

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

---

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

## **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 subsidiaries as at March 31, 2022 and the related consolidated statement of comprehensive income, changes in shareholders’ equity and cash flows for the three-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  
May 13, 2022

**"UNAUDITED"**

**"REVIEWED"**

- 2 -

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
Note		31, 2022	31, 2021	31, 2022	31, 2021
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	250,397,020	242,830,421	245,761,530	237,687,826
	Trade and other current receivables	4.4, 5 270,802,550	255,438,587	269,632,613	253,139,212
	Current contract assets	4.4 15,353,364	10,215,840	12,843,843	8,316,793
	Inventories	6 360,026,236	328,295,971	357,838,827	325,990,471
	Other current financial assets	7 46,115,896	39,614,195	46,115,896	39,614,195
	Other current assets	754,226	1,306,314	683,309	1,113,274
	<b>TOTAL CURRENT ASSETS</b>	<b>943,449,292</b>	<b>877,701,328</b>	<b>932,876,018</b>	<b>865,861,771</b>
<b>NON-CURRENT ASSETS</b>					
	Investment in subsidiaries	8 -	-	2,357,444	2,357,444
	Trade and other non-current receivables	5 9,291,133	9,182,927	9,291,133	9,182,927
	Long-term loans to subsidiary	4.4 -	-	6,627,860	6,649,380
	Investment property	9 153,844,652	153,942,681	153,844,652	153,942,681
	Property, plant and equipment	10 133,341,120	135,775,492	133,225,903	135,659,285
	Right-of-use assets	11 91,453,803	94,253,682	91,453,803	94,253,682
	Goodwill	12 334,672,061	334,672,061	334,672,061	334,672,061
	Customer relationship	13 23,061,527	26,477,794	23,061,527	26,477,794
	Intangible assets	14 14,834,680	15,985,010	14,834,680	15,985,010
	Deferred tax assets	10,249,740	9,425,953	10,207,208	9,389,839
	Other non-current assets	4.4 29,105,059	28,306,373	28,950,643	28,306,373
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>799,853,775</b>	<b>808,021,973</b>	<b>808,526,914</b>	<b>816,876,476</b>
	<b>TOTAL ASSETS</b>	<b>1,743,303,067</b>	<b>1,685,723,301</b>	<b>1,741,402,932</b>	<b>1,682,738,247</b>

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

**"UNAUDITED"**

**"REVIEWED"**

- 3 -

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2022**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
	Note	31, 2022	31, 2021	31, 2022	31, 2021
<b>CURRENT LIABILITIES</b>					
Trade and other current payables	4.4, 15	241,332,176	203,950,149	239,879,725	202,279,112
Current portion of lease liabilities	4.4, 16	9,117,758	9,055,775	9,117,758	9,055,775
Short-term loan from related party	4.4	500,000	500,000	-	-
Corporate income tax payable		13,105,853	8,703,941	13,105,853	8,574,701
Other current provisions		1,937,764	2,097,485	1,937,764	2,097,485
Other current liabilities		1,534,673	1,410,913	1,495,352	1,410,913
<b>TOTAL CURRENT LIABILITIES</b>		<b>267,528,224</b>	<b>225,718,263</b>	<b>265,536,452</b>	<b>223,417,986</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	4.4, 16	85,079,360	87,382,191	85,079,360	87,382,191
Deffered tax liabilities		83,418	54,146	-	-
Non-current provisions for employee benefit		28,678,548	27,968,095	28,473,952	27,792,471
Other non-current liabilities		26,695,399	26,067,217	26,695,399	26,067,217
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>140,536,725</b>	<b>141,471,649</b>	<b>140,248,711</b>	<b>141,241,879</b>
<b>TOTAL LIABILITIES</b>		<b>408,064,949</b>	<b>367,189,912</b>	<b>405,785,163</b>	<b>364,659,865</b>

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

**"UNAUDITED"**

**"REVIEWED"**

- 4 -

**HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2022**

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

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
Note		31, 2022	31, 2021	31, 2022	31, 2021
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorized share capital					
	584,500,000 ordinary shares of Baht 0.50 each	292,250,000	292,250,000	292,250,000	292,250,000
Issued and paid-up share capital					
	584,500,000 ordinary shares of Baht 0.50 each	292,250,000	292,250,000	292,250,000	292,250,000
	Share premium on ordinary shares	776,416,427	776,416,427	776,416,427	776,416,427
	Surplus on share-based payment transaction	6,686,640	6,396,379	6,686,640	6,396,379
Retained earnings					
Appropriated					
	Legal reserve	29,225,000	29,225,000	29,225,000	29,225,000
	Unappropriated	229,809,401	213,716,829	231,039,702	213,790,576
	Other components of shareholders' equity	227,123	(38,218)	-	-
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF</b>					
<b>THE PARENT</b>					
		1,334,614,591	1,317,966,417	1,335,617,769	1,318,078,382
	Non-controlling interest	623,527	566,972	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,335,238,118</b>	<b>1,318,533,389</b>	<b>1,335,617,769</b>	<b>1,318,078,382</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,743,303,067</b>	<b>1,685,723,301</b>	<b>1,741,402,932</b>	<b>1,682,738,247</b>

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 MARCH 31, 2022**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
			(Restated)		(Restated)
Revenues					
Revenues from sales	4.5	257,081,488	233,626,851	257,010,519	230,740,560
Revenue from rendering of services	4.5	32,865,725	31,756,051	31,003,043	29,847,544
Other income	4.5	7,235,930	3,895,592	7,749,344	3,999,208
Total revenues		297,183,143	269,278,494	295,762,906	264,587,312
Expenses					
Cost of sales		184,146,945	153,281,902	184,107,004	150,676,904
Cost of rendering of services		28,635,816	27,218,246	27,417,473	25,945,485
Distribution cost		27,223,299	26,844,687	26,742,054	26,357,610
Administrative expenses	4.5	35,719,375	33,497,071	34,965,514	33,100,555
Total expenses		275,725,435	240,841,906	273,232,045	236,080,554
Profit from operating activities		21,457,708	28,436,588	22,530,861	28,506,758
Finance cost	4.5	595,451	440,255	591,752	440,255
Profit before tax expenses		20,862,257	27,996,333	21,939,109	28,066,503
Tax expenses		4,713,130	5,506,665	4,689,983	5,516,574
Profit for the period		16,149,127	22,489,668	17,249,126	22,549,929
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statement		265,341	(67,010)	-	-
		265,341	(67,010)	-	-
Other comprehensive income (expense) for the period, net of tax		265,341	(67,010)	-	-
Total comprehensive income for the period		16,414,468	22,422,658	17,249,126	22,549,929
Profit attributable to					
Owners of the parent		16,092,572	22,571,040	17,249,126	22,549,929
Non-controlling interest		56,555	(81,372)	-	-
		16,149,127	22,489,668	17,249,126	22,549,929
Total comprehensive income attributable to					
Owners of the parent		16,357,913	22,504,030	17,249,126	22,549,929
Non-controlling interest		56,555	(81,372)	-	-
		16,414,468	22,422,658	17,249,126	22,549,929
Basic earnings per share	19				
Profit attributable to owners of the parent		0.03	0.04	0.03	0.04
Weighted average number of ordinary shares (shares)		584,500,000	584,500,000	584,500,000	584,500,000

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

## HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

		Baht								
		Consolidated financial statements								
		Equity attributable to owners of the parent					Non-controlling	Total		
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on share-based payment transactions	Retained earnings		Other components of equity	Total equity attributable to owners of the parent	interest	shareholders' equity
					Appropriated legal reserve	Unappropriated	Exchange differences on translating financial statements			
Note										
	Beginning balance as at January 1, 2021									
	- as previously reported	292,250,000	776,416,427	-	29,225,000	219,584,380	(453,897)	1,317,021,910	606,265	1,317,628,175
	The cumulative effect of correction of the financial statements	-	-	3,732,848	-	(2,986,278)	-	746,570	-	746,570
	Beginning balance as at January 1, 2021 - as restated	292,250,000	776,416,427	3,732,848	29,225,000	216,598,102	(453,897)	1,317,768,480	606,265	1,318,374,745
	Employee joint investment program expenses	17	-	-	1,732,702	-	-	1,732,702	-	1,732,702
	Treasury shares	-	-	(1,093,274)	-	-	-	(1,093,274)	-	(1,093,274)
	Total comprehensive income for the period									
	Profit (loss) for the period - restated	-	-	-	-	22,571,040	-	22,571,040	(81,372)	22,489,668
	Other comprehensive income (loss) for the period	-	-	-	-	-	(67,010)	(67,010)	-	(67,010)
	Ending balance as at March 31, 2021	292,250,000	776,416,427	4,372,276	29,225,000	239,169,142	(520,907)	1,340,911,938	524,893	1,341,436,831
	Beginning balance as at January 1, 2022	292,250,000	776,416,427	6,396,379	29,225,000	213,716,829	(38,218)	1,317,966,417	566,972	1,318,533,389
	Employee joint investment program expenses	17	-	-	1,459,249	-	-	1,459,249	-	1,459,249
	Treasury shares	-	-	(1,168,988)	-	-	-	(1,168,988)	-	(1,168,988)
	Total comprehensive income for the period									
	Profit for the period	-	-	-	-	16,092,572	-	16,092,572	56,555	16,149,127
	Other comprehensive income for the period	-	-	-	-	-	265,341	265,341	-	265,341
	Ending balance as at March 31, 2022	292,250,000	776,416,427	6,686,640	29,225,000	229,809,401	227,123	1,334,614,591	623,527	1,335,238,118

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 (CONT.)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

		Baht					
		Separate financial statements					
		Issued and	Premium on	Surplus on share-based	Retained earnings		Total
		paid-up	ordinary shares	payment	Appropriated	Unappropriated	shareholders'
Note		share capital		transactions	legal reserve		equity
	Beginning balance as at January 1, 2021						
	- as previously reported	292,250,000	776,416,427	-	29,225,000	219,766,379	1,317,657,806
	The cumulative effect of the correction of the financial statements	-	-	3,732,848	-	(2,986,278)	746,570
	Beginning balance as at January 1, 2021						
	- as restated	292,250,000	776,416,427	3,732,848	29,225,000	216,780,101	1,318,404,376
	Employee joint investment program expenses	17	-	1,732,702	-	-	1,732,702
	Treasury shares	-	-	(1,093,274)	-	-	(1,093,274)
	Total comprehensive income for the period						-
	Profit for the period - restated	-	-	-	-	22,549,929	22,549,929
	Other comprehensive income for the period	-	-	-	-	-	-
	Ending balance as at March 31, 2021	<u>292,250,000</u>	<u>776,416,427</u>	<u>4,372,276</u>	<u>29,225,000</u>	<u>239,330,030</u>	<u>1,341,593,733</u>
	Beginning balance as at January 1, 2022	292,250,000	776,416,427	6,396,379	29,225,000	213,790,576	1,318,078,382
	Employee joint investment program expenses	17	-	1,459,249	-	-	1,459,249
	Treasury shares	-	-	(1,168,988)	-	-	(1,168,988)
	Total comprehensive income for the period						
	Profit for the period	-	-	-	-	17,249,126	17,249,126
	Other comprehensive income for the period	-	-	-	-	-	-
	Ending balance as at March 31, 2022	<u>292,250,000</u>	<u>776,416,427</u>	<u>6,686,640</u>	<u>29,225,000</u>	<u>231,039,702</u>	<u>1,335,617,769</u>

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**

**STATEMENT OF CASH FLOWS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(Restated)		(Restated)
Cash flows from operating activities				
Profit for the period	16,149,127	22,489,668	17,249,126	22,549,929
Adjustment to reconcile profit for the period to net cash provided by (used in) operating activities :				
Bad debt and expected credit losses (reversal)	(51,954)	167,576	(50,299)	165,055
Depreciation and amortization	7,891,389	6,765,899	7,883,408	6,759,481
Amortization of customer relationship	3,416,267	3,416,267	3,416,267	3,416,267
Loss on devaluation of inventories	348,147	336,078	348,147	336,078
Loss on disposals of equipment	84,785	22,949	84,785	22,949
Unrealized gain on exchange rate	(809,029)	(2,190,786)	(1,015,041)	(2,092,898)
Unrealized gain on revaluation of other current financial assets	(914,097)	(870,440)	(914,097)	(870,440)
Loss on impairment of equipments (reversal)	-	(50,654)	-	(50,654)
Interest income	(621)	(19,251)	(94,166)	(118,124)
Dividend income	510,700	-	510,700	-
Employee's benefit expenses	710,453	687,099	681,481	641,592
Employee Joint Investment Program expenses	1,459,249	1,732,702	1,459,249	1,732,702
Finance cost	595,451	440,255	591,752	440,255
Tax expense	4,713,130	5,506,665	4,689,983	5,516,574
Profit from operating before changes in operating assets and liabilities	34,102,997	38,434,027	34,841,295	38,448,766
(Increase) decrease in operating assets				
Trade and other current receivables	(16,408,446)	(21,842,164)	(17,855,471)	(19,870,139)
Current contract assets	(5,150,400)	(1,607,229)	(4,538,396)	(1,270,354)
Inventories	(32,093,069)	(21,177,708)	(32,211,161)	(20,253,324)
Other current assets	397,672	70,396	429,965	110,906
Other non-current assets	(566,271)	(2,956,309)	(644,271)	(2,878,309)

**"UNAUDITED"**

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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(Restated)		(Restated)	
Increase (decrease) in operating liabilities				
Trade and other current payables	40,490,463	44,303,389	40,809,305	42,115,071
Other current provisions	(159,721)	303,815	(159,721)	303,815
Other current liabilities	84,439	483,515	84,439	461,320
Non-current provisions for employee benefit	-	(664,000)	-	(664,000)
Other non-current liabilities	667,504	868,276	628,184	868,276
Cash generated from operating	21,365,168	36,216,008	21,384,168	37,372,028
Employee joint investment program expenses paid	(1,168,988)	(1,093,274)	(1,168,988)	(1,093,274)
Income tax paid	(1,105,440)	(1,049,071)	(976,200)	(1,043,792)
Net cash provided by operating activities	19,090,740	34,073,663	19,238,980	35,234,962
Cash flows from investing activities				
Cash payments for purchases of other current financial assets	(5,587,605)	-	(5,587,605)	-
Cash payments for purchases of investment property	(62,150)	-	(62,150)	-
Cash payments for purchases of equipment	(3,110,866)	(1,501,884)	(3,103,699)	(1,501,884)
Cash receipts from disposal of equipment	46,729	44,583	46,729	44,583
Cash payments for purchases of intangible assets	(523,960)	(373,500)	(523,960)	(373,500)
Interest received	621	-	387,309	394,047
Dividend received	510,700	-	510,700	-
Net cash used in investing activities	(8,726,531)	(1,830,801)	(8,332,676)	(1,436,754)
Cash flows from financing activities				
Cash payments for lease liabilities	(2,832,600)	(2,801,700)	(2,832,600)	(2,801,700)
Net cash used in financing activities	(2,832,600)	(2,801,700)	(2,832,600)	(2,801,700)

**"UNAUDITED"****"REVIEWED"**

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 THREE-MONTH PERIOD ENDED MARCH 31, 2022**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021 (Restated)	2022	2021 (Restated)
Net increase in cash and cash equivalents	7,531,609	29,441,162	8,073,704	30,996,508
Cash and cash equivalents at beginning of period	242,830,421	306,074,340	237,687,826	299,318,282
Effect of translation adjustment on foreign currency financial statements	34,990	323,038	-	-
Cash and cash equivalents at end of period	<u>250,397,020</u>	<u>335,838,540</u>	<u>245,761,530</u>	<u>330,314,790</u>
Supplementaly disclosures of cash flows information :				
Non-Cash transaction				
Liabilities incurred from acquisition of equipment and intangible assets				
Liabilities incurred from acquisition of equipment and intangible assets - beginning of period				
	3,394,300	630,517	3,394,300	630,517
Inventories transferred to equipment	(14,658)	(934,270)	(14,658)	(934,270)
Equipment transferred to expense	(4,750)	-	(4,750)	-
<u>Add</u> Purchases of equipment and intangible assets	1,483,069	2,983,494	1,475,902	2,983,494
<u>Less</u> Cash payments	(3,634,826)	(1,875,384)	(3,627,659)	(1,875,384)
Liabilities incurred from acquisition of fixed assets and intangible assets - ending of period	<u>1,223,135</u>	<u>804,357</u>	<u>1,223,135</u>	<u>804,357</u>

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**  
**MARCH 31, 2022**

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, Bangkapi, Huaykwang, Bangkok 10310, Thailand.

Subsidiaries

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

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

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

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

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

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

(b) Nature of the Company's operations

The principal business is involved in wholesaling, retailing, and repairing, renting, leasing, contracting and installation services of fire protection system and fire suppression agent, trading cold storage devices, trading, repairing and renting of printing equipment.

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

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		Country of establishment
		% of share capital		
		As at March 31, 2022	As at December 31, 2021	
<b>Direct shareholding</b>				
Harn Vietnam Co., Ltd.	Printing equipment	100.00	100.00	Vietnam
Aiyaraharn Co., Ltd.	Building-IoT Solutions	65.00	65.00	Thailand

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

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

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

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

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

2.3 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 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 practices, accounting guidance and disclosures in the notes to the financial statements and, for some standards, providing temporary reliefs or temporary exemptions to users of the standards.

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

2.4 Correction of the prior period’s financial statement

In the presentation of the financial statement for the three-month period ended March 31, 2022, the Company corrected the previous period’s statement of comprehensive income and statement of cash flows regarding the transactions recording related to the Employee Joint Investment Program (EJIP) (Note 17) in accordance with the Thai Financial Reporting Standard No. 2 Subject: Share-Based Payments. Previously, the Company recorded such transactions as expenses in profit and loss according to the amount paid in each period.

This TFRS requires the Company to recognize share-based payments to employees in its financial statements, whether the payment is in cash, other assets or equity instruments of the entity. The Company has restated the prior year’s financial statements, presented as comparative information, as though the Company had always recognized the effects of share-based payments to employees in the financial statements. The Company has restated to the transactions with effects on the consolidated statement of comprehensive income and separate statement of comprehensive income, the consolidate statement of cash flow and separate statement of cash flow as follows:

● Statement of comprehensive income

	Baht					
	Consolidated financial statements			Separate financial statements		
	For the three-month periods ended March 31, 2021			For the three-month periods ended March 31, 2021		
	Previous report	Adjustment	Restated	Previous report	Adjustment	Restated
	increase			increase		
	(decrease)			(decrease)		
<b><u>Expenses</u></b>						
Cost of rendering of services	27,134,741	83,505	27,218,246	25,861,980	83,505	25,945,485
Distribution cost	26,600,323	244,364	26,844,687	26,113,246	244,364	26,357,610
Administrative expenses	33,185,512	311,559	33,497,071	32,788,996	311,559	33,100,555
Tax expenses	5,634,550	(127,885)	5,506,665	5,644,459	(127,885)	5,516,574
<b><u>Profit attributable to</u></b>						
Owners of the parent	23,082,583	(511,543)	22,571,040	23,061,472	(511,543)	22,549,929
<b><u>Total comprehensive income</u></b>						
<b><u>attributable to</u></b>						
Owners of the parent	23,015,573	(511,543)	22,504,030	23,061,472	(511,543)	22,549,929

● Statement of cash flows

	Baht					
	Consolidated financial statements			Separate financial statements		
	For the three-month periods ended March 31, 2021			For the three-month periods ended March 31, 2021		
	Previous report	Adjustment increase (decrease)	Restated	Previous report	Adjustment increase (decrease)	Restated
<b>Cash flows from operating activities</b>						
Profit for the Period	23,001,211	(511,543)	22,489,668	23,061,472	(511,543)	22,549,929
Adjustment to reconcile profit for the period to net cash provided by (used in) operating activities:						
- Employee joint investment program expenses	-	1,732,702	1,732,702	-	1,732,702	1,732,702
- Tax expenses	5,634,550	(127,885)	5,506,665	5,644,459	(127,885)	5,516,574
Employee joint investment program expenses paid	-	(1,093,274)	(1,093,274)	-	(1,093,274)	(1,093,274)

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, 2021.

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
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

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

	As at March 31, 2022		
	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 March 31, 2022 and December 31, 2021 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Trade and other current receivables				
Subsidiaries				
Harn Vietnam Co., Ltd.	-	-	21,246	314,388
Aiyaraham Co., Ltd.	-	-	59,395	-
Related company				
Harn Engineering Co., Ltd.	1,747,319	1,747,319	1,747,319	1,747,319
Jannopsiri Co., Ltd.	-	1,006	-	1,006
	1,747,319	1,748,325	1,827,960	2,062,713
Current contract assets				
Related company				
Jannopsiti Co., Ltd.	45,937	-	-	-
	45,937	-	-	-
Rental deposit				
Related company				
Phraboriban Co., Ltd	150,000	150,000	150,000	150,000
Jannopsiti Co., Ltd.	2,000,000	2,000,000	2,000,000	2,000,000
	2,150,000	2,150,000	2,150,000	2,150,000



Loan to subsidiary

Movements of loans to subsidiary for the three-month period ended March 31, 2022 and for the year ended December 31, 2021 were as follows:

	Separate financial statements			
	For the three-month periods ended March 31, 2022		For the year ended December 31, 2021	
	USD	Baht	USD	Baht
<b>Harn Vietnam Co., Ltd.</b>				
Beginning balance	200,000	6,649,380	200,000	5,973,480
Addition	-	-	-	-
Deduction	-	-	-	-
Conversion of unrealized on exchange rate	-	(21,520)	-	675,900
Ending balance	200,000	6,627,860	200,000	6,649,380

As at March 12, 2020, the Company has loans to the subsidiary in to 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 March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Trade and other current payables				
Related company				
Aiyarafun Co., Ltd.	11,507	7,808	-	-
Subsidiary				
Aiyaraharn Co., Ltd.	-	-	78,000	78,000
	11,507	7,808	78,000	78,000
Lease liabilities				
Related company				
Phraboriban Co., Ltd.	1,163,582	1,388,259	1,163,582	1,388,259
Jansopsiri Co., Ltd.	92,299,612	94,307,684	92,299,612	94,307,684
	93,463,194	95,695,943	93,463,194	95,695,943

Short-term loans from related parties

Changes in short-term loans from related company for the three-month period ended March 31, 2022 and for the year ended December 31, 2021 were as follows:

	Baht			
	Consolidated financial statements			
	As at December	During the period		As at March
	31, 2021	Increase	Decrease	31, 2022
Aiyarafun Co., Ltd.	500,000	-	-	500,000
	500,000	-	-	500,000

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

As at March 31, 2022, 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 June 20, 2022.

4.5 Transactions with related parties for the three-month periods ended March 31, 2022 and 2021 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Revenues from sales				
Subsidiary				
Aiyaraharn Co., Ltd.	-	-	-	74,940
Related company				
Jannopsiri Co., Ltd.	-	14,180	-	14,180
Nutrix Plc.	-	6,000	-	6,000
	-	20,180	-	95,120

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Revenue from rendering of services				
Related company				
Jannopsiri Co., Ltd.	45,937	-	-	-
	<u>45,937</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other income				
Subsidiary				
Harn Vietnam Co., Ltd.	-	-	93,545	98,873
Aiyaraharn Co., Ltd.	-	-	153,000	153,000
Related company				
Jannopsiri Co., Ltd.	20,250	-	20,250	-
	<u>20,250</u>	<u>-</u>	<u>266,795</u>	<u>251,873</u>
Office rental and service expenses				
Related company				
Harn Engineering Co., Ltd.	-	292,105	-	292,105
	<u>-</u>	<u>292,105</u>	<u>-</u>	<u>292,105</u>
Interest expenses				
Related company				
Phraboriban Co., Ltd.	17,563	26,869	17,563	26,869
Jannopsiri Co., Ltd.	563,588	406,229	563,588	406,229
Aiyarafun Co., Ltd.	3,699	-	-	-
	<u>584,850</u>	<u>433,098</u>	<u>581,151</u>	<u>433,098</u>
Directors remuneration				
Directors remuneration	850,000	872,500	850,000	872,500
Management benefit expenses				
Shot-term employee’s benefits	4,553,048	4,094,168	4,193,048	3,734,168
Post-employment benefits	294,714	240,536	286,464	239,936
	<u>5,697,762</u>	<u>5,207,204</u>	<u>5,329,512</u>	<u>4,846,604</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.

“UNAUDITED”

“REVIEWED”

- 19 -

## 5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
<b>Trade receivable</b>				
Trade receivables - related parties	-	1,006	-	1,006
Trade receivables - other companies	249,627,940	235,053,496	248,986,517	233,148,403
Total	249,627,940	235,054,502	248,986,517	233,149,409
<u>Less</u> Allowance for expected credit losses	(12,569,545)	(12,640,865)	(12,567,941)	(12,635,976)
Net	237,058,395	222,413,637	236,418,576	220,513,433
<b>Other receivables</b>				
Other receivables - subsidiaries	-	-	77,669	314,388
Other receivables - related parties	1,747,319	1,747,319	1,747,319	1,747,319
Other receivables - other companies	2,671,840	1,939,926	2,621,122	1,720,078
Accrued retentions	7,597,533	9,072,015	7,488,212	8,997,247
Deposit	6,602,497	6,870,814	6,583,428	6,862,867
Prepaid expenses	6,407,455	5,054,904	6,014,099	4,643,908
Accrued income	2,476,506	1,766,779	2,441,183	1,766,779
Total other receivables	27,503,150	26,451,757	26,973,032	26,052,586
<b>Lease receivables</b>				
Lease receivables - printing devices	15,550,169	15,767,761	15,550,169	15,767,761
<u>Less</u> Allowance for doubtful account	(18,031)	(11,641)	(18,031)	(11,641)
Total	15,532,138	15,756,120	15,532,138	15,756,120
<u>Less</u> due between over 1 year	(9,291,133)	(9,182,927)	(9,291,133)	(9,182,927)
Net	6,241,005	6,573,193	6,241,005	6,573,193
Total trade and other receivables - net	270,802,550	255,438,587	269,632,613	253,139,212

Trade receivables are classified by aging as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Current	160,067,495	150,580,310	159,426,072	148,706,871
Overdue				
Less than 3 months	68,596,322	67,370,369	68,596,322	67,338,715
Over 3 months up to 6 months	7,072,880	4,114,011	7,072,880	4,114,011
Over 6 months up to 12 months	3,315,539	8,176,950	3,315,539	8,176,950
Over 12 months	10,575,704	4,812,862	10,575,704	4,812,862
Total	249,627,940	235,054,502	248,986,517	233,149,409
<u>Less</u> Allowance for expected credit losses	(12,569,545)	(12,640,865)	(12,567,941)	(12,635,976)
Trade receivables, net	237,058,395	222,413,637	236,418,576	220,513,433

**“UNAUDITED”**

**“REVIEWED”**

- 20 -

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the lease agreements as at March 31, 2022 and December 31, 2021, are as follows:

	Baht			
	Consolidated financial statements / Separate financial statements			
	As at March 31, 2022		As at December 31, 2021	
Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	
Collection period				
Within 1 year	9,718,611	6,241,005	9,575,286	6,573,193
Over 1 year but less than 5 years	13,678,291	9,291,133	13,385,234	9,182,927
	23,396,902	15,532,138	22,960,520	15,756,120
<u>Less</u> Deferred interest	(7,864,764)	-	(7,204,400)	-
	15,532,138	15,532,138	15,756,120	15,756,120

## 6. INVENTORIES

Inventories were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Finished goods	327,178,606	288,639,413	324,991,198	286,333,913
Goods in transit	67,184,881	73,645,662	67,184,880	73,645,662
Total	394,363,487	362,285,075	392,176,078	359,979,575
<u>Less</u> Allowance for loss on devaluation of inventories	(34,337,251)	(33,989,104)	(34,337,251)	(33,989,104)
Net	360,026,236	328,295,971	357,838,827	325,990,471

Decline in value of inventory recognized as cost of goods sold for the three-month period ended March 31, 2022 were Baht 0.35 million (for the Company's only amounting to Baht 0.35 million).

## 7. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets were consisted of:

	Baht		
	Consolidated financial statements / Separate financial statements		
	As at March 31, 2022		
Cost value	Unrealized gain (loss) on revaluation of investments	Fair value	
Investment in debt instruments			
- Investment in unit trusts	45,008,744	1,107,152	46,115,896
<b>Total</b>	<b>45,008,744</b>	<b>1,107,152</b>	<b>46,115,896</b>

	Baht		
	Consolidated financial statements / Separate financial statements		
	December 31, 2021		
Cost value	Unrealized gain (loss) on revaluation of investments	Fair value	
Investment in debt instruments			
- Investment in unit trusts	39,421,139	193,056	39,614,195
<b>Total</b>	<b>39,421,139</b>	<b>193,056</b>	<b>39,614,195</b>

## 8. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries	Paid-up capital	Percentage of shareholding (%)		Baht	
		As at March	As at December	Separate financial statements	
		As at March	As at December	Cost method	
		31, 2022	30, 2021	As at March	As at December
		31, 2022	30, 2021	31, 2022	30, 2021
Harn Vietnam Co., Ltd.	Vietnamese Dong 800 million	100.00	100.00	1,057,444	1,057,444
Aiyaraham Co., Ltd.	Baht 2 million	65.00	65.00	1,300,000	1,300,000
<b>Total</b>				<b>2,357,444</b>	<b>2,357,444</b>

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

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

9. INVESTMENT PROPERTY

Changes in the investment property for the three-month period ended March 31, 2022 were summarized as follows:

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial statements</u>
<u>Cost</u>	
Balance as at December 31, 2021	155,934,839
Acquisitions during the period	62,150
Disposals and write-off during the period	-
Balance as at March 31, 2022	<u>155,996,989</u>
<u>Accumulated depreciation</u>	
Balance as at December 31, 2021	(1,992,158)
Depreciation for the period	(160,179)
Accumulated depreciation on disposals and write-off	-
Balance as at March 31, 2022	<u>(2,152,337)</u>
<u>Net book value</u>	
Balance as at December 31, 2021	<u>153,942,681</u>
Balance as at March 31, 2022	<u>153,844,652</u>

For the three-month periods ended March 31, 2022 and 2021, the Company and its subsidiaries had rental income from investment property in the amount of Baht 0.94 million and Baht 1.04 million, respectively (for the Company’s only amounting to Baht 0.94 million and Bath 1.04 million, respectively) and operating expenses in the amount of Baht 0.24 million and Baht 0.19 million, respectively (for the Company’s only amounting to Baht 0.24 million and Baht 0.19 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 three-month period ended March 31, 2022 were summarized as follows:

	Baht	
	Consolidated financial Statements	Separate financial Statements
<u>Cost</u>		
Balance as at December 31, 2021	209,912,995	209,756,675
Acquisitions during the period	1,478,319	1,471,152
Disposals and write-off during the period	(849,330)	(849,330)
Exchange difference on transactions financial statements	(302)	-
Balance as at March 31, 2022	210,541,682	210,378,497
<u>Accumulated depreciation</u>		
Balance as at December 31, 2021	(74,137,503)	(74,097,390)
Depreciation for the period	(3,781,001)	(3,773,020)
Accumulated depreciation on disposals and write-off	717,816	717,816
Exchange difference on transactions financial statements	126	-
Balance as at March 31, 2022	(77,200,562)	(77,152,594)
<u>Net book value</u>		
Balance as at December 31, 2021	135,775,492	135,659,285
Balance as at March 31, 2022	133,341,120	133,225,903

As at March 31, 2022 and December 31, 2021, the Company and its subsidiaries had equipment which were fully depreciated but still in use with the cost price of Baht 34.80 million and Baht 34.68 million, respectively, (for the Company’s only amounting of Bah 34.80 million and Baht 34.68 million, respectively).



## 11. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets related to building and building improvement and the movement for the three-month period ended March 31, 2022 are presented below.

	Baht
	Consolidated financial statements / Separate financial statements
<b>Cost</b>	
As at December 31, 2021	105,542,553
Addition	-
Written-off	-
As at March 31, 2022	<u>105,542,553</u>
<b>Accumulated depreciation</b>	
As at December 31, 2021	(11,288,871)
Depreciation for the year	(2,799,879)
Depreciation - written-off	-
As at March 31, 2022	<u>(14,088,750)</u>
<b>Net book value</b>	
As at December 31, 2021	<u>94,253,682</u>
As at March 31, 2022	<u>91,453,803</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.

“UNAUDITED”

“REVIEWED”

- 25 -

### 13. CUSTOMER RELATIONSHIP

Changes in customer relationship for the three-month period ended March 31, 2022 were summarized as follows:

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial statements</u>
<u>At cost</u>	
Balance as at December 31, 2021	104,307,663
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at March 31, 2022	<u>104,307,663</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2021	(77,829,869)
Amortization for the period	(3,416,267)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2022	<u>(81,246,136)</u>
<u>Net book value</u>	
Balance as at December 31, 2021	<u>26,477,794</u>
Balance as at March 31, 2022	<u><u>23,061,527</u></u>

### 14. INTANGIBLE ASSETS

Changes in intangible assets for the three-month period ended March 31, 2022 were summarized as follows:

	<u>Baht</u>
	<u>Consolidated financial Statements / Separate financial Statements</u>
<u>At cost</u>	
Balance as at December 31, 2021	42,245,035
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at March 31, 2022	<u>42,245,035</u>
<u>Accumulated amortization</u>	
Balance as at December 31, 2021	(26,260,025)
Amortization for the period	(1,150,330)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2022	<u>(27,410,355)</u>
<u>Net book value</u>	
Balance as at December 31, 2021	<u>15,985,010</u>
Balance as at March 31, 2022	<u><u>14,834,680</u></u>

As at March 31, 2022 and December 31, 2021, the Company and its subsidiaries had intangible assets, which were fully amortized but still in use with the cost price of Baht 3.66 million and Baht 3.66 million, respectively (for the Company’s only amounting of Baht 3.66 million and Baht 3.66 million, respectively).

#### 15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Trade payables				
Trade payables - other companies	152,272,116	115,246,936	151,412,131	114,457,732
Other current payables				
Accrued commission expenses	13,259,934	13,220,166	13,259,934	13,220,166
Accrued bonus	3,455,061	10,202,941	3,455,061	10,202,941
Advance from customers for goods and services	41,539,843	35,351,729	41,090,996	35,091,043
Other accrued expenses	20,668,814	18,842,437	20,535,460	18,315,201
Account payable - Revenue department	2,593,620	2,978,290	2,507,198	2,806,379
Other deposit	1,397,349	1,244,220	1,475,349	1,322,220
Other	6,145,439	6,863,430	6,143,596	6,863,430
Total	89,060,060	88,703,213	88,467,594	87,821,380
Total trade and other current payables	<u>241,332,176</u>	<u>203,950,149</u>	<u>239,879,725</u>	<u>202,279,112</u>

#### 16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the three-month period ended March 31, 2022 are presented below.

	Baht
	Consolidated financial statement / Separate financial statements
As at December 31, 2021	96,437,966
Accretion of interest	591,752
Payments	(2,832,600)
As at March 31, 2022	94,197,118
<u>Less: current portion</u>	<u>(9,117,758)</u>
Lease liabilities - net of current portion	<u>85,079,360</u>

**“UNAUDITED”**

**“REVIEWED”**

- 27 -

The following are the amounts recognized in profit or loss for the three-month period ended March 31, 2022 and 2021 are presented below.:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation of right-of-use assets	2,799,879	2,772,192	2,799,879	2,772,192
Interest expense on lease liabilities	591,752	440,255	591,752	440,255
Expense relating to short-term lease.	-	365,552	-	365,552
Leases of low-value assets	48,103	85,506	40,177	78,339
Total	<u>3,439,734</u>	<u>3,663,505</u>	<u>3,431,808</u>	<u>3,656,338</u>

For the three-month period ended March 31, 2022 and 2021, the Company and its subsidiaries had total cash outflows for leases of Baht 2,880,703 and Baht 3,252,758 (for the Company's only amounting to Baht 2,872,777 and Baht 3,245,591), respectively.

#### 17. THE EMPLOYEE JOINT INVESTMENT PROGRAM (EJIP)

Movements of the employee joint investment program for the three-month period ended March 31, 2022 were as follows:

	Baht		
	Consolidated financial statements /		Net
	Separate financial statements		
Surplus on share-based payment transactions	(Less) Treasury shares		
Beginning balance	13,822,057	(7,425,678)	6,396,379
Movements of the period			
- Employee joint investment program expenses	1,459,249	-	1,459,249
- Employee joint investment program expenses paid	-	(1,168,988)	(1,168,988)
Ending balance	<u>15,281,306</u>	<u>(8,594,666)</u>	<u>6,686,640</u>

“UNAUDITED”

“REVIEWED”

- 28 -

The statements of comprehensive income for the three-month period ended March 31, 2022 and 2021 are as follows:

	Baht	
	Consolidated financial statements / Separate financial statements	
	2022	2021
Cost of sales	224,831	244,985
Distribution cost	510,880	643,219
Administrative expenses	723,538	844,498
	<u>1,459,249</u>	<u>1,732,702</u>

#### 18. OPERATING SEGMENT

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

The Company comprises the following main business segments:

Segment 1	Fire Protection Products and Project
Segment 2	Sanitary and Air-Conditioning System
Segment 3	Refrigeration System
Segment 4	Digital Printing System
Segment 5	Building-IoT Solutions

Operating segment by business in the consolidated statement of comprehensive income for the three-month periods ended March 31, 2022 and 2021 were as follows:

	Thousand Baht											
	Consolidated financial statements											
	For the three-month period ended March 31, 2022						For the three-month period ended March 31, 2021					
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	(Restated)					
Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Total	
Revenue from sale of goods	115,213	11,821	55,591	74,456	-	257,081	99,641	10,726	50,691	72,569	-	233,627
Revenue from rendering of services	21,985	-	-	9,180	1,701	32,866	20,255	-	-	10,179	1,322	31,756
	(88,426)	(8,098)	(41,969)	(45,654)	-	(184,147)	(67,873)	(7,482)	(35,592)	(42,335)	-	(153,282)
Cost of sale of goods	(18,830)	-	-	(8,772)	(1,034)	(28,636)	(17,280)	-	-	(8,860)	(1,078)	(27,218)
Cost of rendering of services	29,942	3,723	13,622	29,210	667	77,164	34,743	3,244	15,099	31,553	244	84,883
Other income						7,236						3,896
Distribution cost						(27,223)						(26,845)
Administrative expenses						(35,719)						(33,497)
Profit from operation						21,458						28,437
Finance cost						(596)						(440)
Tax expense						(4,713)						(5,507)
Profit for the periods						16,149						22,490
Other comprehensive income (expenses)						265						(67)
Total comprehensive income for the periods						<u>16,414</u>						<u>22,423</u>

“UNAUDITED”

“REVIEWED”

- 29 -

Operating segment by business in the statement of comprehensive income for the three-month periods ended March 31, 2022 and 2021 were as follows:

	Thousand Baht									
	Separate financial statements									
	For the three-month period ended March 31, 2022					For the three-month period ended March 31, 2021				
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Segment 1	Segment 2	Segment 3	Segment 4	Total
Revenue from sale of goods	115,212	11,820	55,591	74,387	257,010	99,716	10,726	50,691	69,607	230,740
Revenue from rendering of services	21,985	-	-	9,018	31,003	20,255	-	-	9,592	29,847
Cost of sale of goods	(88,434)	(8,098)	(41,968)	(45,607)	(184,107)	(67,941)	(7,482)	(35,591)	(39,663)	(150,677)
Cost of rendering of services	29,933	3,722	13,623	29,211	76,489	34,750	3,244	15,100	30,871	83,965
Other income					7,749					3,999
Distribution cost					(26,742)					(26,358)
Administrative expenses					(34,965)					(33,100)
Profit from operation					22,531					28,506
Finance cost					(592)					(440)
Income tax expense					(4,690)					(5,516)
Profit for the periods					17,249					22,550
Other comprehensive income					-					-
Total comprehensive income for the periods					17,249					22,550

Operating segment by business in the statement of financial position as at March 31, 2022 and December 31, 2021 were as follows:

	Thousand Baht											
	Consolidated financial statements											
	As at March 31, 2022						As at December 31, 2021					
	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	134,595	13,683	47,715	53,033	601	249,627	122,386	16,377	45,003	51,288	-	235,054
Inventories	185,895	9,686	87,833	76,466	146	360,026	183,577	4,063	66,656	73,795	205	328,296
Goodwill	-	-	200,066	134,606	-	334,672	-	-	200,066	134,606	-	334,672
Customer relationship	-	-	16,757	6,305	-	23,062	-	-	19,242	7,236	-	26,478
Assets under common use												
- Investment property	-	-	-	-	-	153,845	-	-	-	-	-	153,943
- Property, plant and equipment	-	-	-	-	-	133,341	-	-	-	-	-	135,775
- Right-of-use assets	-	-	-	-	-	91,454	-	-	-	-	-	94,254
- Intangible assets	-	-	-	-	-	14,835	-	-	-	-	-	15,985
- Others	-	-	-	-	-	382,441	-	-	-	-	-	361,266
Total assets for reportable segments	320,490	23,369	352,371	270,410	747	1,743,303	305,963	20,440	330,967	266,925	205	1,685,723
Total liabilities for reportable segments	-	-	-	-	-	408,065	-	-	-	-	-	367,190

Thousand Baht										
Separate financial statements										
	As at March 31, 2022					As at December 31, 2021				
	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	134,595	13,683	47,715	52,993	248,986	122,385	16,377	45,003	49,383	233,148
Inventories	185,895	9,686	87,833	74,425	357,839	183,577	4,063	66,655	71,695	325,990
Goodwill	-	-	200,066	134,606	334,672	-	-	200,066	134,606	334,672
Customer relationship	-	-	16,757	6,305	23,062	-	-	19,242	7,236	26,478
Assets under common use										
- Investment property	-	-	-	-	153,845	-	-	-	-	153,943
- Property, plant and equipment	-	-	-	-	133,226	-	-	-	-	135,659
- Right-of-use assets	-	-	-	-	91,454	-	-	-	-	94,254
- Intangible assets	-	-	-	-	14,835	-	-	-	-	15,985
- Others	-	-	-	-	383,484	-	-	-	-	362,609
Total assets for reportable segments	<u>320,490</u>	<u>23,369</u>	<u>352,371</u>	<u>268,329</u>	<u>1,741,403</u>	<u>305,962</u>	<u>20,440</u>	<u>330,966</u>	<u>262,920</u>	<u>1,682,738</u>
Total liabilities for reportable segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,660</u>

## 19. BASIC EARNINGS PER SHARE

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

	Consolidated financial statements		Separate financial Statements	
	For the three-month periods ended		For the three-month periods ended	
	March 31,		March 31,	
	2022	2021	2022	2021
		(Restated)		(Restated)
Profit for the periods of parent company (Baht)	16,092,572	22,571,040	17,249,126	22,549,929
Weighted average number of ordinary shares (Shares)	584,500,000	584,500,000	584,500,000	584,500,000
Basic earnings per share (Baht per share)	0.03	0.04	0.03	0.04

## 20. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2022 and December 31, 2021, the Company and its subsidiaries had commitments and contingent liabilities as follows:

20.1 As at March 31, 2022 and December 31, 2021, 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 March	As at December	As at March	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Million Bath	25.61	32.90	25.61	32.90
Million US dollars	0.12	0.15	0.12	0.15

20.2 The credit facilities with financial institutions as at March 31, 2022 and December 31, 2021 consisted of :

Type of credit	Consolidated financial statements / Separate financial statements			
	Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Bank overdrafts	9.00	10.00	MOR, MOR-0.50	MOR, MOR-0.50
Letter of credit/trust receipt	120.00	150.00	MLR-1,MMR	MLR-1,MMR
Letter of guarantee	74.00	74.00	1.25 - 2%	1.25 - 2%
Forward exchange contracts	410.00	560.00	-	-
<b>Total</b>	<b>613.00</b>	<b>794.00</b>		
Forward foreign exchange contracts (Million US dollars)	7.00	7.00		

20.3 Minimum lease and service payments are as follows :

Payment periods	Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As at December 31, 2021
Due not later than 1 year	0.51	0.53	0.50	0.52
Due later than 1 year but not later than 5 years	0.92	1.04	0.92	1.04

Rental and service expenses for the three-month period ended March 31, 2022 and 2021 were Baht 0.17 million and Baht 0.53 million, respectively (for the Company’s only to Baht 0.15 million and Baht 0.52 million, respectively)

20.4 Commitment on capital expenditure

20.4.1 As at March 31, 2022 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 3.00 million.

20.4.2 As at March 31, 2022 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 0.42 million

20.5 Litigation

As at 31 March 2022, the Group has a legal case for a total claimed amount of Baht 11.01 million (The Company only: Baht 11.01 million) which is currently being considered by the Civil Court. The management of the Company believes that the outcome of this case will not have significant effect to the Company. As such, the Company has not set aside any amount of provision in the financial statements.



## 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 March 31, 2022 and December 31, 2021, 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 March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	46,115,896	-	46,115,896
Foreign currency forward contracts	-	(279,555)	-	(279,555)

  

	Baht			
	Consolidated financial statements/Separate financial statement			
	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) measured at fair value				
Investments in investment units	-	39,614,195	-	39,614,195
Foreign currency forward contracts	-	(16,713)	-	(16,713)

### 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 foreign currency forward contracts has been determined by using a 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.

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

22. EVENTS AFTER THE REPORTING PERIOD

According to the resolution of the Annual General Meeting of Shareholders No. 1/2022 on April 25, 2022 the shareholders approved dividend payment at Baht 0.10 per share for the issued and paid up ordinary shares of 584,500,000 shares, in total amount of Baht 58,450,000.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on May 13, 2022.