

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018**

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying statement of financial position of Harn Engineering Solutions Public Company Limited as at March 31, 2018 and the related statement of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 10, 2018

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

ASSETS

		Thousand Baht	
		As at March	As at December
	Note	31, 2018	31, 2017
CURRENT ASSETS			
Cash and cash equivalents		26,414	41,956
Temporary investments	5	277,965	199,119
Trade and other receivables	6	284,472	274,841
Current portion of finance lease receivables	7	7,420	8,783
Unbilled receivables		7,540	11,877
Inventories	8	264,775	291,266
Other current assets		2,322	910
TOTAL CURRENT ASSETS		870,908	828,752
NON-CURRENT ASSETS			
General investment		242	242
Long-term finance lease receivables	7	9,146	10,473
Property and equipment	9	147,386	150,468
Goodwill	10	334,672	334,672
Customer relationship	11	84,408	88,082
Intangible assets	12	26,509	27,301
Other non-current assets		18,394	17,352
TOTAL NON-CURRENT ASSETS		620,757	628,590
TOTAL ASSETS		1,491,665	1,457,342

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

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT MARCH 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at March	As at December
	Note	31, 2018	31, 2017
CURRENT LIABILITIES			
Trade and other payables	13	172,060	174,475
Income tax payable		24,941	17,474
Short-term provisions		51	-
Other current liabilities		6,684	5,817
TOTAL CURRENT LIABILITIES		203,736	197,766
NON-CURRENT LIABILITIES			
Deferred tax liabilities		11,664	13,455
Employee's benefit obligations		15,341	14,898
Other non-current liabilities		17,641	16,547
TOTAL NON-CURRENT LIABILITIES		44,646	44,900
TOTAL LIABILITIES		248,382	242,666

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT MARCH 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Thousand Baht	
	As at March	As at December
Note	31, 2018	31, 2017
SHAREHOLDERS' EQUITY		
Share capital		
Authorized share capital		
584,500,000 ordinary shares of Baht 0.50 each	292,250	292,250
Issued and paid-up share capital		
584,500,000 ordinary shares of Baht 0.50 each	292,250	292,250
Premium on ordinary shares	776,416	776,416
Retained earnings		
Appropriated		
Legal reserve	20,351	20,351
Unappropriated	154,266	125,659
TOTAL SHAREHOLDERS' EQUITY	1,243,283	1,214,676
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,491,665	1,457,342

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

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

		Thousand Baht	
	Note	2018	2017
Revenues			
Revenues from sales		280,648	269,366
Revenue from rendering of services		30,011	23,436
Other income		3,701	5,033
Total revenues		<u>314,360</u>	<u>297,835</u>
Expenses			
Cost of sales		190,650	192,274
Cost of rendering of services		29,606	20,293
Selling expenses		24,718	22,563
Administrative expenses		33,758	31,677
Total expenses		<u>278,732</u>	<u>266,807</u>
Profit before income tax expenses		35,628	31,028
Income tax expenses		7,021	4,923
Profit for the period		<u>28,607</u>	<u>26,105</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u><u>28,607</u></u>	<u><u>26,105</u></u>
Earnings per share	15		
Basic earnings per share (Baht per share)		<u>0.05</u>	<u>0.04</u>
Weighted average number of ordinary shares (thousand shares)		<u>584,500</u>	<u>584,500</u>

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

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

	Thousand Baht				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
Note			Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2017	292,250	776,416	13,867	55,106	1,137,639
Total comprehensive income for the period	-	-	-	26,105	26,105
Ending balance as at March 31, 2017	<u>292,250</u>	<u>776,416</u>	<u>13,867</u>	<u>81,211</u>	<u>1,163,744</u>
Beginning balance as at January 1, 2018	292,250	776,416	20,351	125,659	1,214,676
Total comprehensive income for the period	-	-	-	28,607	28,607
Ending balance as at March 31, 2018	<u>292,250</u>	<u>776,416</u>	<u>20,351</u>	<u>154,266</u>	<u>1,243,283</u>

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

	Baht	
	2018	2017
Cash flows from operating activities		
Profit for the period	28,607	26,105
Adjustment to reconcile profit (loss) for the period to net cash provided by (used in) operating activities :		
Allowance for doubtful account (reversal)	949	(792)
Depreciation and amortization	4,003	3,899
Amortization of customer relationship	3,674	3,674
Loss on devaluation of inventories	1,838	1,459
(Gain) loss on disposals of fixed assets	283	-
Unrealized (gain) loss on exchange rate	477	(1,465)
(Gain) loss on disposals of investment	(52)	(1,170)
Unrealized (gain) loss on revaluation of temporary investments	(793)	813
Interest income	(3)	(5)
Employee's benefit expenses	443	413
Income tax expense	7,021	4,923
Profit from operating before changes in operating assets and liabilities	46,447	37,854
(Increase) decrease in operating assets		
Trade and other receivables	(10,580)	26,592
Finance lease receivables	2,690	1,455
Unbilled receivables	4,337	(2,868)
Inventories	23,625	(25,872)
Other current assets	(1,412)	210
Other non-current assets	(1,043)	(790)
Increase (decrease) in operating liabilities		
Trade and other payables	842	27,765
Short-term provisions	51	-
Other current liabilities	867	(33)
Employee's benefit obligations	-	(1,901)
Other non-current liabilities	1,094	687
Cash received (paid) from operating	66,918	63,099
Income tax paid	(1,345)	(538)
Net cash provided by (used in) operating activities	65,573	62,561

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

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HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

	Baht	
	2018	2017
Cash flows from investing activities		
Cash receipts from redemption of temporary investments	45,000	149,127
Cash payments for purchase of temporary investments	(123,000)	(221,285)
Cash receipts from disposal of equipment	1,492	-
Cash payments for purchases of equipment	(1,022)	(448)
Cash payments for purchase of intangible asset	(3,588)	(672)
Interest received	3	5
Net cash provided by (used in) investing activities	<u>(81,115)</u>	<u>(73,273)</u>
Net increase (decrease) in cash and cash equivalents	(15,542)	(10,712)
Cash and cash equivalents at beginning of period	41,956	35,866
Cash and cash equivalents at end of period	<u>26,414</u>	<u>25,154</u>

Supplementally disclosures of cash flows information :

Non-Cash transaction

Liabilities incurred from acquisition of fixed assets and intangible assets

Liabilities incurred from acquisition of fixed assets

 and intangible assets as at January 1, 4,045 670

Inventories transferred to fixed asset (1,033) (107)

Add Purchases of fixed assets and intangible assets 1,908 926

Less Cash payments (4,610) (1,120)

Liabilities incurred from acquisition of

 fixed assets and intangible assets as at March 31, 310 369

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

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2018

1. GENERAL INFORMATION

(a) Legal status and address

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

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

The addresses of its registered head office are as follows:

Locate at : 19/20-22 Soi Soonvijai, Rama 9 Road, 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.

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 (revised 2017) 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, 2017.

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

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

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

The Company has adopted the revised 2017 Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. These financial reporting standards do not have any significant impact on the Company and its subsidiaries' financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company prepared the interim financial statements with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2017.

4. RELATED PARTY TRANSACTIONS

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

Types of relationship of related parties were as follows:

Company/Person name	Country/	Related	Relationship
	Nationality		
Harn Engineering Co., Ltd.	Thailand	Related company	Directorships and/or common shareholders
Mr. Jain Charnnarong	Thai	Related person	Shareholder and close member of the director's family
Mrs. Sirima Iamsakulrat	Thai	Related person	Shareholder and close member of the director's family
Key management personnel	Thai	Related person	Authorized person and responsible in management

Bases of measurement for intercompany revenues and expenses

	Pricing Policy
Purchase of goods	Market price
Purchase and sale of equipment and intangible asset	Contractually agreed prices
Other income	Contractually agreed prices
Rental and service expenses	Contractually agreed prices
Compensation to management	As approved by director and / or shareholder

Significant agreements with related parties

The Company entered into office building rental agreement as follows:

	As at March 31, 2018		
	Lessor	Period	Rate per month (Baht)
Office rental agreement	Mr. Jain Charnnarong	3 year	53,100
	Harn Engineering Co., Ltd.	3 year	498,996
Warehouse rental agreement	Mrs. Sirima Iamsakulrat	3 year	280,900

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Balances with the related parties as at March 31, 2018 and December 31, 2017 consisted of:

	Thousand Baht	
	As at March 31, 2018	As at December 31, 2017
Trade and other receivables		
Harn Engineering Co., Ltd.	2,336	2,360

Transactions for the three-month periods ended March 31, 2018 and 2017 with related parties were summarized as follows:

	Thousand Baht	
	For the three-month periods ended March 31,	
	2018	2017
Purchase of equipment		
Harn Engineering Co., Ltd.	285	-
Office rental and service expenses		
Harn Engineering Co., Ltd.	1,497	1,497
Mr. Jain Charnnarong	159	159
	1,656	1,656
Warehouse rental expenses		
Mrs. Sirima Iamsakulrat	843	843
Directors remuneration		
Directors	1,055	100
Management benefit expenses		
Shot-term employee’s benefits	2,649	3,080
Post-employment benefits	106	132
	3,810	3,312

5. TEMPORARY INVESTMENTS

Temporary investments were consisted of:

	Thousand Baht		
	As at March 31, 2018		
	Cost value As at March 31, 2018	Unrealized gain (loss) on revaluation of investments	Fair value As at March 31, 2018
Trading securities			
- Investment units	275,357	2,608	277,965
- Investments in listed securities	6	-	6
<u>Less</u> Allowance for diminution in value of investment	(6)	-	(6)
Total	275,357	2,608	277,965

	Thousand Baht		
	As at December 31, 2017		
	Cost value As at December 31, 2017	Unrealized gain (loss) on revaluation of investments	Fair value As at December 31, 2017
Trading securities			
- Investment units	197,304	1,815	199,119
- Investments in listed securities	6	-	6
<u>Less</u> Allowance for diminution in value of investment	(6)	-	(6)
Total	197,304	1,815	199,119

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables were consisted of:

	Thousand Baht	
	As at March 31, 2018	As at December 31, 2017
Trade receivable		
Trade receivables - other companies	267,176	262,887
<u>Less</u> Allowance for doubtful accounts	(5,239)	(4,290)
Net	261,937	258,597
Other receivables		
Other receivables - related parties	2,336	2,360
Other receivables - other companies	1,170	225
Accrued retentions	10,478	9,150
Deposit of inventories	2,337	1,452
Prepaid expenses	5,464	2,863
Accrued income	750	194
Total other receivables	22,535	16,244
Total trade and other receivables	284,472	274,841

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Trade receivables are classified by aging as follows:

	Thousand Baht	
	As at March 31, 2018	As at December 31, 2017
Current	196,248	184,348
Overdue		
Less than 3 months	62,336	69,660
Over 3 months up to 6 months	4,448	4,120
Over 6 months up to 12 months	319	1,065
Over 12 months	3,825	3,694
Total	267,176	262,887
<u>Less</u> Allowance for doubtful account	(5,239)	(4,290)
Trade receivables, net	<u>261,937</u>	<u>258,597</u>

7. FINANCE LEASE RECEIVABLES

Finance lease receivables were consisted of:

	Thousand Baht	
	As at March 31, 2018	As at December 31, 2017
Finance lease receivables - printing devices	16,566	19,256
<u>Less</u> Current portion	(7,420)	(8,783)
Long-term finance lease receivables	<u>9,146</u>	<u>10,473</u>

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the financial lease agreements as at March 31, 2018 and December 31, 2017, are as follows:

	Thousand Baht			
	As at March 31, 2018		As at December 31, 2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	10,816	7,420	12,280	8,783
Over 1 year but less than 5 years	12,926	9,146	14,852	10,473
	23,742	16,566	27,132	19,256
<u>Less</u> Deferred interest	(7,176)	-	(7,876)	-
	<u>16,566</u>	<u>16,566</u>	<u>19,256</u>	<u>19,256</u>

8. INVENTORIES

Inventories were consisted of :

	Thousand Baht	
	As at March 31, 2018	As at December 31, 2017
Finished goods	220,379	242,933
Goods in transit	59,647	61,746
Total	280,026	304,679
<u>Less Allowance for loss on devaluation of inventories</u>	<u>(15,251)</u>	<u>(13,413)</u>
Total	<u>264,775</u>	<u>291,266</u>

Decline in value of inventory recognized as cost of goods sold for the three-month period ended March 31, 2018 was Baht 2.01 million.

9. EQUIPMENT

Changes in the equipment for the three-month period ended March 31, 2018 were summarized as follows:

	Thousand Baht
<u>Cost</u>	
Balance as at December 31, 2017	206,360
Acquisitions during the period	1,662
Disposals and write-off during the period	(3,196)
Transfer in / (out)	-
Balance as at March 31, 2018	<u>204,826</u>
<u>Accumulated depreciation</u>	
Balance as at December 31, 2017	(55,892)
Depreciation for the period	(2,965)
Accumulated depreciation on disposals and write-off	1,417
Transfer in / (out)	-
Balance as at March 31, 2018	<u>(57,440)</u>
<u>Net book value</u>	
Balance as at December 31, 2017	<u>150,468</u>
Balance as at March 31, 2018	<u>147,386</u>

As at March 31, 2018 and December 31, 2017, the Company had equipment which were fully depreciated but still in use with the cost price of Baht 35.88 million and Baht 24.30 million, respectively.

10. GOODWILL

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

11. CUSTOMER RELATIONSHIP

Changes in customer relationship for the three-month period ended March 31, 2018 were summarized as follows:

	<u>Thousand Baht</u>
<u>At cost</u>	
Balance as at December 31, 2017	104,308
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at March 31, 2018	<u>104,308</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2017	(16,226)
Amortization for the period	(3,674)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2018	<u>(19,900)</u>
<u>Net book value</u>	
Balance as at December 31, 2017	<u>88,082</u>
Balance as at March 31, 2018	<u>84,408</u>

12. INTANGIBLE ASSETS

Changes in intangible assets for the three-month period ended March 31, 2018 were summarized as follows:

	<u>Thousand Baht</u>
<u>At cost</u>	
Balance as at December 31, 2017	36,733
Acquisitions during the period	246
Disposals and write-off during the period	-
Balance as at March 31, 2018	<u>36,979</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2017	(9,432)
Amortization for the period	(1,038)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2018	<u>(10,470)</u>
<u>Net book value</u>	
Balance as at December 31, 2017	<u>27,301</u>
Balance as at March 31, 2018	<u>26,509</u>

As at March 31, 2018 and December 31, 2017, the Company had intangible assets, which were fully amortized but still in use with the cost price of Baht 2.02 million and Baht 1.01 million, respectively.

13. TRADE AND OTHER PAYABLES

Trade and other payables were consisted of :

	Thousand Baht	
	As at March	As at December
	31, 2018	31, 2017
Trade payables		
Trade payables - other companies	114,524	109,507
Other payables		
Other payables	4,833	7,635
Accrued commission expenses	15,237	15,725
Accrued bonus	4,393	17,039
Advance from customers for goods and services	21,260	13,668
Accrued expenses	6,816	6,555
Other	4,997	4,346
Total	<u>57,536</u>	<u>64,968</u>
Total trade and other payables	<u><u>172,060</u></u>	<u><u>174,475</u></u>

14. OPERATING SEGMENT

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

The Company comprises the following main business segments:

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

For the three-month periods ended March 31, 2018 and 2017, there was no revenue from sales with a single external customers contributed 10% or more to the total revenue.

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

For the three-month periods ended March 31, 2018 and 2017, the Company has revenue from service with 1 major customer and 5 major customers in amount of Baht 10.20 million and Baht 9.00 million, respectively.

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Operating segment by business in the statement of comprehensive income for the three-month periods ended March 31, 2018 and 2017 were as follows:

	Thousand Baht									
	For the three-month period ended March 31,									
	2018					2017				
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	110,506	21,891	76,482	71,769	280,648	119,204	21,362	65,518	63,282	269,366
Revenue from rendering of services	23,414	-	-	6,597	30,011	16,552	-	25	6,859	23,436
Cost of sale of goods	(79,545)	(16,477)	(51,608)	(43,020)	(190,650)	(89,964)	(15,827)	(47,795)	(38,688)	(192,274)
Cost of rendering of services	(20,039)	-	-	(9,567)	(29,606)	(13,137)	-	(107)	(7,049)	(20,293)
Gross profit	34,336	5,414	24,874	25,779	90,403	32,655	5,535	17,641	24,404	80,235
Other income	-	-	-	-	3,701	-	-	-	-	5,033
Selling expenses	-	-	-	-	(24,718)	-	-	-	-	(22,563)
Administrative expenses	-	-	-	-	(33,758)	-	-	-	-	(31,677)
Finance cost	-	-	-	-	-	-	-	-	-	-
Profit before income tax expense	-	-	-	-	35,628	-	-	-	-	31,028
Income tax expense	-	-	-	-	(7,021)	-	-	-	-	(4,923)
Profit for the periods	-	-	-	-	28,607	-	-	-	-	26,105
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the periods	-	-	-	-	28,607	-	-	-	-	26,105

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Operating segment by business in the statement of financial position as at March 31, 2018 and December 31, 2017 were as follows:

	Financial statements (Thousand Baht)									
	As at March 31, 2018					As at December 31, 2017				
	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	118,723	29,564	71,137	47,752	267,176	118,278	19,085	70,717	54,807	262,887
Inventories	135,568	6,645	73,686	48,876	264,775	136,777	9,088	87,324	58,077	291,266
Goodwill	-	-	200,066	134,606	334,672	-	-	200,066	134,606	334,672
Customer relationship	-	-	60,970	23,438	84,408	-	-	63,624	24,458	88,082
Assets under common use										
- Equipment	-	-	-	-	147,386	-	-	-	-	150,468
- Intangible assets	-	-	-	-	26,509	-	-	-	-	27,301
- Others	-	-	-	-	366,739	-	-	-	-	302,666
Total assets for reportable segments	<u>254,291</u>	<u>36,209</u>	<u>405,859</u>	<u>254,672</u>	<u>1,491,665</u>	<u>255,055</u>	<u>28,173</u>	<u>421,731</u>	<u>271,948</u>	<u>1,457,342</u>
Total liabilities for reportable segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,666</u>

15. BASIC EARNINGS PER SHARE

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

	For the three-month periods ended	
	March 31,	
	2018	2017
Profit for the periods (Thousand Baht)	28,607	26,105
Weighted average number of ordinary shares (Thousand Shares)	584,500	584,500
Basic earnings per share (Baht per share)	0.05	0.04

16. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2018 and December 31, 2017, the Company had commitments and contingent liabilities as follows:

16.1 As at March 31, 2018 and December 31, 2017, the Company has letters of guarantee issued by banks for goods and work under system installation service agreement in the amount of Baht 18.53 million and Baht 18.78 million, respectively.

16.2 The credit facilities with financial institutions as at March 31, 2018 and December 31, 2017 consisted of:

Type of credit	Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at March 31, 2018	As at December 31, 2017	As at March 31, 2018	As at December 31, 2017
Bank overdrafts	11.00	11.00	MOR	MOR
			Fixed deposit	Fixed deposit
Letter of credit/trust receipt	160.00	160.00	MLR-1,MMR	MLR-1,MMR
Letter of guarantee	24.47	24.47	1.65 - 2%	1.65 - 2%
Forward exchange contracts	562.39	562.39		
Promissory notes	5.00	5.00	MLR	MLR
Total	762.86	762.86		
Forward foreign exchange contracts (Million US dollars)	3.00	3.00		

16.3 Minimum lease and service payments are as follows:

Payment periods	Million Baht	
	As at March 31, 2018	As at December 31, 2017
Due not later than 1 year	13.67	13.71
Due later than 1 year but not later than 5 years	9.24	12.65

Rental and service expenses for the three-month period ended March 31, 2018 and 2017 are Baht 3.51 million and Baht 3.46 million, respectively.

17. FAIR VALUE MEASUREMENT

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

Fair value hierarchy

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

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

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

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

As at March 31, 2018 and December 31, 2017, the Company had the following financial assets and liabilities that were measured at fair value on which the fair value hierarchy is classified as follows:

	Thousand Baht			
	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	277,965	-	277,965
Foreign currency forward contracts	-	(198)	-	(198)
	Thousand Baht			
	As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	199,119	-	199,119
Foreign currency forward contracts	-	(514)	-	(514)

Fair valuation techniques and inputs to Level 2 fair valuation

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

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

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

Certain financial assets and financial liabilities is measured at fair value

The following table gives information about how the fair values of these financial assets and financial liabilities are measured at fair value on fair value hierarchy as at March 31, 2018 and December 31, 2017.

Financial assets and financial liabilities	Fair value (Baht)		Fair value Hierarchy	Valuation techniques and key inputs for fair value measurement
	As at March 31, 2018	As at December 31, 2017		
<u>Financial liabilities</u>				
1. Foreign currency forward contracts	198,530	514,283	Level 2	Discounted cash flow The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

18. RECLASSIFICATIONS

Certain reclassifications have been made in the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2017 to conform to the classifications used in the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2018 as follows:

	Thousand Baht		
	For the three-month periods ended March 31, 2017		
	As previously reported	Increase (decrease)	As reclassified
Selling expenses	20,178	2,385	22,563
Administrative expenses	34,062	(2,385)	31,677

19. EVENT AFTER THE REPORTING PERIOD

On February 23, 2018, the Company’s Board of Directors No. 2/2018 passed the resolution to declare dividend at Baht 0.14 per share for 584,500,000 issued and paid up ordinary shares, in total amount of Baht 81,830,000. The dividend declaration had been approved from Annual General Shareholders’ Meeting No. 1/2018 on April 27, 2018.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on May 10, 2018.