim separate financial information of Harn Engineering Solutions Public Company Limited. These comprise the consolidated and separate statements of financial position as at June 30, 2025, the consolidated and separate statements of comprehensive income for the three – month and six – month periods then ended, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate cash flows for the six – month period then ended and the condensed notes to the interim financial information. The management is responsible for the preparation and presentation of this interim financial information in accordance with the 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 the 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 consolidated and separate financial information is not prepared, in all material respects, in accordance with the Thai Accounting Standard 34, "Interim Financial Reporting".

*****/2

Other Matter

The consolidated and separate of financial position as at December 31, 2024 of Harn Engineering Solutions Public Company Limited and its subsidiaries and Harn Engineering Solutions Public Company Limited, presented herein for comparative purposes were audited by another auditor in the same firm as myself, whose report dated on February 27, 2025, expressed an unqualified opinion.

The consolidated and separate statements of comprehensive income for the three – month and six – month periods ended June 30, 2024, and the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate cash flows for the six – month periods then ended, presented for comparative purposes, were reviewed by another auditor in the same firm as myself, whose report dated on August 14, 2024, stated that nothing had come to the auditor's attention that caused the auditor to believe that the accompanying consolidated and separate interim financial information was not prepared, in all material respects, in accordance with the Thai Accounting Standard 34, "Interim Financial Reporting".

Mr. Supoj Mahantachaisakul

Certified Public Accountant (Thailand) No. 12794

Karin Audit Company Limited,

Bangkok

August 13, 2025

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2025

		(Unit : Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
Assets					
Current assets					
Cash and cash equivalents		295,040	293,471	287,088	286,610
Trade and other current receivables	2,3	281,316	321,355	279,930	321,260
Current contract assets	4	16,850	17,238	16,824	17,238
Short – term loans to related parties	2	-	-	6,478	-
Inventories	5	324,630	323,139	324,367	322,026
Other current financial assets		82,091	115,644	82,091	115,644
Current tax assets		32	45	-	-
Other current assets		597	604	515	508
Total current assets		1,000,556	1,071,496	997,293	1,063,286
Non – current assets					
Investment in subsidiaries	6	-	-	5,357	2,357
Trade and other non – current receivables	3	4,267	2,760	4,267	2,760
Long – term loans to related parties	2	-	-	-	6,766
Investment property		165,389	165,802	165,389	165,802
Property, plant and equipment	7	101,899	100,605	101,555	100,500
Right – of – use assets	8	81,586	86,930	81,586	86,930
Goodwill		315,971	315,971	315,971	315,971
Intangible assets		7,086	7,688	7,086	7,688
Deferred tax assets		19,069	19,002	18,676	18,633
Other non – current assets		30,109	29,494	29,657	29,085
Total non – current assets		725,376	728,252	729,544	736,492
Total assets		1,725,932	1,799,748	1,726,837	1,799,778

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2025

		(Unit : Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
Liabilities and Shareholders' equity					
Current liabilities					
Trade and other current payables		201,294	229,018	200,500	227,518
Current portion of lease liabilities	9	9,090	8,952	9,090	8,952
Short – term borrowings from related persons or parties	2	620	620	-	-
Corporate income tax payable		6,152	15,515	6,152	15,496
Other current provisions		1,966	1,756	1,853	1,662
Other current liabilities		1,198	1,128	1,193	1,117
Total current liabilities		220,320	256,989	218,788	254,745
Non – current liabilities					
Lease liabilities	9	95,107	99,546	95,107	99,546
Non – current provisions for employee benefits		37,386	36,906	36,894	36,449
Other non – current liabilities		29,075	28,304	29,230	28,304
Total non – current liabilities		161,568	164,756	161,231	164,299
Total liabilities		381,888	421,745	380,019	419,044

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2025

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	“Unaudited”		“Unaudited”	
	Notes	“Reviewed”	“Reviewed”	“Audited”
Shareholders' equity				
Share capital				
Authorized share capital				
584,500,000 ordinary shares of Baht 0.50 each		292,250	292,250	292,250
Issued and paid share capital				
584,500,000 ordinary shares of Baht 0.50 each		292,250	292,250	292,250
Share premium on ordinary shares		776,417	776,417	776,417
Other surpluses (deficits)		-	-	1,341
Retained earnings				
<i>Appropriated for legal reserve</i>		29,225	29,225	29,225
<i>Unappropriated</i>		248,960	248,926	281,501
Total other components of shareholders' equity		(1,051)	-	-
Shareholders' equity of the parent company		1,345,801	1,346,818	1,380,734
Non – controlling interests		(1,757)	-	-
Total shareholders' equity		1,344,044	1,346,818	1,380,734
Total liabilities and shareholders' equity		1,725,932	1,726,837	1,799,778

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

“Reviewed”

FOR THE THREE – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Revenues				
Revenues from sales	258,864	245,925	257,544	243,959
Services Revenue	36,171	30,171	34,849	29,646
Other income	7,565	7,999	7,683	8,292
Total revenues	302,600	284,095	300,076	281,897
Expenses				
Cost of sales	175,462	171,618	174,686	170,492
Cost of services	31,984	26,957	30,830	26,870
Distribution cost	29,875	26,493	29,508	25,985
Administrative expenses	34,699	32,597	34,276	32,157
Other expenses	2,819	3,839	2,819	3,839
Total expenses	274,839	261,504	272,119	259,343
Profit (loss) from operating activities	27,761	22,591	27,957	22,554
Finance costs	852	472	848	469
Expected credit loss (gain)	(858)	(132)	(376)	(186)
Profit (loss) before income tax expense	27,767	22,251	27,485	22,271
Tax expense (income)	5,452	4,332	5,462	4,336
Profit (loss) for the period	22,315	17,919	22,023	17,935
Other comprehensive income (expense) for the period				
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translating financial statement	(419)	(152)	-	-
Total comprehensive income (expense) for the period	21,896	17,767	22,023	17,935
Profit (loss) attributable to				
Owners of parent	22,565	18,094	22,023	17,935
Non – controlling interests	(250)	(175)	-	-
	22,315	17,919	22,023	17,935
Total comprehensive income (expense) attributable to				
Owners of parent	22,146	17,942	22,023	17,935
Non – controlling interests	(250)	(175)	-	-
	21,896	17,767	22,023	17,935
Basic earnings per share				
Profit attributable to owners of the parent (Baht/Share)	0.04	0.03	0.04	0.03
Weighted average number of common shares (Thousand Share)	584,500	584,500	584,500	584,500

The condensed notes to the interim financial information are an integral part of this interim financial information.

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

“Reviewed”

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Revenues				
Revenues from sales	522,278	484,060	519,522	481,681
Services Revenue	76,740	60,870	75,084	60,312
Other income	13,234	15,134	13,692	15,968
Total revenues	612,252	560,064	608,298	557,961
Expenses				
Cost of sales	360,709	335,821	358,743	334,587
Cost of services	68,765	55,783	67,464	55,642
Distribution cost	58,659	54,521	58,043	53,515
Administrative expenses	66,268	66,263	65,394	65,439
Other expenses	6,114	5,113	6,114	5,113
Total expenses	560,515	517,501	555,758	514,296
Profit (loss) from operating activities	51,737	42,563	52,540	43,665
Finance costs	1,719	983	1,712	977
Expected credit loss (gain)	2,687	(2,123)	3,907	(2,326)
Profit (loss) before income tax expense	47,331	43,703	46,921	45,014
Tax expense (income)	9,330	8,740	9,356	8,781
Profit (loss) for the period	38,001	34,963	37,565	36,233
Other comprehensive income (expense) for the period				
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translating financial statement	(479)	129	-	-
Total comprehensive income (expense) for the period	37,522	35,092	37,565	36,233
Profit (loss) attributable to				
Owners of parent	38,439	35,414	37,565	36,233
Non – controlling interests	(438)	(451)	-	-
	38,001	34,963	37,565	36,233
Total comprehensive income (expense) attributable to				
Owners of parent	37,960	35,543	37,565	36,233
Non – controlling interests	(438)	(451)	-	-
	37,522	35,092	37,565	36,233
Basic earnings per share				
Profit attributable to owners of the parent (Baht/Share)	0.07	0.06	0.06	0.06
Weighted average number of common shares (Thousand Share)	584,500	584,500	584,500	584,500

The condensed notes to the interim financial information are an integral part of this interim financial information.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

“Reviewed”

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

Consolidated financial statements										
Shareholders' equity of the parent company										
		Other surpluses				Other components of				
		(deficits)		Retained earnings (loss)		shareholders' equity				
		Share premium	Surplus on			Exchange differences	Total equity			
		Issued and paid	on ordinary	Share – based	Appropriated	on translating	attributable to owners	Non – controlling		
		share capital	shares	payment transaction	legal reserve	Unappropriated	financial statements	of the company	interests	
									Total	
Balance as at January 1, 2025		292,250	776,417	1,341	29,225	280,661	(572)	1,379,322	(1,319)	1,378,003
Changes in shareholders' equity for the period :										
Dividend	11	-	-	-	-	(70,140)	-	(70,140)	-	(70,140)
Employee joint investment program expenses		-	-	617	-	-	-	617	-	617
Treasury shares		-	-	(1,958)	-	-	-	(1,958)	-	(1,958)
Total comprehensive income (expense) for the period		-	-	-	-	38,439	(479)	37,960	(438)	37,522
Balance as at June 30, 2025		292,250	776,417	-	29,225	248,960	(1,051)	1,345,801	(1,757)	1,344,044
Balance as at January 1, 2024		292,250	776,417	5,000	29,225	280,738	(213)	1,383,417	(237)	1,383,180
Changes in shareholders' equity for the period :										
Dividend	11	-	-	-	-	(87,674)	-	(87,674)	-	(87,674)
Employee joint investment program expenses		-	-	1,171	-	-	-	1,171	-	1,171
Treasury shares		-	-	(2,936)	-	-	-	(2,936)	-	(2,936)
Total comprehensive income (expense) for the period		-	-	-	-	35,414	129	35,543	(451)	35,092
Balance as at June 30, 2024		292,250	776,417	3,235	29,225	228,478	(84)	1,329,521	(688)	1,328,833

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

“Unaudited”

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

“Reviewed”

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

		Separate financial statements					
		Share premium	Other surpluses (deficits)	Retained earnings (loss)			
		Issued and paid	on ordinary	Surplus on Share – based	Appropriated for		
		share capital	shares	payment transaction	legal reserve	Unappropriated	Total
Balance as at January 1, 2025		292,250	776,417	1,341	29,225	281,501	1,380,734
Changes in shareholders' equity for the period :							
Dividend	11	-	-	-	-	(70,140)	(70,140)
Employee joint investment program expenses		-	-	617	-	-	617
Treasury shares		-	-	(1,958)	-	-	(1,958)
Total comprehensive income (expense) for the period		-	-	-	-	37,565	37,565
Balance as at June 30, 2025		292,250	776,417	-	29,225	248,926	1,346,818
Balance as at January 1, 2024		292,250	776,417	5,000	29,225	284,603	1,387,495
Changes in shareholders' equity for the period :							
Dividend	11	-	-	-	-	(87,674)	(87,674)
Employee joint investment program expenses		-	-	1,171	-	-	1,171
Treasury shares		-	-	(2,936)	-	-	(2,936)
Total comprehensive income (expense) for the period		-	-	-	-	36,233	36,233
Balance as at June 30, 2024		292,250	776,417	3,235	29,225	233,162	1,334,289

The condensed notes to the interim financial information are an integral part of this interim financial information.

STATEMENTS OF CASH FLOWS

“Reviewed”

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax expense	47,331	43,703	46,921	45,014
Adjustment to reconcile profit (loss) before income tax expense to cash provided (paid)				
Expected credit losses (reversal)	2,281	(2,123)	3,501	(2,326)
Loss on devaluation of inventories (reversal)	(4,388)	235	(4,416)	288
Depreciation and amortization	13,673	14,120	13,641	14,101
(Profit) loss on disposals of equipment	(208)	1,008	(208)	1,008
Unrealized (gain) loss on exchange rate	329	530	617	60
Unrealized (gain) loss on revaluation of other financial assets	6,110	4,238	6,110	4,238
Interest income	(2,424)	(1,539)	(2,761)	(1,779)
Dividend income	(2,023)	(1,784)	(2,023)	(1,784)
Other current provisions	210	166	192	203
Employee's benefit expenses	1,602	1,777	1,567	1,717
Employee Joint Investment Program expenses	617	1,171	617	1,171
Finance cost	1,719	983	1,712	977
Profit from operations before changes in assets and operating liabilities	64,829	62,485	65,470	62,888
Assets from operating (increase) decrease				
Trade and other receivables	36,037	37,221	37,416	37,544
Contract assets	371	2,287	396	2,290
Inventories	527	(36,825)	(305)	(36,444)
Other assets	(563)	263	(578)	250
Liabilities from operating increase (decrease)				
Trade and other current payables	(28,797)	8,129	(28,077)	8,321
Other liabilities	926	(679)	1,001	(708)
Net cash provided by (used in) operating	73,330	72,881	75,323	74,141
Cash paid to provisions for employee benefits	(1,122)	(600)	(1,122)	(600)
Cash paid to employee joint investment program expenses	(1,958)	(2,936)	(1,958)	(2,936)
Cash paid to income tax	(18,794)	(15,810)	(18,743)	(15,805)
Net cash provided by (used in) operating activities	51,456	53,535	53,500	54,800

STATEMENTS OF CASH FLOWS (CONTINUED)

“Reviewed”

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2025

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for investments in subsidiary	-	-	(3,000)	-
Cash paid for investments in financial assets	(23,839)	(22,159)	(23,839)	(22,159)
Cash received from sale of other financial assets	52,051	-	52,051	-
Cash paid to provide short – term loans to related companies	-	-	(1,400)	(1,450)
Cash paid to purchase equipment	(5,605)	(2,742)	(5,334)	(2,742)
Cash received from disposal of equipment	549	74	549	74
Cash paid to purchase intangible assets	(75)	(1,172)	(75)	(1,172)
Interest received	1,803	1,098	2,318	1,473
Dividend received	2,023	1,784	2,023	1,784
Net cash provided by (used in) investing activities	26,907	(23,117)	23,293	(24,192)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received from borrowings from related companies and related persons</i>	-	100	-	-
<i>Cash paid to lease liabilities</i>	(4,468)	(5,213)	(4,468)	(5,213)
Interest expense	(1,712)	(977)	(1,712)	(977)
Dividend expense	(70,135)	(87,613)	(70,135)	(87,613)
Net cash provided by (used in) financing activities	(76,315)	(93,703)	(76,315)	(93,803)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,048	(63,285)	478	(63,195)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	293,471	340,190	286,610	334,819
EFFECT OF TRANSLATING ON FOREIGN CURRENCY FINANCIAL STATEMENTS	(479)	115	-	-
CASH AND CASH EQUIVALENTS END OF PERIOD	295,040	277,020	287,088	271,624
Addition cash flow disclosures :				
Non – cash transaction				
Liabilities incurred from acquisition of equipment and intangible assets				
Liabilities incurred from acquisition of equipment				
and intangible assets – beginning of period	274	672	274	672
Inventories transferred to equipment	(2,399)	(2,429)	(2,399)	(2,429)
Fix asset transferred to expense	-	(2)	-	(2)
<u>Add</u> Purchases of equipment and intangible assets	8,803	6,009	8,532	6,009
<u>Less</u> Cash payments	(5,680)	(3,914)	(5,409)	(3,914)
Liabilities incurred from acquisition of				
and intangible assets – equipment end of period	998	336	998	336

1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION

These interim financial information are prepared in accordance with Accounting Standards Pronouncement No. 34: “ Interim financial reporting”, whereby the Company chooses to present condensed interim financial information. However, additional line items are presented in the interim financial information to bring them into full format similar to the annual financial statements.

The interim financial information is prepared to provide information in addition to those included in the latest annual financial statements Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial information should, therefore, be read in conjunction with the latest annual financial statements.

This interim financial information has been prepared in the Thai language. Translations of this interim financial information into other languages must be consistent with the Thai version of the interim financial information.

1.1. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2024.

Employee Joint Investment Program or EJIP

The Company has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Company to EJIP participant. The detail of the program is as described in Note 10. The Company contributions are recognized as expenses when incurred.

1.2. New financial reporting standards

The revised financial reporting standards that are effective for financial statements for accounting periods beginning on or after January 1, 2025 do not have any significant impact on the Group's financial statements

1.3. Estimation

To prepare interim financial information management uses judgments, estimates and assumptions about their recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Use judgments, estimates and assumptions, including important sources used in the preparation of interim financial statements. The same as used in preparing the financial statements for the year ended December 31, 2024.

AS AT JUNE 30, 2025

1.4. Basis of consolidation

The interim financial information included the financial statements of Harn Engineering Solutions Public Company Limited (“the Company”) and its subsidiary companies (“the Subsidiaries”) (collectively as “the Group”), using the same accounting principles as those applied in the consolidated financial statements for the year ended December 31, 2024. During the period, there were significant changes in the Group's structure as follows:

Newly established subsidiary

Parent Company	Subsidiary	Nature of business	Investment Shareholding	Registered Capital	Par Value	Amount
			(%)	(Shares)	(Baht/Share)	(Baht)
Harn Engineering Solutions PCL	Mollisa Co., Ltd.	Manufacturing and distribution of medical equipment and related accessories	100	30,000	100	3,000,000

2. RELATED PARTY TRANSACTIONS

During the period, the Group had significant business transactions with related persons or companies. Such business transactions are subject to commercial terms and criteria agreed between the Group and related persons or companies. There were no significant changes in the transfer pricing policy of transactions with related persons or companies.

Summaries of significant business transactions with related persons or companies are as follows:

(Unit : Thousand Baht)					
For the three – month period ended June 30					
Consolidated financial statements		Separate financial statements			
2025		2024			
		2025		2024	
Revenues from sales					
Subsidiaries	-	-	-	-	
Related companies	167	-	167	-	
Services Revenue					
Related companies	20	-	-	-	

AS AT JUNE 30, 2025

(Unit : Thousand Baht)				
For the three – month period ended June 30				
	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Other income				
Subsidiaries	-	-	416	274
Related companies	37	35	37	35
Related person	146	-	146	-
	<u>183</u>	<u>35</u>	<u>599</u>	<u>309</u>
Cost of sales				
Subsidiaries	-	-	81	83
Office building expenses				
Related companies	620	-	620	-
Interest expense on borrowings				
Related companies	2	2	-	-
Related person	2	1	-	-
	<u>4</u>	<u>3</u>	<u>-</u>	<u>-</u>
Expenses related to right – of – use assets				
Related companies	3,582	3,202	3,582	3,202
Compensation for directors and key executives				
Directors	779	755	779	755
Key management				
Short – term benefits	5,161	6,033	4,767	5,647
Post – employment benefits	437	429	414	405
	<u>6,377</u>	<u>7,217</u>	<u>5,960</u>	<u>6,807</u>

AS AT JUNE 30, 2025

	(Unit : Thousand Baht)			
	For the six – month period ended June 30			
	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Revenues from sales				
Subsidiaries	-	-	4	567
Related companies	167	-	167	-
Services Revenue				
Related companies	55	-	-	-
Other income				
Subsidiaries	-	-	770	572
Related companies	71	70	71	70
Related person	146	-	146	-
	<u>217</u>	<u>70</u>	<u>987</u>	<u>642</u>
Cost of sales				
Subsidiaries	-	-	387	169
Office building expenses				
Related companies	643	-	643	-
Interest expense on borrowings				
Related companies	4	4	-	-
Related person	3	2	-	-
	<u>7</u>	<u>6</u>	<u>-</u>	<u>-</u>
Expenses related to right – of – use assets				
Related companies	7,182	6,427	7,182	6,427
Compensation for directors and key executives				
Directors	1,609	1,660	1,609	1,660
Key management				
Short – term benefits	10,304	12,000	9,517	11,231
Post – employment benefits	806	854	760	808
	<u>12,719</u>	<u>14,514</u>	<u>11,886</u>	<u>13,699</u>

AS AT JUNE 30, 2025

The significant balances of the accounts between the Group and related parties are as follows:

(Unit : Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Trade and other current receivables				
Subsidiaries	-	-	216	544
Allowance for expected credit losses	-	-	(100)	(225)
Related companies	156	4	156	4
	<u>156</u>	<u>4</u>	<u>272</u>	<u>323</u>
Building rental security deposit				
Related companies	2,150	2,150	2,150	2,150
Short – term loans to related parties				
Subsidiaries *,**	-	-	11,428	3,550
Allowance for expected credit losses	-	-	(4,950)	(3,550)
	<u>-</u>	<u>-</u>	<u>6,478</u>	<u>-</u>
Long – term loans to related parties				
Subsidiaries **	-	-	-	6,766

AS AT JUNE 30, 2025

Short – term loans to related parties

There are significant movements during the period as follows:

	(Unit : Thousand Baht)			
	Separate financial statements			
	As at January			As at June
	1, 2025	Increase	(Decrease)	30, 2025
<u>Subsidiaries</u>				
Principal	3,550	1,400	-	4,950
Allowance for expected credit losses	(3,550)	(1,400)	-	(4,950)
	-	-	-	-

* As at June 30, 2025 and December 31, 2024, Short – term loan represented 21 and 16 promissory notes, respectively, having 6 months maturity, bearing interest rates of 6.8050 – 7.1175% per annum (according to 4 major commercial banks interest rates of MLR per annum). The promissory notes will be repayment in July to December 2025.

Long – term loans to related parties

There are significant movements during the period as follows:

	(Unit : Thousand Baht)	
	Separate financial statements	
	June 30, 2025	December 31, 2024
Beginning balance	6,766	6,812
Increase (Decrease)	-	-
Exchange differences on translating financial statement	(288)	(46)
	6,478	6,766
<u>Less Current portion of long-term loans</u>	(6,478)	-
Ending balance	-	6,766

** As at June 30, 2025 and December 31, 2024, A long – term loans amount of USD 200,000 and the interest rate has been charged at 5.85% per annum, is due on March 11, 2026.

AS AT JUNE 30, 2025

(Unit : Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Trade and other current payables				
Subsidiaries	-	-	4	84
Related companies	611	12	596	-
Related persons	10	7	-	-
	<u>621</u>	<u>19</u>	<u>600</u>	<u>84</u>
Lease liabilities				
Related companies	103,548	107,881	103,548	107,881
Building rental security deposit				
Subsidiaries	-	-	155	86
Short – term borrowings from related person or parties ***				
Related companies	250	250	-	-
Related person	370	370	-	-
	<u>620</u>	<u>620</u>	<u>-</u>	<u>-</u>

Short – term borrowings from related person or parties

There are significant movements during the period as follows:

(Unit : Thousand Baht)				
	Consolidated financial statements			As at June 30, 2025
	As at January 1, 2025	Increase	(Decrease)	
Related companies	250	-	-	250
Related person	370	-	-	370
	<u>620</u>	<u>-</u>	<u>-</u>	<u>620</u>

*** As at June 30, 2025 and December 31, 2024, Short – term borrowings are promissory notes from related companies with a term of 3 months, accruing interest at the rate of 3% per annum (consisted of the interest rate of commercial banks, MRR-3% per annum), and are due for repayment on September 6, 2025, the said loan was an unsecured borrowings. And 6 promissory notes from related persons. The interest rate is 2% per annum and the repayment date is from August 19, 2025 to February 22, 2026, respectively. The borrowings were an unsecured loan.

AS AT JUNE 30, 2025

3. TRADE AND OTHER CURRENT RECEIVABLES

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Trade receivable				
Trade receivable - related companies	152	-	152	-
Trade receivable - other companies	252,323	298,724	252,221	298,534
<u>Less</u> Allowances for expected credit losses	(10,693)	(8,524)	(10,686)	(8,521)
Net	241,782	290,200	241,687	290,013
Other current receivables				
Other receivables – subsidiaries	-	-	216	544
Other receivables – related companies	4	4	4	4
Other receivables	7,026	1,930	7,026	1,929
Accrued retentions	15,004	12,409	14,632	12,037
Deposit	2,502	406	1,364	406
Prepaid expenses	5,378	5,445	5,200	5,361
Accrued income	1,505	1,322	1,505	1,322
Total other current receivables	31,419	21,516	29,947	21,603
<u>Less</u> Allowances for expected credit losses	(348)	(267)	(167)	(262)
Net	31,071	21,249	29,780	21,341
Lease receivables				
Lease receivables – printing devices	12,747	12,670	12,747	12,670
<u>Less</u> Allowance for expected credit losses	(17)	(4)	(17)	(4)
	12,730	12,666	12,730	12,666
<u>Less</u> Due between over 1 year	(4,267)	(2,760)	(4,267)	(2,760)
Net	8,463	9,906	8,463	9,906
Total trade and other current receivables – net	281,316	321,355	279,930	321,260

AS AT JUNE 30, 2025

Trade receivables are classified by aging as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Not yet due	146,564	181,457	146,535	181,457
Overdue				
Less than 3 months	71,772	91,812	71,772	91,622
Over 3 months up to 6 months	8,036	14,111	7,963	14,111
Over 6 months up to 12 months	22,183	6,254	22,183	6,254
Over 12 months	3,920	5,090	3,920	5,090
Total	252,475	298,724	252,373	298,934
<u>Less</u> Allowance for expected credit losses	(10,693)	(8,524)	(10,686)	(8,521)
Trade receivables – net	241,782	290,200	241,687	290,013

The minimum amount that the debtor must pay and the present value of the minimum amount that the debtor must pay for the lease are as follows:

	(Unit : Thousand Baht)			
	Consolidated / Separate financial statements			
	June 30, 2025		December 31, 2024	
	Present value of		Present value of	
	Minimum lease payments	minimum lease payments	Minimum lease payments	minimum lease payments
Collection period				
Within 1 year	12,064	8,463	14,301	9,903
Over 1 year but less than 5 years	8,257	4,267	3,980	2,763
	20,321	12,730	18,281	12,666
<u>Less</u> Deferred financial interest	(7,591)	-	(5,615)	-
	12,730	12,730	12,666	12,666

AS AT JUNE 30, 2025

Movements of allowance for expected credit losses for the six – month period ended June 30, 2025 and 2024 are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Balance as at January 1,	8,795	10,249	8,787	10,216
Increase (Reversal) during the period	2,263	(2,125)	2,083	(2,319)
Balance as at June 30,	11,058	8,124	10,870	7,897

4. CURRENT CONTRACT ASSETS

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Current unbilled completed work	17,691	18,061	16,895	17,291
<u>Less</u> Allowance for expected credit losses	(841)	(823)	(71)	(53)
Net	16,850	17,238	16,824	17,238

Movements of allowance for expected credit losses for the six – month periods ended June 30, 2025 and 2024 are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Balance as at January 1	823	377	53	70
Increase (Reversal) during the period	18	2	18	(7)
Balance as at June 30	841	379	71	63

Current contract assets are recognized from the revenue of fire protection system installation services in office buildings, residential buildings, factory buildings, power plants, and petrochemical industrial plants. The duration of the operations ranges from 6 months to 3 years, based on the progress of the work according to the contract. For invoicing to collect service fees as per the agreement or contract, most fire protection system installation contracts require an advance deposit before starting the work. The remaining amount is gradually invoiced in installments according to the progress of the work. However, issuing billing installments may depend on the customer's work acceptance process and milestone requirements, such as upon completion of the installation of the pump and firewater pipes or upon completion of the installation and testing of the automatic fire protection system.

AS AT JUNE 30, 2025

5. INVENTORIES

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Finished goods	303,326	314,031	302,649	313,252
Goods in transit	52,643	44,283	52,643	44,114
Work in process	-	552	-	-
	355,969	358,866	355,292	357,366
<u>Less</u> Allowance for loss on devaluation				
of inventories	(31,339)	(35,727)	(30,925)	(35,340)
Net	324,630	323,139	324,367	322,026

Movements of allowances for loss on devaluation of inventories for the six – month period ended June 30, 2025 and 2024 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Balance as at January 1,	35,727	31,940	35,340	31,656
Increase (Reversal) during the period	(4,388)	227	(4,415)	288
Difference from financial statement conversion	-	8	-	-
Balance as at June 30,	31,339	32,175	30,925	31,944

Allowance for the value of inventories is shown in the cost of goods sold. in the income statement.

6. INVESMENT IN SUBSIDIARIES

Investment in subsidiaries for the six – month period ended June 30, 2025, is as follows:

Newly established subsidiary

Subsidiary	Nature of Business	Registered			
		Shareholding	Capital	Par Value	Amount
		(%)	(Shares)	(Baht/Shares)	(Baht)
Mollisa Co., Ltd.	Manufacturing and distribution of medical equipment and related accessories	100	30,000	100	3,000,000

AS AT JUNE 30, 2025

7. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment were consisted of:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2025	100,605	100,500
Purchase / Transfer in during the period	8,099	7,828
Write - off / Transfer out during the period	(361)	(361)
Depreciation during the period	(6,444)	(6,412)
Net book value as at June 30, 2025	101,899	101,555

8. RIGHT – OF – USE ASSETS

Movements of right of use assets were consisted of:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at January 1, 2025	86,930	86,930
Purchase / Transfer in during the period	167	167
Write - off / Transfer out during the period	(649)	(649)
Depreciation during the period	(4,862)	(4,862)
Balance as at June 30, 2025	81,586	81,586

The Company leases several assets including office building which lease term 10 years, warehouse which lease term 3 years and equipment of which lease term 4 years.

9. LEASE LIABILITIES

Movements of lease liabilities were consisted of:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at January 1, 2025	108,498	108,498
Increased during the period	167	167
Payment	(4,468)	(4,468)
Balance as at June 30, 2025	104,197	104,197
<u>Less</u> Current portion of lease liabilities	(9,090)	(9,090)
Lease liabilities	95,107	95,107

The Company has obligations to be paid minimum rental under lease as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Within 1 year	12,291	12,291
Over 1 year less than 5 years	53,348	53,348
More than 5 years	54,310	54,310
Total	119,949	119,949
<u>Less</u> Future interest of lease	(15,752)	(15,752)
Present value of lease liabilities and hire purchase	104,197	104,197

10. The Employee Joint Investment Program (EJIP)

On February 27, 2025, the Securities and Exchange Commission approved the Employee Joint Investment Program (EJIP). The details of the program are as follows;

The Company eligible under EJIP	HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
The Period of EJIP	May 1 2025 to December 31 2029, with a total duration of 4 years and 8 months
Eligible employees under EJIP	Permanent employees with a minimum of 1 year of service, or executives at the level of division director or above, on a voluntary basis.
EJIP arrangement	Contribution Employee/Manager to participate in the program: 5% of monthly salary. Contribution by division-level executives and chief officers to participate in the program: 10% of monthly salary. Contribution by the Chief Executive Officer (CEO) to participate in the program: 15% of monthly salary. Contribution by the Company to participate in the program: 100% of the amount contributed by the employee or executive to the program.
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 8th month, cannot sell any shares After 1 year and 8 months, employee can sell 25% of accumulated shares After 2 years and 8 months, employee can sell 50% of accumulated shares After 3 years and 8 months, employee can sell 75% of accumulated shares After 4 years and 8 months, can sell all shares
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

During the year 2025, the Company contributed Baht 0.89 million to the program

11. DIVIDEND PAYMENT

Dividends declared for the six-month periods ended June 30, 2025 and 2024 consisted of:

Dividend	Approved by	Dividends Announced (Million Baht)	Dividend per share (Baht)	Dividend payment date
Dividends from 2024 profits	Annual General Meeting of Shareholders On April 24, 2025	70.14	0.12	May 23, 2025
Dividends from 2023 profits	Annual General Meeting of Shareholders On April 29, 2024	87.68	0.15	May 17, 2024

12. SEGMENT INFORMATION

The Group have presented financial information classified by business segment. Main format for business segment reporting considering the Group management system and internal financial reporting structure as criteria, the Group proposes key business segments as follows:

- Segment 1 Fire extinguishing system products and project work
- Segment 2 Sanitary and air conditioning products
- Segment 3 Refrigeration system products
- Segment 4 Digital printing products
- Segment 5 IOT Solution products for building applications
- Segment 6 Medical 3D printing system products

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

“ UNAUDITED ”

CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION

“ REVIEWED ”

AS AT JUNE 30, 2025

Operating segments are classified by business type in the statements of total comprehensive income for the three – month period ended June 30, 2025 and 2024 were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements														
	for the three – month period ended June 30, 2025								for the three – month period ended June 30, 2024						
	Elimination of								Elimination of						
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6	inter-segment	Total	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	inter-segment	Total
<u>Statement of total comprehensive income</u>															
Revenues from sales	93,743	13,685	58,078	93,358	76	-	(76)	258,864	102,566	15,250	45,390	82,719	83	(83)	245,925
Services Revenue	26,709	-	-	8,140	1,327	-	(5)	36,171	21,642	-	-	8,003	526	-	30,171
Cost of sales	(65,936)	(9,969)	(45,474)	(54,198)	(69)	-	184	(175,462)	(72,855)	(11,657)	(37,785)	(49,295)	(26)	-	(171,618)
Cost of services	(21,985)	-	-	(8,846)	(1,153)	-	-	(31,984)	(18,644)	-	-	(8,225)	(88)	-	(26,957)
Gross profit	32,531	3,716	12,604	38,454	181	-	103	87,589	32,709	3,593	7,605	33,202	495	(83)	77,521
Other income								7,565							7,999
Distribution cost								(29,875)							(26,493)
Administrative expenses								(34,699)							(32,597)
Other expenses								(2,819)							(3,839)
Profit from operating activities								27,761							22,591
Finance cost								(852)							(472)
Expected credit (loss) gain								858							132
Tax (expense) income								(5,452)							(4,332)
Net profit for the period								22,315							17,919
Other comprehensive income (expense) for the period								(419)							(152)
Total comprehensive income for the period								21,896							17,767

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

“ UNAUDITED ”

CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION

“ REVIEWED ”

AS AT JUNE 30, 2025

Operating segments are classified by business type in the statements of total comprehensive income for the six – month period ended June 30, 2025 and 2024 were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements														
	for the six – month period ended June 30, 2025								for the six – month period ended June 30, 2024						
	Elimination of								Elimination of						
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6	inter-segment	Total	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	inter-segment	Total
<u>Statement of total comprehensive income</u>															
Revenues from sales	209,920	29,696	115,662	167,004	377	-	(381)	522,278	213,149	26,808	86,590	157,513	154	(154)	484,060
Services Revenue	58,353	-	-	16,731	1,666	-	(10)	76,740	42,179	-	-	18,133	593	(35)	60,870
Cost of sales	(148,104)	(22,455)	(90,658)	(99,307)	(296)	-	111	(360,709)	(152,286)	(20,147)	(70,119)	(93,368)	(70)	169	(335,821)
Cost of services	(49,487)	-	-	(17,977)	(1,301)	-	-	(68,765)	(37,653)	-	-	(17,989)	(141)	-	(55,783)
Gross profit	70,682	7,241	25,004	66,451	446	-	(280)	169,544	65,389	6,661	16,471	64,289	536	(20)	153,326
Other income								13,234							15,134
Distribution cost								(58,659)							(54,521)
Administrative expenses								(66,268)							(66,263)
Other expenses								(6,114)							(5,113)
Profit from operating activities								51,737							42,563
Finance cost								(1,719)							(983)
Expected credit (loss) gain								(2,687)							2,123
Tax (expense) income								(9,330)							(8,740)
Net profit for the period								38,001							34,963
Other comprehensive income (expense) for the period								(479)							129
Total comprehensive income for the period								37,522							35,092

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

“ UNAUDITED ”

CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION

“ REVIEWED ”

AS AT JUNE 30, 2025

Important assets and liabilities as at June 30, 2025 and December 31, 2024 are as follows:

(Unit : Thousand Baht)																
Consolidated financial statements																
As at June 30, 2025								As at December 31, 2024								
							Elimination of								Elimination of	
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6	inter-segment	Total	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	inter-segment	Total	
Assets for reportable segments																
Trade receivables	141,055	20,316	38,762	52,240	105	-	(3)	252,475	178,756	20,993	49,089	49,696	274	(84)	298,724	
Inventories	179,397	7,669	76,973	60,997	157	-	(563)	324,630	170,589	5,851	77,364	68,732	890	(287)	323,139	
Goodwill	-	-	181,365	134,606	-	-	-	315,971	-	-	181,365	134,606	-	-	315,971	
Total assets for reportable segments	320,452	27,985	297,100	247,843	262	-	(566)	893,076	349,345	26,844	307,818	253,034	1,164	(371)	937,834	
Assets under common use																
- Investment property								165,389							165,802	
- Property, plant and equipment								101,899							100,605	
- Right – of – use assets								81,586							86,930	
- Intangible assets								7,086							7,688	
- Others								476,896							500,889	
Total Assets								1,725,932							1,799,748	
Total liabilities								381,888							421,745	

13. COMMITMENTS AND CONTINGENT LIABILITIES

13.1 Guarantees

The Group has letters of guarantee issued by banks and other companies on behalf of the Company and its subsidiaries. which relates to certain operational obligations in the normal course of business of the Group remaining as follows:

	(Unit : Million Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Warranty for products and work according to				
contract for system installation work	36.79	27.02	36.79	27.02

13.2 Credit lines from financial institutions as at June 30, 2025 and December 31, 2024 as follows:

	Consolidated financial statements/ Separate financial statements			
	Credit limit (Million Baht)		Based on interest rate (Percentage per year)	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Overdraft	9	9	MOR, MOR- 0.50	MOR, MOR- 0.50
Letter of Credit/Trust Receipt	120	120	MLR-1, MMR	MLR-1, MMR
Letter of guarantee	74	74	1.00 – 2.00	1.00 – 2.00
Foreign currency forward contracts	410	410	-	-
Total	613	613		
Foreign currency forward contracts				
(Millions of US Dollars)	7	7		

13.3 Commitments regarding the purchase of goods and service

The Group have commitments regarding the purchase of goods and services according to memorandum of understanding and contracts for the purchase of goods and services with various companies. The prices and various trading conditions are as specified in the said memorandum and contract. and has an average period of not more than 12 months as follows:

	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Baht	29,281,234	39,779,638	29,289,298	39,779,638
Foreign currency				
United States Dollar	2,251,954	1,652,706	2,226,395	1,652,706
Euro	468,797	1,031,769	468,797	1,031,769
Pound Sterling	591,851	503,140	591,851	503,140
Yen	313,000	4,500,000	313,000	4,500,000
Yuan	5,152	-	5,152	-

13.4 Capital expenditure commitments

As at June 30, 2025 and December 31, 2024, the Company has capital expenditure obligations in the amount of Baht 0.88 million and Baht 0.05 million, respectively.

14. FINANCIAL INSTRUMENT

14.1. Fair value of financial instrument

Most of the Group financial instruments are classified as short – term or have interest rates that are closely to market rate. The Group estimates the fair value of financial instrument to be close to the book value presented in the statement of financial position.

14.2. Fair value hierarchy

As at June 30, 2025, the Group had financial assets measured at fair value shown in the fair value hierarchy as follows:

(Unit : Thousand Baht)

	Consolidated / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Other current financial assets	76,976	5,115	-	82,091
Foreign currency forward contracts	-	(217)	-	(217)

15. APPROVAL OF INTERIM FINANCIAL INFORMATION

These interim consolidated and separate financial information were authorized for issue by the Board of directors of the Company on August 13, 2025