

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REVIEW REPORT AND INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2021 and the related consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2021, changes in shareholders’ equity and cash flows for the nine-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
November 12, 2021

"UNAUDITED"

"REVIEWED"

- 2 -

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

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
Note		30, 2021	31, 2020	30, 2021	31, 2020
CURRENT ASSETS					
	Cash and cash equivalents	212,585,216	306,074,340	207,918,802	299,318,282
	Trade and other current receivables	245,214,246	250,986,608	244,355,918	250,372,389
	Current contract assets	12,756,955	12,797,613	11,263,747	12,054,033
	Short-term loans to related subsidiary	-	-	-	5,973,480
	Inventories	309,809,604	257,851,968	306,050,540	254,155,366
	Other current financial assets	34,843,671	6,957,944	34,843,671	6,957,944
	Other current assets	1,093,958	399,582	949,626	342,083
	TOTAL CURRENT ASSETS	816,303,650	835,068,055	805,382,304	829,173,577
NON-CURRENT ASSETS					
	Investment in subsidiaries	-	-	2,357,444	2,357,444
	Trade and other non-current receivables	9,676,125	11,251,986	9,676,125	11,251,986
	Long-term loans to subsidiary	-	-	6,750,760	-
	Investment property	154,106,177	154,591,332	154,106,177	154,591,332
	Property, plant and equipment	138,667,063	129,528,171	138,545,638	129,411,048
	Right-of-use assets	97,053,561	104,968,304	97,053,561	104,968,304
	Goodwill	334,672,061	334,672,061	334,672,061	334,672,061
	Customer relationship	29,969,978	40,332,654	29,969,978	40,332,654
	Intangible assets	16,854,617	18,015,510	16,854,617	18,015,510
	Deferred tax assets	7,397,088	3,843,042	7,352,940	3,826,408
	Other non-current assets	28,459,044	25,186,460	28,459,044	25,186,460
	TOTAL NON-CURRENT ASSETS	816,855,714	822,389,520	825,798,345	824,613,207
	TOTAL ASSETS	1,633,159,364	1,657,457,575	1,631,180,649	1,653,786,784

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 SEPTEMBER 30, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht				
		Consolidated financial statements		Separate financial statements		
		As at September	As at December	As at September	As at December	
Note	30, 2021	31, 2020	30, 2021	31, 2020		
CURRENT LIABILITIES						
	Trade and other current payables	4.4, 15	177,777,491	167,659,996	175,404,173	164,045,038
	Short-term loan from related party	4.4	500,000	-	-	-
	Current portion of lease liabilities	4.4, 16	8,994,266	8,918,127	8,994,266	8,918,127
	Corporate income tax payable		3,299,223	11,101,390	3,299,223	11,096,112
	Other current provisions		1,666,545	1,750,320	1,666,545	1,750,320
	Other current liabilities		2,118,934	1,644,589	2,095,099	1,644,589
	TOTAL CURRENT LIABILITIES		194,356,459	191,074,422	191,459,306	187,454,186
NON-CURRENT LIABILITIES						
	Lease liabilities	4.4, 16	89,669,346	96,052,606	89,669,346	96,052,606
	Non-current provisions for employee benefit		29,162,432	27,765,012	28,945,601	27,684,826
	Other non-current liabilities		26,219,732	24,937,360	26,219,732	24,937,360
	TOTAL NON-CURRENT LIABILITIES		145,051,510	148,754,978	144,834,679	148,674,792
	TOTAL LIABILITIES		339,407,969	339,829,400	336,293,985	336,128,978

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 SEPTEMBER 30, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
SHAREHOLDERS' EQUITY					
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		195,493,038	219,584,380	196,995,237	219,766,379
Other components of shareholders' equity		(2,582)	(453,897)	-	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF					
THE PARENT					
		1,293,381,883	1,317,021,910	1,294,886,664	1,317,657,806
Non-controlling interest					
		369,512	606,265	-	-
TOTAL SHAREHOLDERS' EQUITY					
		1,293,751,395	1,317,628,175	1,294,886,664	1,317,657,806
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		1,633,159,364	1,657,457,575	1,631,180,649	1,653,786,784

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

"UNAUDITED"

"REVIEWED"

- 5 -

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales	4.5	207,897,411	251,748,310	207,799,842	232,629,956
Revenue from rendering of services		27,262,639	35,771,011	26,080,406	33,552,468
Other income	4.5	5,785,961	3,133,433	5,594,658	3,262,094
Total revenues		<u>240,946,011</u>	<u>290,652,754</u>	<u>239,474,906</u>	<u>269,444,518</u>
Expenses					
Cost of sales		143,268,912	175,274,843	143,193,574	157,297,914
Cost of rendering of services		22,980,385	30,860,376	21,972,083	28,762,392
Distribution cost		25,071,015	25,571,992	24,548,675	25,678,529
Administrative expenses	4.5	36,334,445	36,699,978	36,025,835	36,427,067
Total expenses		<u>227,654,757</u>	<u>268,407,189</u>	<u>225,740,167</u>	<u>248,165,902</u>
Profit from operating activities		13,291,254	22,245,565	13,734,739	21,278,616
Finance cost	4.5	624,720	12,189	620,940	12,189
Profit before income tax expenses		12,666,534	22,233,376	13,113,799	21,266,427
Tax expenses		2,526,700	4,318,845	2,535,911	4,190,436
Profit for the period		<u>10,139,834</u>	<u>17,914,531</u>	<u>10,577,888</u>	<u>17,075,991</u>
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		363,596	389,981	-	-
		<u>363,596</u>	<u>389,981</u>	<u>-</u>	<u>-</u>
Other comprehensive income (expense) for the period, net of tax		363,596	389,981	-	-
Total comprehensive income for the period		<u>10,503,430</u>	<u>18,304,512</u>	<u>10,577,888</u>	<u>17,075,991</u>
Profit (loss) attributable to					
Owners of the parent		10,196,446	17,892,420	10,577,888	17,075,991
Non-controlling interest		(56,612)	22,111	-	-
		<u>10,139,834</u>	<u>17,914,531</u>	<u>10,577,888</u>	<u>17,075,991</u>
Total comprehensive income (expense) attributable to					
Owners of the parent		10,560,042	18,282,401	10,577,888	17,075,991
Non-controlling interest		(56,612)	22,111	-	-
		<u>10,503,430</u>	<u>18,304,512</u>	<u>10,577,888</u>	<u>17,075,991</u>
Basic earnings per share	19				
Profit attributable to owners of the parent		0.02	0.03	0.02	0.03
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

"UNAUDITED"

"REVIEWED"

- 6 -

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales	4.5	671,115,934	781,213,272	666,650,214	758,888,404
Revenue from rendering of services		89,166,382	103,193,240	84,954,155	100,419,846
Other income	4.5	12,656,444	13,576,641	12,939,470	13,280,712
Total revenues		<u>772,938,760</u>	<u>897,983,153</u>	<u>764,543,839</u>	<u>872,588,962</u>
Expenses					
Cost of sales		448,729,329	522,274,928	445,324,049	501,812,046
Cost of rendering of services		76,157,006	90,032,417	72,140,656	87,932,629
Distribution cost		80,030,013	81,239,094	78,521,970	80,340,747
Administrative expenses	4.5	101,770,025	105,102,666	100,724,383	104,380,612
Total expenses		<u>706,686,373</u>	<u>798,649,105</u>	<u>696,711,058</u>	<u>774,466,034</u>
Profit from operating activities		<u>66,252,387</u>	<u>99,334,048</u>	<u>67,832,781</u>	<u>98,122,928</u>
Finance cost	4.5	1,698,810	78,719	1,694,783	78,719
Profit before income tax expenses		<u>64,553,577</u>	<u>99,255,329</u>	<u>66,137,998</u>	<u>98,044,209</u>
Tax expenses		12,897,114	19,585,942	12,924,582	19,459,996
Profit for the period		<u>51,656,463</u>	<u>79,669,387</u>	<u>53,213,416</u>	<u>78,584,213</u>
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		451,315	(1,047)	-	-
		<u>451,315</u>	<u>(1,047)</u>	<u>-</u>	<u>-</u>
Other comprehensive income (expense) for the period, net of tax		<u>451,315</u>	<u>(1,047)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>52,107,778</u>	<u>79,668,340</u>	<u>53,213,416</u>	<u>78,584,213</u>
Profit (loss) attributable to					
Owners of the parent		51,893,216	79,647,276	53,213,416	78,584,213
Non-controlling interest		(236,753)	22,111	-	-
		<u>51,656,463</u>	<u>79,669,387</u>	<u>53,213,416</u>	<u>78,584,213</u>
Total comprehensive income (expense) attributable to					
Owners of the parent		52,344,531	79,646,229	53,213,416	78,584,213
Non-controlling interest		(236,753)	22,111	-	-
		<u>52,107,778</u>	<u>79,668,340</u>	<u>53,213,416</u>	<u>78,584,213</u>
Basic earnings per share	19				
Profit attributable to owners of the parent		0.09	0.14	0.09	0.13
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

"UNAUDITED"

"REVIEWED"

- 7 -

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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 Exchange differences on translating financial statements	Total equity attributable to owners of the parent	interest	shareholders' equity
			Appropriated legal reserve	Unappropriated				
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	-	-	-	79,647,276	-	79,647,276	22,111	79,669,387
Other comprehensive income (expense) for the period	-	-	-	-	(1,047)	(1,047)	-	(1,047)
Changes in non-controlling interest								
Acquisition on investment in subsidiary	-	-	-	-	-	-	700,000	700,000
Ending balance as at September 30, 2020	292,250,000	776,416,427	29,225,000	198,262,318	(54,711)	1,296,099,034	722,111	1,296,821,145
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	-	-	-	51,893,216	-	51,893,216	(236,753)	51,656,463
Other comprehensive income for the period	-	-	-	-	451,315	451,315	-	451,315
Ending balance as at September 30, 2021	292,250,000	776,416,427	29,225,000	195,493,038	(2,582)	1,293,381,883	369,512	1,293,751,395

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

"UNAUDITED"

"REVIEWED"

- 8 -

HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	-	-	-	78,584,213	78,584,213
	Other comprehensive income for the period	-	-	-	-	-
	Ending balance as at September 30, 2020	292,250,000	776,416,427	29,225,000	198,171,351	1,296,062,778
	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	-	-	-	53,213,416	53,213,416
	Other comprehensive income for the period	-	-	-	-	-
	Ending balance as at September 30, 2021	292,250,000	776,416,427	29,225,000	196,995,237	1,294,886,664

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

"UNAUDITED"

"REVIEWED"

- 9 -

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the period	51,656,463	79,669,387	53,213,416	78,584,213
Adjustment to reconcile profit for the period to net cash provided by (used in) operating activities :				
Bad debt and expected credit losses (reversal)	5,004,446	6,233,636	5,003,612	6,232,071
Depreciation and amortization	22,174,236	13,290,380	22,153,613	13,281,866
Amortization of customer relationship	10,362,676	11,186,027	10,362,676	11,186,027
Loss on devaluation of inventories (reversal)	(867,706)	2,102,310	(867,706)	2,102,310
(Gain) loss on disposals of equipment and right-of-use assets	186,082	1,202,320	186,082	1,202,320
Unrealized (gain) loss on exchange rate	(1,905,308)	(108,348)	(2,175,516)	(54,176)
(Gain) loss on disposals of investment	-	(3,380,909)	-	(3,380,909)
Unrealized (gain) loss on revaluation of other current financial assets	(1,793,075)	5,032,953	(1,793,075)	5,032,953
Loss on impairment of equipments (reversal)	(50,654)	-	(50,654)	-
Interest income	(117,038)	(835,944)	(412,957)	(1,051,361)
Employee's benefit expenses	2,061,420	1,963,794	1,924,775	1,928,235
Finance cost	1,698,810	78,719	1,694,783	78,719
Tax expense	12,897,114	19,585,942	12,924,582	19,459,996
Profit from operating before changes in operating assets and liabilities	101,307,466	136,020,267	102,163,631	134,602,264
(Increase) decrease in operating assets				
Trade and other current receivables	2,583,291	45,907,173	2,510,850	46,627,480
Current contract assets	40,743	(1,937,552)	791,949	(1,132,891)
Inventories	(54,286,614)	16,981,531	(54,224,152)	16,761,882
Other current assets	(694,375)	(80,911)	(607,543)	(353,237)
Other non-current assets	(3,428,584)	(1,337,812)	(3,272,584)	(1,337,812)

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities				
Trade and other current payables	8,397,204	(44,157,094)	9,774,217	(35,482,076)
Other current provisions	(83,775)	113,135	(83,775)	113,135
Other current liabilities	474,346	467,360	450,511	454,328
Non-current provisions for employee benefit	(664,000)	(400,000)	(664,000)	(400,000)
Other non-current liabilities	1,282,372	1,522,508	1,282,372	1,522,508
Cash generated from operating	54,928,074	153,098,605	58,121,476	161,375,581
Income tax paid	(24,253,282)	(39,446,811)	(24,248,003)	(39,433,901)
Net cash provided by operating activities	30,674,792	113,651,794	33,873,473	121,941,680
Cash flows from investing activities				
Cash payments for purchases of other current financial assets	(26,092,652)	-	(26,092,652)	-
Cash receipts from redemption of other current financial assets	-	116,885,007	-	116,885,007
Cash payments for short-term loans	-	-	-	(6,352,000)
Cash payment for acquisition of investment in subsidiary	-	-	-	(1,300,000)
Cash payments for purchases of equipment	(13,513,838)	(6,391,299)	(13,494,819)	(6,332,729)
Cash receipts from disposal of equipment	105,191	214,451	105,191	214,451
Cash payments for purchases of intangible assets	(1,850,440)	(763,437)	(1,850,440)	(763,437)
Interest received	117,038	421,495	489,225	421,495
Net cash provided by (used in) investing activities	(41,234,701)	110,366,217	(40,843,495)	102,772,787
Cash flows from financing activities				
Cash payments for lease liabilities	(8,444,900)	(597,870)	(8,444,900)	(597,870)
Cash receipt from short-term loans	500,000	-	-	-
Cash receipts from investments in subsidiary of non-controlling interest	-	700,000	-	-
Dividend paid	(75,984,558)	(105,209,568)	(75,984,558)	(105,209,568)
Net cash used in financing activities	(83,929,458)	(105,107,438)	(84,429,458)	(105,807,438)

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net increase (decrease) in cash and cash equivalents	(94,489,367)	118,910,573	(91,399,480)	118,907,029
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	1,000,243	72,692	-	-
Cash and cash equivalents at end of period	<u>212,585,216</u>	<u>246,082,986</u>	<u>207,918,802</u>	<u>239,030,710</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)	(2,398,259)	(3,196,684)	(2,398,259)
Fixed assets transferred to expense	(519,581)	-	(519,581)	-
<u>Add</u> Purchases of equipment and intangible assets	22,063,635	11,637,957	22,044,616	11,579,387
<u>Less</u> Cash payments	(15,364,278)	(7,154,736)	(15,345,259)	(7,096,166)
Liabilities incurred from acquisition of fixed assets and intangible assets - ending of period	<u>3,613,609</u>	<u>2,560,242</u>	<u>3,613,609</u>	<u>2,560,242</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
SEPTEMBER 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:

5th 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 September 30, 2021	As at December 31, 2020	
Direct shareholding				
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

“UNAUDITED”

“REVIEWED”

- 16 -

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

	As at September 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 September 30, 2021 and December 31, 2020 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Trade and other current receivables				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	238,320	295,908
Aiyaraharn Co., Ltd.	-	-	-	57,933
Related company				
Harn Engineering Co., Ltd.	1,747,319	1,845,458	1,747,319	1,845,458
Nutrix Plc.	9,823	15,716	9,823	15,716
Jannopsiri Co., Ltd.	279	118,342	279	118,342
	<u>1,757,421</u>	<u>1,979,516</u>	<u>1,995,741</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 nine-month period ended September 30, 2021 and for the year ended December 31, 2020 were as follows:

	Separate financial statements			
	For the nine-month periods ended September 30, 2021		For the year ended December 31, 2020	
	USD	Baht	USD	Baht
Harn Vietnam Co., Ltd.				
Beginning balance	200,000	5,973,480	-	-
Addition	-	-	200,000	6,352,000
Deduction	-	-	-	-
Conversion of unrealized on exchange rate	-	777,280	-	(378,520)
Ending balance	<u>200,000</u>	<u>6,750,760</u>	<u>200,000</u>	<u>5,973,480</u>

“UNAUDITED”

“REVIEWED”

- 17 -

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 September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Trade and other current payables				
Subsidiary				
Aiyaraharn Co., Ltd.	-	-	78,000	-
Related company				
Aiyarafun Co., Ltd.	4,028	-	-	-
	<u>4,028</u>	<u>-</u>	<u>78,000</u>	<u>-</u>
Lease liabilities				
Related company				
Phraboriban Co., Ltd.	1,510,562	2,013,542	1,510,562	2,013,542
Jansopsiri Co., Ltd.	96,303,719	102,425,395	96,303,719	102,425,395
	<u>97,814,281</u>	<u>104,438,937</u>	<u>97,814,281</u>	<u>104,438,937</u>

Short-term loans from related parties

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

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

As at September 30, 2021, short-term loan represented the promissory notes from related parties has 3 months maturity, bearing 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 December 23, 2021.

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

	Baht			
	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2021	2020	2021	2020
Sale of goods				
Related companies				
Nutrix Plc.	12,240	-	27,420	81,888
Jannopsiri Co., Ltd.	4,950	40,205	19,130	40,205
	<u>17,190</u>	<u>40,205</u>	<u>46,550</u>	<u>122,093</u>
Other income				
Related company				
Phraboriban Co., Ltd.	-	28,137	-	28,137
Jannopsiri Co., Ltd.	20,250	-	33,750	-
	<u>20,250</u>	<u>28,137</u>	<u>33,750</u>	<u>28,137</u>
Office rental and service expenses				
Related companies				
Harn Engineering Co., Ltd.	-	1,241,748	292,105	3,725,244
Phraboriban Co., Ltd.	-	195,490	-	1,368,430
Related person				
Mr. Jain Charnnarong	-	159,300	-	477,900
	<u>-</u>	<u>1,596,538</u>	<u>292,105</u>	<u>5,571,574</u>
Interest expenses				
Related companies				
Phraboriban Co., Ltd.	22,280	12,189	73,740	78,719
Jannopsiri Co., Ltd.	587,591	-	1,593,304	-
Aiyarafun Co., Ltd.	3,781	-	4,028	-
	<u>613,652</u>	<u>12,189</u>	<u>1,671,072</u>	<u>78,719</u>
Directors remuneration				
Directors remuneration	805,000	785,000	2,523,167	2,735,000
Management benefit expenses				
Shot-term employee’s benefits	2,408,442	2,667,966	7,821,626	8,655,094
Post-employment benefits	81,225	80,100	242,895	233,040
	<u>3,294,667</u>	<u>3,533,066</u>	<u>10,587,688</u>	<u>11,623,134</u>

“UNAUDITED”

“REVIEWED”

- 19 -

	Baht			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2021	2020	2021	2020
Sale of goods				
Subsidiary				
Harn Vietnam Co., Ltd.	-	-	-	200,796
Aiyaraharn Co., Ltd.	-	-	74,940	-
Related companies				
Nutrix Plc.	12,240	-	27,420	81,888
Jannopsiri Co., Ltd.	4,950	40,205	19,130	40,205
	<u>17,190</u>	<u>40,205</u>	<u>121,490</u>	<u>322,889</u>
Other income				
Subsidiaries				
Harn Vietnam Co., Ltd.	106,192	100,526	298,528	215,417
Aiyaraharn Co., Ltd.	153,000	50,000	459,000	50,000
Related company				
Phraboriban Co., Ltd.	-	28,137	-	28,137
Jannopsiri Co., Ltd.	20,250	-	33,750	-
	<u>279,442</u>	<u>178,663</u>	<u>791,278</u>	<u>293,554</u>
Office rental and service expenses				
Related companies				
Harn Engineering Co., Ltd.	-	1,241,748	292,105	3,725,244
Phraboriban Co., Ltd.	-	195,490	-	1,368,430
Related person				
Mr. Jain Charnnarong	-	159,300	-	477,900
	<u>-</u>	<u>1,596,538</u>	<u>292,105</u>	<u>5,571,574</u>
Interest expenses				
Related company				
Phraboriban Co., Ltd.	22,280	12,189	73,740	78,719
Jannopsiri Co., Ltd.	587,591	-	1,593,304	-
	<u>609,871</u>	<u>12,189</u>	<u>1,667,044</u>	<u>78,719</u>
Directors remuneration				
Directors remuneration	805,000	785,000	2,523,167	2,735,000
Management benefit expenses				
Shot-term employee's benefits	2,228,442	2,667,966	7,281,626	8,655,094
Post-employment benefits	80,475	80,100	240,495	233,040
	<u>3,113,917</u>	<u>3,533,066</u>	<u>10,045,288</u>	<u>11,623,134</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 September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Trade receivable				
Trade receivables - subsidiaries	-	-	18,680	-
Trade receivables - related parties	10,101	134,058	10,101	134,058
Trade receivables - other companies	222,689,362	218,158,000	222,325,026	217,783,212
Total trade receivable	222,699,463	218,292,058	222,353,807	217,917,270
<u>Less</u> Allowance for expected credit losses	(16,502,517)	(11,455,792)	(16,501,752)	(11,454,371)
Net	206,196,946	206,836,266	205,852,055	206,462,899
Other receivables				
Other receivables - subsidiaries	-	-	219,640	328,841
Other receivables - related parties	1,747,319	1,845,458	1,747,319	1,845,458
Other receivables - other companies	2,774,221	3,585,280	2,551,038	3,540,280
Accrued retentions	15,848,140	15,104,338	15,812,910	15,104,338
Deposit	4,634,276	6,557,432	4,574,207	6,550,384
Prepaid expenses	5,309,956	5,151,224	4,895,361	4,784,669
Accrued income	1,498,591	3,802,728	1,498,591	3,651,638
Total other receivables	31,812,503	36,046,460	31,299,066	35,805,608
Lease receivables				
Lease receivables - printing devices	16,895,259	19,412,311	16,895,259	19,412,311
<u>Less</u> Allowance for doubtful account	(14,337)	(56,443)	(14,337)	(56,443)
Total	16,880,922	19,355,868	16,880,922	19,355,868
<u>Less</u> due between over 1 year	(9,676,125)	(11,251,986)	(9,676,125)	(11,251,986)
Net	7,204,797	8,103,882	7,204,797	8,103,882
Total trade and other current receivables - net	245,214,246	250,986,608	244,355,918	250,372,389

“UNAUDITED”

“REVIEWED”

- 21 -

Trade receivables are classified by aging as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Current	140,217,002	141,009,078	139,871,346	140,815,378
Overdue				
Less than 3 months	54,901,677	55,102,089	54,901,677	54,921,001
Over 3 months up to 6 months	11,389,466	14,096,467	11,389,466	14,096,467
Over 6 months up to 12 months	4,209,203	4,670,478	4,209,203	4,670,478
Over 12 months	11,982,115	3,413,946	11,982,115	3,413,946
Total	222,699,463	218,292,058	222,353,807	217,917,270
<u>Less</u> Allowance for expected credit losses	<u>(16,502,517)</u>	<u>(11,455,792)</u>	<u>(16,501,752)</u>	<u>(11,454,371)</u>
Trade receivables, net	<u>206,196,946</u>	<u>206,836,266</u>	<u>205,852,055</u>	<u>206,462,899</u>

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

	Baht			
	Consolidated financial statements / Separate financial statements			
	As at September 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	10,124,406	7,204,797	10,978,046	8,103,882
Over 1 year but less than 5 years	14,188,996	9,676,125	15,127,108	11,251,986
	24,313,402	16,880,922	26,105,154	19,355,868
<u>Less</u> Deferred interest	<u>(7,432,480)</u>	<u>-</u>	<u>(6,749,286)</u>	<u>-</u>
	<u>16,880,922</u>	<u>16,880,922</u>	<u>19,355,868</u>	<u>19,355,868</u>

6. INVENTORIES

Inventories were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Finished goods	313,289,083	247,098,155	310,770,800	245,120,206
Goods in transit	25,719,858	40,820,856	24,479,077	39,102,203
Total	339,008,941	287,919,011	335,249,877	284,222,409
<u>Less</u> Allowance for loss on devaluation of inventories	<u>(29,199,337)</u>	<u>(30,067,043)</u>	<u>(29,199,337)</u>	<u>(30,067,043)</u>
Net	<u>309,809,604</u>	<u>257,851,968</u>	<u>306,050,540</u>	<u>254,155,366</u>

Decline in value of inventory (reversal) recognized as cost of goods sold for the three-month and nine-month periods ended September 30, 2021 were Baht 0.12 million and Baht 0.87 million, respectively (for the Company’s only amounting to Baht 0.12 million and Baht 0.87 million, respectively).

7. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets were consisted of:

	Baht		
	Consolidated financial statements / Separate financial statements		
	As at September 30, 2021		
	Cost value	Unrealized gain (loss) on revaluation of investments	Fair value
Investment in debt instruments			
- Investment in unit trusts	35,717,906	(874,235)	34,843,671
Total	35,717,906	(874,235)	34,843,671

	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
Total	9,625,255	(2,667,311)	6,957,944

8. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries	Paid-up capital	Baht			
		Percentage of shareholding (%)		Separate financial statements	
		Cost method			
		As at September 30, 2021	As at December 30, 2020	As at September 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
Total				2,357,444	2,357,444

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 expending the business for further growth.

9. INVESTMENT PROPERTY

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

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial statements</u>
<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 September 30, 2021	<u>155,934,839</u>
<u>Accumulated depreciation</u>	
Balance as at December 31, 2020	(1,343,507)
Depreciation for the period	(485,155)
Accumulated depreciation on disposals and write-off	-
Balance as at September 30, 2021	<u>(1,828,662)</u>
<u>Net book value</u>	
Balance as at December 31, 2020	<u>154,591,332</u>
Balance as at September 30, 2021	<u>154,106,177</u>

For the three-month and nine-month periods ended September 30, 2021 and 2020, the Company and its subsidiary had rental income from investment property in the amount of Baht 1.38 million and Baht 0.88 million and Baht 3.02 million and Baht 5.22 million, respectively (for the Company’s only amounting to Baht 1.38 million and Baht 0.88 million and Bath 3.02 million and Bath 5.22 million, respectively) and operating expenses in the amount of Baht 0.45 million and Baht 0.24 million and Baht 1.28 million and Baht 1.31 million, respectively (for the Company’s only amounting to Baht 0.45 million and Baht 0.24 million and Baht 1.28 million and Baht 1.31 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 nine-month period ended September 30, 2021 were summarized as follows:

	Baht	
	Consolidated financial Statements	Separate financial Statements
<u>Cost</u>		
Balance as at December 31, 2020	196,776,306	196,647,030
Acquisitions during the period	19,533,654	19,514,635
Disposals and write-off during the period	(5,885,226)	(5,885,226)
Reclassification	(30,280)	(30,280)
Exchange difference on transactions financial statements	8,238	-
Balance as at September 30, 2021	<u>210,402,692</u>	<u>210,246,159</u>
<u>Accumulated depreciation</u>		
Balance as at December 31, 2020	(67,197,481)	(67,185,328)
Depreciation for the period	(10,129,770)	(10,109,146)
Accumulated depreciation on disposals and write-off	5,593,953	5,593,953
Exchange difference on transactions financial statements	(2,331)	-
Balance as at September 30, 2021	<u>(71,735,629)</u>	<u>(71,700,521)</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 September 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 September 30, 2021	<u>138,667,063</u>	<u>138,545,638</u>

As at September 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 34.56 million and Baht 36.52 million, respectively, (for the Company’s only amounting of Bah 34.56 million and Baht 36.52 million, respectively).

11. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets related to fixed asset and the movement for the nine-month period ended September 30, 2021 are presented below.

	Baht
	Consolidated financial statements / Separate financial statements
Cost	
As at December 31, 2020	105,099,557
Addition	442,996
Written-off	-
As at September 30, 2021	<u>105,542,553</u>
Accumulated depreciation	
As at December 31, 2020	(131,253)
Depreciation for the period	(8,357,739)
Depreciation - written-off	-
As at September 30, 2021	<u>(8,488,992)</u>
Net book value	
As at December 31, 2020	<u>104,968,304</u>
As at September 30, 2021	<u>97,053,561</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 nine-month period ended September 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 September 30, 2021	<u>104,307,663</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2020	(63,975,009)
Amortization for the period	(10,362,676)
Accumulated amortization on disposals and write-off	-
Balance as at September 30, 2021	<u>(74,337,685)</u>
<u>Net book value</u>	
Balance as at December 31, 2020	<u>40,332,654</u>
Balance as at September 30, 2021	<u>29,969,978</u>

14. INTANGIBLE ASSETS

Changes in intangible assets for the nine-month period ended September 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	39,901,355
Acquisitions during the period	2,010,400
Disposals and write-off during the period	-
Reclassification	30,280
Balance as at September 30, 2021	<u>41,942,035</u>

“UNAUDITED”

“REVIEWED”

- 27 -

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial Statements</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2020	(21,885,845)
Amortization for the period	(3,201,573)
Accumulated amortization on disposals and write-off	-
Balance as at September 30, 2021	<u>(25,087,418)</u>
<u>Net book value</u>	
Balance as at December 31, 2020	<u>18,015,510</u>
Balance as at September 30, 2021	<u>16,854,617</u>

As at September 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 :

	<u>Baht</u>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at September 30, 2021</u>	<u>As at December 31, 2020</u>	<u>As at September 30, 2021</u>	<u>As at December 31, 2020</u>
Trade payables				
Trade payables - other companies	97,845,245	93,625,735	96,209,134	90,604,594
Other current payables				
Accrued commission expenses	12,324,746	13,891,115	12,324,746	13,891,115
Accrued bonus	9,772,680	13,957,340	9,772,680	13,849,556
Advance from customers for goods and services	33,193,294	20,832,788	32,533,205	20,533,687
Other accrued expenses	16,253,631	14,228,808	16,148,065	14,105,711
Account payable - Revenue department	1,232,534	4,330,726	1,189,534	4,266,891
Other deposit	1,244,220	1,094,940	1,322,220	1,094,940
Other	5,911,141	5,698,544	5,904,589	5,698,544
Total	<u>79,932,246</u>	<u>74,034,261</u>	<u>79,195,039</u>	<u>73,440,444</u>
Total trade and other current payables	<u>177,777,491</u>	<u>167,659,996</u>	<u>175,404,173</u>	<u>164,045,038</u>

16. LEASE LIABILITIES

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

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2020	104,970,733	104,970,733
Addition	442,996	442,996
Accretion of interest	1,694,783	1,694,783
Payments	(8,444,900)	(8,444,900)
Decrease from contract cancellation	-	-
As at September 30, 2021	98,663,612	98,663,612
<u>Less: current portion</u>	<u>(8,994,266)</u>	<u>(8,994,266)</u>
Lease liabilities - net of current portion	<u>89,669,346</u>	<u>89,669,346</u>

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

	Baht			
	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2021	2020	2021	2020
Depreciation of right-of-use assets	2,799,879	78,184	8,357,739	547,288
Interest expense on lease liabilities	620,940	12,189	1,694,783	78,719
Expense relating to short-term lease.	-	765,871	380,522	6,421,505
Leases of low-value assets	52,905	23,663	210,368	150,863
Total	<u>3,473,724</u>	<u>879,907</u>	<u>10,643,412</u>	<u>7,198,375</u>

	Baht			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2021	2020	2021	2020
Depreciation of right-of-use assets	2,799,879	78,184	8,357,739	547,288
Interest expense on lease liabilities	620,940	12,189	1,694,783	78,719
Expense relating to short-term lease.	-	748,230	380,522	6,269,985
Leases of low-value assets	45,039	23,663	187,917	150,863
Total	<u>3,465,858</u>	<u>862,266</u>	<u>10,620,961</u>	<u>7,046,855</u>

For the three-month and nine-month periods ended September 30, 2021 and 2020, the Company and its subsidiaries had rental income from investment property in the amount of Baht 2,880,004 and Baht 874,945 and Baht 9,035,820 and Baht 7,170,239, respectively (for the Company’s only amounting to Baht 2,872,139 and Baht 857,304 and Baht 9,013,369 and Baht 7,018,719, 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

“UNAUDITED”

“REVIEWED”

- 31 -

Thousand Baht										
Separate financial statements										
	For the three-month period ended September 30, 2021					For the three-month period ended September 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	78,762	10,679	47,378	70,981	207,800	98,608	17,380	47,978	68,665	232,631
Revenue from rendering of services	16,191	-	-	9,889	26,080	24,155	-	-	9,397	33,552
Cost of sale of goods	(58,642)	(7,980)	(33,410)	(43,162)	(143,194)	(70,575)	(12,379)	(33,489)	(40,856)	(157,299)
Cost of rendering of services	(13,787)	-	-	(8,184)	(21,971)	(21,013)	-	-	(7,749)	(28,762)
Gross profit	<u>22,524</u>	<u>2,699</u>	<u>13,968</u>	<u>29,524</u>	<u>68,715</u>	<u>31,175</u>	<u>5,001</u>	<u>14,489</u>	<u>29,457</u>	<u>80,122</u>
Other income					5,594					3,262
Distribution cost					(24,549)					(25,679)
Administrative expenses					(36,025)					(36,427)
Profit from operation					13,735					21,278
Finance cost					(621)					(12)
Tax expense					(2,537)					(4,190)
Profit for the periods					10,577					17,076
Other comprehensive income					-					-
Total comprehensive income for the periods					<u>10,577</u>					<u>17,076</u>

Thousand Baht										
Separate financial statements										
	For the nine-month period ended September 30, 2021					For the nine-month period ended September 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	261,544	34,360	143,008	227,738	666,650	339,268	47,950	157,601	214,069	758,888
Revenue from rendering of services	55,377	-	-	29,577	84,954	70,959	-	-	29,461	100,420
Cost of sale of goods	(185,253)	(24,211)	(99,917)	(135,943)	(445,324)	(240,839)	(33,089)	(106,893)	(120,991)	(501,812)
Cost of rendering of services	(47,191)	-	-	(24,949)	(72,140)	(63,696)	-	-	(24,236)	(87,932)
Gross profit	<u>84,477</u>	<u>10,149</u>	<u>43,091</u>	<u>96,423</u>	<u>234,140</u>	<u>105,692</u>	<u>14,861</u>	<u>50,708</u>	<u>98,303</u>	<u>269,564</u>
Other income					12,939					13,281
Distribution cost					(78,522)					(80,341)
Administrative expenses					(100,724)					(104,381)
Profit from operation					67,833					98,123
Finance cost					(1,695)					(79)
Tax expense					(12,925)					(19,460)
Profit for the periods					53,213					78,584
Other comprehensive income					-					-
Total comprehensive income for the periods					<u>53,213</u>					<u>78,584</u>

Operating segment by business in the statement of financial position as at September 30, 2021 and December 31, 2020 were as follows:

		Thousand Baht											
		Consolidated financial statements											
		As at September 30, 2021						As at December 31, 2020					
		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total
Assets for reportable segments													
Trade receivables - other													
companies		104,830	13,576	45,274	58,655	364	222,699	119,907	16,737	35,533	46,115	-	218,292
Inventories		158,721	4,581	69,535	76,798	175	309,810	127,853	6,282	58,918	64,799	-	257,852
Goodwill		-	-	200,066	134,606	-	334,672	-	-	200,066	134,606	-	334,672
Customer relationship		-	-	21,781	8,189	-	29,970	-	-	29,318	11,015	-	40,333
Assets under common use													
- Investment property		-	-	-	-	-	154,106	-	-	-	-	-	154,591
- Property, plant and equipment		-	-	-	-	-	138,667	-	-	-	-	-	129,528
- Right-of-use assets		-	-	-	-	-	97,054	-	-	-	-	-	104,968
- Intangible assets		-	-	-	-	-	16,855	-	-	-	-	-	18,016
- Others		-	-	-	-	-	329,326	-	-	-	-	-	399,206
Total assets for reportable segments		263,551	18,157	336,656	278,248	539	1,633,159	247,760	23,019	323,835	256,535	-	1,657,458
Total liabilities for reportable segments		-	-	-	-	-	339,408	-	-	-	-	-	339,829
		Thousand Baht											
		Separate financial statements											
		As at September 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		104,830	13,576	45,274	58,674	222,354	119,907	16,737	35,533	45,741	217,918		
Inventories		158,721	4,581	69,535	73,214	306,051	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		-	-	21,781	8,189	29,970	-	-	29,318	11,015	40,333		
Assets under common use													
- Investment property		-	-	-	-	154,106	-	-	-	-	154,591		
- Property, plant and equipment		-	-	-	-	138,546	-	-	-	-	129,411		
- Right-of-use assets		-	-	-	-	97,054	-	-	-	-	104,968		
- Intangible assets		-	-	-	-	16,855	-	-	-	-	18,016		
- Others		-	-	-	-	331,573	-	-	-	-	399,723		
Total assets for reportable segments		263,551	18,157	336,656	274,683	1,631,181	247,760	23,019	323,835	252,465	1,653,788		
Total liabilities for reportable segments		-	-	-	-	336,294	-	-	-	-	336,129		

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 nine-month periods ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Profit for the periods of percent company (Baht)	10,196,446	17,892,420	51,893,216	79,647,276
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)	0.02	0.03	0.09	0.14

	Separate financial Statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Profit for the periods of percent company (Baht)	10,577,888	17,075,991	53,213,416	78,584,213
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)	0.02	0.03	0.09	0.13

20. COMMITMENTS AND CONTINGENT LIABILITIES

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

20.1 As at September 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 September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Million Bath	26.61	21.04	26.61	21.04
Million US dollars	0.15	0.27	0.15	0.27

20.2 The credit facilities with financial institutions as at September 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 September	As at December	As at September	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	<u>794.00</u>	<u>794.00</u>		
Forward foreign exchange contracts (Million US dollars)	<u>7.00</u>	<u>7.00</u>		

20.3 Minimum lease and service payments are as follows :

Payment periods	Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Due not later than 1 year	0.56	0.84	0.53	0.81
Due later than 1 year but not later than 5 years	1.16	1.38	1.16	1.37

Rental and service expenses for the nine-month period ended September 30, 2021 and 2020 were Baht 0.87 million and Baht 8.88 million, respectively (for the Company’s only to Baht 0.84 million and Baht 8.68 million, respectively)

20.4 Commitment on capital expenditure

20.4.1 As at September 30, 2021 the Company has commitment to pay under computer equipment and access control system for office building contract totaled Baht 13.89 million. The Company has an outstanding commitment under the agreement amounted Baht 5.93 million.

20.4.2 As at September 30, 2021 the Company has commitment to pay under furniture and fixtures purchase contract totaled Baht 2.18 million. The Company has an outstanding commitment under the agreement amounted Baht 0.86 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 September 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 September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	34,843,671	-	34,843,671
Foreign currency forward contracts	-	527,795	-	527,795

	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 September 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 September 30, 2021	As at December 31, 2020		
Financial assets (liabilities)				
Foreign currency forward contracts	527,795	(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.

“UNAUDITED”

“REVIEWED”

- 36 -

22. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on November 12, 2021.