

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF
INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2019

Independent Auditor’s Report on Review of Interim Financial Information

To the Shareholders and the Board of Directors of Getabec Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Getabec Public Company Limited and its subsidiaries, and of Getabec Public Company Limited, respectively as at March 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders’ equity and consolidated and separate statements of cash flows for the three-month period ended March 31, 2019, and the condensed notes to interim financial statements (“ Interim financial information ”). 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”.

Emphasis of Matters

I draw attention according to Note 25.4 to the interim financial statement, as at March 31, 2019 the Company has contingent liability on the fine from the delay of Baht 9.88 million, since the Company is unable to deliver the products to the counterparties as the schedule in the agreements. At present, these are under negotiation. The Management of the Company believes that there will be no significant losses incurred for the fine from the delay exceeding the amount recorded liability on contract delay in the financial statements. My conclusion is not modified in respect of these matters.

(Vichai Ruchitanont)

Certified Public Accountant

Registration Number 4054

ANS Audit Company Limited

Bangkok, May 7, 2019

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
ASSETS					
Current assets					
	Cash and cash equivalents	149,833,783.52	109,661,873.91	135,577,504.42	97,906,673.73
4, 5	Trade and other current receivables - net	190,372,544.61	162,902,858.51	186,582,027.87	159,935,222.86
6	Unbilled works in progress	123,174,808.83	157,820,091.14	123,174,808.83	157,820,091.14
7	Inventories - net	93,985,024.35	93,932,928.58	93,013,341.05	94,445,050.22
	Total current assets	<u>557,366,161.31</u>	<u>524,317,752.14</u>	<u>538,347,682.17</u>	<u>510,107,037.95</u>
Non-current assets					
4, 8	Deposits at financial institutions pledged as collateral	35,291,867.41	35,291,867.41	35,291,867.41	35,291,867.41
9	Investments in subsidiary companies - cost	-	-	51,741,290.00	51,741,290.00
10	Property, plant and equipment - net	219,165,908.49	222,474,202.49	199,396,828.15	202,337,742.79
11	Land held for future projects	10,500,000.00	10,500,000.00	12,600,000.00	12,600,000.00
12	Intangible assets - net	22,310,822.11	23,306,967.69	22,310,822.11	23,306,967.69
	Withholding tax refundable	17,421,549.60	25,874,754.30	15,902,974.53	24,276,569.40
	Retentions	1,951,257.50	1,371,007.50	1,951,257.50	1,371,007.50
13	Deferred tax assets	10,654,377.54	10,892,801.46	10,349,443.94	10,587,867.86
	Other non-current assets	1,985,379.67	1,859,601.57	1,486,458.01	1,286,458.01
	Total non-current assets	<u>319,281,162.32</u>	<u>331,571,202.42</u>	<u>351,030,941.65</u>	<u>362,799,770.66</u>
	Total assets	<u><u>876,647,323.63</u></u>	<u><u>855,888,954.56</u></u>	<u><u>889,378,623.82</u></u>	<u><u>872,906,808.61</u></u>

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		Unit : Baht				
		Consolidated financial statements		Separate financial statements		
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"	
Notes		"REVIEWED"		"REVIEWED"		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
	Bank overdrafts and short-term loans from financial institutions	4, 14	27,079,859.68	26,330,170.23	27,079,859.68	26,330,170.23
	Trade and other current payables	4, 15	101,121,570.23	161,764,328.37	104,223,950.43	163,344,701.59
	Short-term loans from subsidiary	4	-	-	48,590,000.00	43,590,000.00
	Current portion of liabilities under financial lease agreements	16	2,132,903.18	2,221,025.31	2,132,903.18	2,221,025.31
	Current portion of long-term loans from financial institution	17	3,050,580.00	3,454,470.00	3,050,580.00	3,454,470.00
	Advance received from customers	6	90,730,514.55	11,826,582.30	83,461,714.55	9,911,816.30
	Liability on contract delay	6	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
	Total current liabilities		227,115,427.64	208,596,576.21	271,539,007.84	251,852,183.43
Non-current liabilities						
	Liabilities under financial lease agreement - net	16	3,702,802.36	3,523,362.26	3,702,802.36	3,523,362.26
	Long-term loan from financial institution - net	17	4,798,000.00	5,455,000.00	4,798,000.00	5,455,000.00
	Other non-current payables		11,691,090.00	11,691,090.00	11,691,090.00	11,691,090.00
	Long-term loans from subsidiary	4	-	-	5,000,000.00	10,000,000.00
	Non-current provisions for employee benefit	18	19,209,581.00	18,510,069.00	19,209,581.00	18,510,069.00
	Total non-current liabilities		39,401,473.36	39,179,521.26	44,401,473.36	49,179,521.26
	Total liabilities		266,516,901.00	247,776,097.47	315,940,481.20	301,031,704.69
Shareholders' equity						
Authorized share capital						
	Common share 960,000,000 shares, Baht 0.25 par value		240,000,000.00	240,000,000.00	240,000,000.00	240,000,000.00
Issued and paid-up share capital						
	Common share 960,000,000 shares, Baht 0.25 par value		240,000,000.00	240,000,000.00	240,000,000.00	240,000,000.00
	Discount from purchasing of investment in subsidiaries - net	9	19,386,435.03	19,386,435.03	-	-
	Premium on share capital - net		203,361,677.38	203,361,677.38	203,361,677.38	203,361,677.38
Retained earnings						
	Appropriated - legal reserve	19	20,740,000.00	20,660,000.00	20,740,000.00	20,660,000.00
	Unappropriated		125,652,415.03	123,772,921.22	107,659,819.78	106,176,781.08
	Other components of shareholders' equity		988,381.34	930,307.56	1,676,645.46	1,676,645.46
	Total equity attributable to equity holders of the Company		610,128,908.78	608,111,341.19	573,438,142.62	571,875,103.92
	Non-controlling interests		1,513.85	1,515.90	-	-
	Total shareholders' equity		610,130,422.63	608,112,857.09	573,438,142.62	571,875,103.92
	Total liabilities and shareholders' equity		876,647,323.63	855,888,954.56	889,378,623.82	872,906,808.61

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
	3, 24				
Revenue from contract work	4, 21	138,595,396.62	244,826,907.42	138,053,406.20	243,488,181.43
Revenue from services	4, 21	42,393,407.33	48,114,872.39	40,911,129.05	47,943,217.04
Cost of contract work	4	(120,278,412.45)	(237,729,311.29)	(120,357,040.41)	(237,282,986.99)
Cost of services	4	(30,878,010.79)	(32,061,912.77)	(30,770,356.08)	(32,474,142.91)
Gross profit		29,832,380.71	23,150,555.75	27,837,138.76	21,674,268.57
Other income	4, 21	2,397,331.10	2,645,966.05	2,488,321.46	3,272,995.82
Profit before expenses		32,229,711.81	25,796,521.80	30,325,460.22	24,947,264.39
Selling expenses		(15,828,890.14)	(14,452,217.74)	(15,785,177.38)	(11,201,805.97)
Administrative expenses	4	(13,532,137.87)	(14,224,022.83)	(11,269,343.29)	(12,503,723.23)
Profit (loss) before financial costs and tax revenue (expense)		2,868,683.80	(2,879,718.77)	3,270,939.55	1,241,735.19
Financial costs	4	(456,561.91)	(1,467,317.80)	(1,255,270.72)	(2,222,496.01)
Profit (loss) before tax revenue (expense)		2,412,121.89	(4,347,036.57)	2,015,668.83	(980,760.82)
Tax revenue (expense)	20	(452,630.13)	336,033.14	(452,630.13)	305,029.84
Profit (loss) for the periods		1,959,491.76	(4,011,003.43)	1,563,038.70	(675,730.98)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses		-	(549,447.00)	-	(641,979.00)
Income tax on other comprehensive income relating to items that will not be reclassified		-	109,889.40	-	128,395.80
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		58,073.78	(4,272.54)	-	-
Other comprehensive loss for the periods		58,073.78	(443,830.14)	-	(513,583.20)
Total comprehensive income (loss) for the the periods		2,017,565.54	(4,454,833.57)	1,563,038.70	(1,189,314.18)
Profit (loss) attributable to :					
Equity holders of the parent		1,959,493.81	(4,010,975.63)	1,563,038.70	(675,730.98)
Non-controlling interests		(2.05)	(27.80)	-	-
		1,959,491.76	(4,011,003.43)	1,563,038.70	(675,730.98)
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		2,017,567.59	(4,454,805.77)	1,563,038.70	(1,189,314.18)
Non-controlling interests		(2.05)	(27.80)	-	-
		2,017,565.54	(4,454,833.57)	1,563,038.70	(1,189,314.18)
Earnings (loss) per share					
Basic Earnings (loss) per share					
Basic Earnings (loss) per share (Baht)		0.0020	(0.0042)	0.0016	(0.0007)
Weighted average number of common shares (share)		960,000,000	960,000,000	960,000,000	960,000,000

.....Director
 (Mr.Suchat Mongkhonripong)

.....Director
 (Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

Unit : Baht

Consolidated financial statements											
Notes	Share capital Issued and paid - up	Premium on share capital	Discount from purchasing of investment in subsidiary	Retained earnings		Other components of equity		Total other components of equity	Total holders' equity of the Company	Non-controlling interests	Total shareholders' equity
				Appropriated -		Other comprehensive Income (Loss)					
				legal reserve	Unappropriated	Actuarial gain (loss)	Currency translation				
Balance at January 1, 2019	240,000,000.00	203,361,677.38	19,386,435.03	20,660,000.00	123,772,921.22	1,853,346.49	(923,038.93)	930,307.56	608,111,341.19	1,515.90	608,112,857.09
Changes in shareholders' equity for the periods :											
Legal reserve	19	-	-	80,000.00	(80,000.00)	-	-	-	-	-	-
Total comprehensive income (loss) for the periods		-	-	-	1,959,493.81	-	58,073.78	58,073.78	2,017,567.59	(2.05)	2,017,565.54
Balance as at March 31, 2019	<u>240,000,000.00</u>	<u>203,361,677.38</u>	<u>19,386,435.03</u>	<u>20,740,000.00</u>	<u>125,652,415.03</u>	<u>1,853,346.49</u>	<u>(864,965.15)</u>	<u>988,381.34</u>	<u>610,128,908.78</u>	<u>1,513.85</u>	<u>610,130,422.63</u>
Balance at January 1, 2018	240,000,000.00	203,361,677.38	19,386,435.03	20,500,000.00	154,782,405.02	(2,017,416.57)	(906,452.21)	(2,923,868.78)	635,106,648.65	1,562.40	635,108,211.05
Changes in shareholders' equity for the periods :											
Total comprehensive loss for the periods		-	-	-	(4,450,533.23)	-	(4,272.54)	(4,272.54)	(4,454,805.77)	(27.80)	(4,454,833.57)
Balance as at March 31, 2018	<u>240,000,000.00</u>	<u>203,361,677.38</u>	<u>19,386,435.03</u>	<u>20,500,000.00</u>	<u>150,331,871.79</u>	<u>(2,017,416.57)</u>	<u>(910,724.75)</u>	<u>(2,928,141.32)</u>	<u>630,651,842.88</u>	<u>1,534.60</u>	<u>630,653,377.48</u>

.....Director
 (Mr.Suchat Mongkhonaripong)

.....Director
 (Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

"REVIEWED"

		Unit: Baht					
		Separate financial statements					
Notes	Share capital Issued and paid - up	Premium on share capital	Retained earnings		Other components of equity		Total
			Appropriated - legal reserve	Unappropriated	Other comprehensive Income (Loss) Actuarial gain (loss)		
	Balance at January 1, 2019	240,000,000.00	203,361,677.38	20,660,000.00	106,176,781.08	1,676,645.46	571,875,103.92
	Changes in shareholders' equity for the periods :						
	Legal reserve	-	-	80,000.00	(80,000.00)	-	-
	Total comprehensive income for the periods	-	-	-	1,563,038.70	-	1,563,038.70
	Balance as at March 31, 2019	240,000,000.00	203,361,677.38	20,740,000.00	107,659,819.78	1,676,645.46	573,438,142.62
	Balance at January 1, 2018	240,000,000.00	203,361,677.38	20,500,000.00	134,746,405.47	(2,120,092.00)	596,487,990.85
	Changes in shareholders' equity for the periods :						
	Total comprehensive loss for the periods	-	-	-	(675,730.98)	(513,583.20)	(1,189,314.18)
	Balance as at March 31, 2018	240,000,000.00	203,361,677.38	20,500,000.00	134,070,674.49	(2,633,675.20)	595,298,676.67

.....Director

(Mr.Suchat Mongkhonaripong)

.....Director

(Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities:				
Profit (loss) before income tax expense	2,412,121.89	(4,347,036.57)	2,015,668.83	(980,760.82)
Adjustments to reconcile profit to net cash provided by (used in)				
operating activities:				
Depreciation and amortization	6,819,628.70	6,573,970.89	6,452,249.34	6,073,702.58
Allowance for doubtful accounts (Reversal)	(1,853,441.09)	1,471,014.04	(1,853,441.09)	1,471,014.04
Profit on disposal of assets	-	(514,061.43)	-	(495,560.64)
Non-current provisions for employee benefit	1,017,259.00	1,146,414.00	1,017,259.00	1,057,125.00
Liability from product warranty (Reversal)	(86,961.39)	768,657.55	(86,961.39)	702,930.06
Interest income	(110,962.91)	(122,466.29)	(81,953.27)	(134,917.27)
Finance costs	456,561.91	1,467,317.80	1,255,270.72	2,222,496.01
Gain from operating activities before changes in				
operating assets and liabilities	8,654,206.11	6,443,809.99	8,718,092.14	9,916,028.96
Changes in operating assets - (increase) decrease :				
Trade and other current receivables	(20,019,296.50)	28,192,441.47	(19,957,260.09)	34,475,265.89
Unbilled works in progress	34,645,282.31	18,049,874.69	34,645,282.31	11,651,530.01
Inventories	(52,095.77)	13,974,079.24	1,431,709.17	14,272,777.82
Retentions	(580,250.00)	(144,365.00)	(580,250.00)	(144,365.00)
Other non-current assets	(125,778.10)	(300,817.20)	(200,000.00)	35,000.00
Changes in operating liabilities - increase (decrease) :				
Trade and other current payables	(61,316,641.43)	(46,214,231.15)	(59,832,498.58)	(42,018,418.82)
Advance received from customers	78,903,932.25	51,091,754.60	73,549,898.25	51,091,754.60
Cash provided by operating activities	40,109,358.87	71,092,546.64	37,774,973.20	79,279,573.46
Payment for employee benefit obligations	(317,747.00)	(348,770.00)	(317,747.00)	(348,770.00)
Income tax paid	(4,968,356.77)	(6,754,097.32)	(4,968,356.77)	(6,623,698.02)
Refund of income tax	8,453,204.70	-	8,373,594.87	-
Net cash provided by operating activities	43,276,459.80	63,989,679.32	40,862,464.30	72,307,105.44

.....Director
 (Mr.Suchat Mongkhonripong)

.....Director
 (Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities:				
Payment for acquisition of fixed assets	(1,800,429.12)	(17,605,951.16)	(1,800,429.12)	(17,605,951.16)
Payment for acquisition of intangible assets	-	(153,987.53)	-	(153,987.53)
Proceeds from sales of fixed assets	-	558,275.70	-	496,775.70
Interest income received	29,009.64	8,644.91	-	-
Net cash used in investing activities	(1,771,419.48)	(17,193,018.08)	(1,800,429.12)	(17,263,162.99)
Cash flows from financing activities:				
Decrease (Increase) in bank overdrafts and short-term loans				
from financial institutions	749,689.45	(44,411,038.49)	749,689.45	(40,341,364.23)
Decrease in short-term loan from subsidiary - net	-	-	-	(11,010,000.00)
Repayment of long-term loan from financial institutions	(1,060,890.00)	(2,028,583.16)	(1,060,890.00)	(2,028,583.16)
Repayment of liabilities under financial leases agreements	(623,442.03)	(586,210.75)	(623,442.03)	(586,210.75)
Finance costs paid	(456,561.91)	(1,493,139.97)	(456,561.91)	(1,426,337.39)
Net cash used in financing activities	(1,391,204.49)	(48,518,972.37)	(1,391,204.49)	(55,392,495.53)
Difference from currency translation of financial statements	58,073.78	(4,272.54)	-	-
Net increase (decrease) in cash and cash equivalents	40,171,909.61	(1,726,583.67)	37,670,830.69	(348,553.08)
Cash and cash equivalents at beginning of the periods	109,661,873.91	177,681,000.45	97,906,673.73	160,006,667.65
Cash and cash equivalents at end of the periods	149,833,783.52	175,954,416.78	135,577,504.42	159,658,114.57

Supplemental cash flow information:

Non-cash transactions:

Increase of assets under financial leases agreements	714,760.00	-	714,760.00	-
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.....Director
 (Mr.Suchat Mongkhonaripong)

.....Director
 (Mr.Chalard Na ranong)

GETABEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

Getabec Public Company Limited (“The Company”) was incorporated as a limited company under Thai law on July 13, 1983. On September 18, 2015, the entity changed its name to Getabec Public Company Limited and registered as a public company limited with the Ministry of Commerce. Its office is located at 335/7, Srinakharin Road, Nongborn, Pravej, Bangkok. The Company has nine branches throughout Thailand.

The Company is principally engaged in the manufacture and distribution of steam boilers and hot water boilers including boiler installation and repair.

Mongkhonaripong Group is a major shareholder, holding 75% of the paid up share capital of the Company.

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For convenience only, for the readers not conversant with the Thai language, an English version of the interim financial statements has been provided by translating from the Thai version of the interim financial statements.

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2018. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2018.

There is no change in the structure of the Group during the current period.

New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised below

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers. However, such change in accounting policy has no material impacts on the financial statements of the Company and its subsidiaries.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at agreed prices on the basis determined by the Company and the related parties concerned. The Company and its related parties were as follows:

<u>Name</u>	<u>Nature of business</u>	<u>Nature of relationships</u>
<u>Subsidiaries</u>		
German-Thai Boiler Engineering Cooperation Co.,Ltd	Temporarily halted main business operation and then leased its land and building to the parent company	99.99 % holding of interest
Getabec International Co.,Ltd	Sale of steam boilers including boiler installation and repair	99.99 % holding of interest
Getabec Vietnam Co.,Ltd	Sale of steam boilers including boiler installation	100.00 % holding of interest
<u>Related companies</u>		
Getabec Holding Co.,Ltd	Office rental service	Common major shareholders
F7 rent Co.,Ltd	Property rental service	Common major shareholders and directors

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Significant transactions for the three-month periods ended March 31, 2019 and 2018 with related parties were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing Policy	2019	2018	2019	2018
<u>Revenue</u>					
Revenue from contract work	Cost plus margin	-	-	215,990.58	690,579.33
Revenue from services	Cost plus margin	-	-	187,331.50	-
<u>Other income</u>					
Management income	Mutually agreed	-	-	120,000.00	660,000.00
<u>Cost</u>					
Purchase of spare parts and cost of services	Cost plus margin	-	-	-	7,720,081.87
<u>Expenses</u>					
Financial costs	1.00-7.12% P.A.	-	-	798,708.81	821,980.79
<u>Land and</u>					
Building rental	Mutually agreed	881,715.00	1,024,012.50	1,263,157.50	1,267,084.50
<u>Management compensation</u>					
- Short-term benefits		4,188,375.00	4,893,613.50	4,188,375.00	4,893,613.00
- Post-employment benefits		179,555.00	166,650.00	179,555.00	166,650.00

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Significant balances as at March 31, 2019 and December 31, 2018 with related parties were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Assets</u>				
Trade receivables	-	-	10,581,388.81	10,642,233.49
Other receivables				
- Accrued consulting fees	-	-	21,400.00	21,400.00
- Cash advances	-	-	290,306.84	290,306.84
<u>Liabilities</u>				
Trade payables	-	-	-	700,000.00
Other payables				
- Payables for purchase of assets	-	-	200,000.00	200,000.00
- Accrued interest	-	-	5,970,774.72	5,172,065.91
Accrued directors and management's benefits	1,127,000.00	3,067,375.00	1,127,000.00	3,067,375.00
Short-term loans from subsidiary	-	-	48,590,000.00	43,590,000.00
Long-term loans from subsidiary	-	-	5,000,000.00	10,000,000.00

As at March 31, 2019 and December 31, 2018, the Company has short-term loan from Getabec International Co., Ltd. Baht 38.59 million and Baht 43.59 million, respectively. which the principal payment is due within December 26, 2019, interest rate to 7.12% p.a. and as at March 31, 2019 the Company has short-term loan from German-Thai Boiler Engineering Cooperation Co., Ltd. Baht 10.00 million. which the principal payment is due within January 10, 2020, interest rate to 1.00% p.a.

As at March 31, 2019, the Company has long-term loan from Getabec International Co., Ltd. Baht 5.00 million. which the principal payment is due within April 7, 2020. The interest rate to 7.12% p.a. and as at December 31, 2018, the Company has long-term loan from German-Thai Boiler Engineering Cooperation Co., Ltd. Baht 10.00 million. which the principal payment is due within January 10, 2020. The interest rate to 1.00% p.a.

Lease agreements with subsidiaries and related parties

As at March 31, 2019 and December 31, 2018, the Company has Land and Buildings Rental Agreements with its subsidiary and related companies. Total rental charges per month are Baht 0.42 million.

Syndicated credit facilities with subsidiaries and related parties

As at March 31, 2019 and December 31, 2018, the Company had syndicated credit facilities with subsidiaries from financial institutions totaling Baht 484 million. These credit facilities are secured by the guarantee from the Company and its subsidiaries, and by pledge of fixed deposits, mortgage of land and structures and machinery of the Company and subsidiaries, mortgage of land of a director, and the guarantee by a director of the Company.

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

5. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivable - related parties	-	-	10,581,388.81	10,642,233.49
Trade receivable - others	162,688,304.42	146,981,179.85	149,685,156.49	134,708,082.64
Post Date Cheque	7,386,720.00	7,200,000.00	7,386,720.00	7,200,000.00
Total trade receivables	170,075,024.42	154,181,179.85	167,653,265.30	152,550,316.13
<u>Less</u> Allowance for doubtful account	(3,066,969.29)	(4,920,410.38)	(3,066,969.29)	(4,920,410.38)
Total trade receivables - net	167,008,055.13	149,260,769.47	164,586,296.01	147,629,905.75
Other current receivables				
Prepaid expenses	5,618,632.05	4,417,067.92	5,552,455.49	4,395,400.90
Advances for inventories	4,476,159.34	3,762,410.91	4,428,419.34	3,487,945.88
Advances for subcontract	3,362,572.00	421,900.00	3,362,572.00	421,900.00
Revenue Department receivable	6,980,860.20	2,420,694.84	6,662,836.09	2,102,278.32
Accrued consulting fee - related parties	-	-	21,400.00	21,400.00
Advances - related parties	-	-	290,306.84	290,306.84
Others	2,926,265.89	2,620,015.37	1,677,742.10	1,586,085.17
Total other current receivables	23,364,489.48	13,642,089.04	21,995,731.86	12,305,317.11
Trade and other current receivables - net	190,372,544.61	162,902,858.51	186,582,027.87	159,935,222.86

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Trade receivables can be classified by age analysis as at March 31, 2019 and December 31, 2018 as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related companies				
Within 3 months	-	-	369,000.00	5,595,260.25
Overdue 3 - 6 months	-	-	5,991,465.94	3,405,755.87
Overdue 6 - 12 months	-	-	4,220,922.87	1,641,217.37
Total	-	-	10,581,388.81	10,642,233.49
Trade receivables - others				
Current	92,247,118.10	122,815,074.59	79,243,970.17	110,541,977.38
Overdue up to 3 months	71,579,484.26	24,603,800.17	71,579,484.26	24,603,800.17
Overdue 3 - 6 months	1,535,376.09	27,820.00	1,535,376.09	27,820.00
Overdue 6 - 12 months	226,260.00	640,656.00	226,260.00	640,656.00
Overdue more than 12 months	4,486,785.97	6,093,829.09	4,486,785.97	6,093,829.09
Total	170,075,024.42	154,181,179.85	157,071,876.49	141,908,082.64
Total Trade receivables	170,075,024.42	154,181,179.85	167,653,265.30	152,550,316.13
<u>Less</u> Allowance for doubtful accounts	(3,066,969.29)	(4,920,410.38)	(3,066,969.29)	(4,920,410.38)
Net	167,008,055.13	149,260,769.47	164,586,296.01	147,629,905.75

6. UNBILLED WORKS IN PROGRESS

Unbilled works in progress as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements/Separate financial statements	
	2019	2018
Unbilled works in progress		
Gross amounts due from customer for contract work	123,174,808.83	157,820,091.14

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Additional information for the contracts of unbilled works in progress as at March 31, 2019 and December 31, 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of contracts plus realizable profit at present	425,333,978.21	926,516,093.35	425,333,978.21	926,516,093.35
Advance received from customers	90,730,514.55	11,826,582.30	83,461,714.55	9,911,816.30
Liability on contract delay	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00

7. INVENTORIES - NET

Inventories as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw material, spare parts and supplies	93,825,233.27	92,786,931.37	93,431,141.02	93,785,270.36
Work in process	2,702,140.24	4,208,421.33	2,124,549.19	3,722,203.98
Goods in transit	3,792,272.18	3,272,197.22	3,792,272.18	3,272,197.22
Total	100,319,645.69	100,267,549.92	99,347,962.39	100,779,671.56
<u>Less</u> Allowance for devalued stocks	(6,334,621.34)	(6,334,621.34)	(6,334,621.34)	(6,334,621.34)
Total inventories - net	93,985,024.35	93,932,928.58	93,013,341.05	94,445,050.22

8. PLEDGED DEPOSITS AT FINANCIAL INSTITUTIONS

As at March 31, 2019 and December 31, 2018, the Company pledged deposits as collateral for its letters of guarantee and short-term loans from banks (Notes 14 and 25.1).

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

9. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST

Investments in subsidiary companies - at cost presented in the separate financial statements as at March 31, 2019 and December 31, 2018 consisted of:

Name	Country of incorporation	Nature of business	Percentage of Holding		Unit : Baht				
					Issued and paid - up		At cost		
			2019	2018	2019	2018	2019	2018	
1.) German-Thai Boiler Engineering Cooperation Co.,Ltd	Thailand	Temporarily halted main business operation and then leased its land and building to the parent company	99.99%	99.99%	30,000,000	30,000,000	29,999,990.00	29,999,990.00	
2.) Getabec International Co.,Ltd	Thailand	Sale of steam boilers including boiler installation and repair	99.99%	99.99%	15,000,000	15,000,000	14,999,800.00	14,999,800.00	
3.) Getabec Vietnam Co.,Ltd	Vietnam	Sale of steam boilers including boiler installation	100%	100%	USD 200,000	USD 200,000	6,741,500.00	6,741,500.00	
Total investment in subsidiaries - at cost								<u>51,741,290.00</u>	<u>51,741,290.00</u>

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

In 2008, the Company purchased common shares in two subsidiaries from shareholders who are also shareholders of the Company as follows;

1. 149,998 common shares in Getabec International Company Limited, at the price of Baht 100 per share, totaling Baht 15 million, representing 99.99% of the issued and paid-up share capital. Transfer and payment of shares were made on January 14, 2009.

2. 5,999,998 common shares in German-Thai Boiler Engineering Cooperation Company Limited, at the price of Baht 5 per share, totaling Baht 30 million, representing 99.99% of the issued and paid-up share capital. Transferring and payment of shares were made on January 14, 2009.

The difference between the purchase prices of the investments and their net book values at the date of purchase is as follows;

	Unit : Baht
Purchase price was lower than net book value - Getabec International Co., Ltd	11,688,389.92
Purchase price was lower than net book value - German-Thai Boiler Engineering Cooperation Co., Ltd	7,698,045.11
Total purchase prices of the investments lower than their net book values	<u>19,386,435.03</u>

The Company recorded the different amounts of cost which were lower than the book value as discount from purchasing investments from subsidiaries shown under the shareholders' equity.

10. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at December 31, 2018	222,474,202.49	202,337,742.79
Acquisitions during the period (Cost)	2,515,189.12	2,515,189.12
Depreciations during the period	(5,823,483.12)	(5,456,103.76)
Net book value as at March 31, 2019	<u>219,165,908.49</u>	<u>199,396,828.15</u>

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Depreciation in the statements of profit or loss for the three-month periods ended March 31, 2019 and 2018 are as follows:

	Unit : Baht	
	2019	2018
Consolidated financial statements	5,823,483.12	5,911,198.40
Separate financial statements	5,456,103.76	5,551,314.10

The gross carrying amounts of equipment fully depreciated, but still in use as at March 31, 2019 and December 31, 2018 in the consolidated financial statement totaled approximately Baht 75.85 million and Baht 75.24 million respectively, and in separate financial statements totaled approximately Baht 74.85 million and Baht 73.57 million, respectively.

As at March 31, 2019 and December 31, 2018, the Company had machine and vehicles under financial lease agreements with the net book values of Baht 7.11 million and Baht 6.82 million, respectively.

The land and buildings and part of machinery are mortgaged as collateral for credit facilities from financial institutions. (Notes 14 and 17).

11. LAND HELD FOR FUTURE PROJECTS

In June 2012, the Company purchased land for future projects from a subsidiary, which had since been liquidated, at the price of Baht 12.60 million in the separate financial statements and stated at Baht 10.50 million as the subsidiary's cost in the consolidated financial statements.

12. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht
	Consolidated financial statements/ Separate financial statements
Net book value as at December 31, 2018	23,306,967.69
Amortization during the period	(996,145.58)
Net book value as at March 31, 2019	22,310,822.11

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

13. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities during the periods 2019 were as follows:

Unit : Baht

	Unit : Baht					
	Consolidated financial statements			Separate financial statements		
	As at January 1, 2019	Profit (loss)	As at March 31, 2019	As at January 1, 2019	Profit (loss)	As at March 31, 2019
Deferred tax assets						
Allowance for doubtful accounts	645,170.01	(352,458.00)	292,712.01	645,170.01	(352,458.00)	292,712.01
Allowance for devalued stocks	1,266,924.27	-	1,266,924.27	1,266,924.27	-	1,266,924.27
Depreciation	160,981.47	(8,476.04)	152,505.43	160,981.47	(8,476.04)	152,505.43
Liability on contract delay	600,000.00	-	600,000.00	600,000.00	-	600,000.00
Liability from product warranty	4,517,711.91	(17,392.28)	4,500,319.63	4,212,778.31	(17,392.28)	4,195,386.03
Non-current provision for employee benefit	3,702,013.80	139,902.40	3,841,916.20	3,702,013.80	139,902.40	3,841,916.20
Total	10,892,801.46	(238,423.92)	10,654,377.54	10,587,867.86	(238,423.92)	10,349,443.94

.....Director

(Mr.Suchat Mongkhonaripong)

.....Director

(Mr.Chalard Na ranong)

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements/Separate financial statements	
	2019	2018
Bank overdrafts	-	4,001,395.21
Trust receipts	27,079,859.68	22,328,775.02
Total	27,079,859.68	26,330,170.23

	Credit line (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	25,800,000.00	25,800,000.00	20,800,000.00	20,800,000.00
Trust receipts	230,000,000.00	180,000,000.00	230,000,000.00	180,000,000.00
Promissory notes	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Total	265,800,000.00	215,800,000.00	260,800,000.00	210,800,000.00

As at March 31, 2019 and December 31, 2018 the Group had short-term credit facilities from financial institutions. They were guaranteed by the Company and its subsidiaries, by mortgage of land of a director, and pledge of fixed deposits and mortgage of land and structures and machinery of the Company and subsidiaries.

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related parties	-	-	-	700,000.00
Trade payables - other	58,442,691.75	110,033,182.18	57,395,357.09	108,259,806.10
Total trade payables	58,442,691.75	110,033,182.18	57,395,357.09	108,959,806.10
Other current payables				
Payables for purchase of assets	4,013,570.00	4,013,570.00	4,013,570.00	4,013,570.00
Accrued expenses	9,474,114.22	11,087,507.26	9,110,598.32	10,216,906.03
Revenue Department payable	267,535.47	4,187,716.71	171,618.00	3,923,872.33
Accrued withholding tax	2,264,770.53	1,526,482.47	2,264,770.53	1,525,912.47
Accrued interest - related parties	-	-	5,970,774.72	5,172,065.91
Accrued management and employee benefits	2,951,572.50	7,139,043.00	2,913,279.00	7,082,000.00
Liability from product warranty	22,499,663.19	22,588,559.58	20,976,930.19	21,063,891.58
Retentions	240,000.00	240,000.00	240,000.00	240,000.00
Others	967,652.57	948,267.17	1,167,052.58	1,146,677.17
Total other current payables	42,678,878.48	51,731,146.19	46,828,593.34	54,384,895.49
Total trade and other current payables	101,121,570.23	161,764,328.37	104,223,950.43	163,344,701.59

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

16. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liability under financial lease agreements as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht	
	Consolidated Separate financial statements / Separate financial statements	
	2019	2018
Due within 1 year		
Minimum payments	2,567,196.09	2,486,119.82
Finance cost	(434,292.91)	(265,094.51)
Present value of minimum payments	2,132,903.18	2,221,025.31
Due over 1 year but not over 5 years		
Minimum payments	3,766,532.80	3,725,528.81
Finance cost	(63,730.44)	(202,166.55)
Present value of minimum payments	3,702,802.36	3,523,362.26

As at March 31, 2019 and December 31, 2018, the Company and subsidiaries entered into financial lease agreements with local financial institutions for leasing machineries and vehicles. These agreements are repayable in 36 to 60 equal monthly installments up to the year 2023. The ownership of the assets purchased under *the* hire-purchase agreements will be transferred to the Company when the last installment is paid. The above financial lease agreements are collateralized by the Company's director.

17. LONG-TERM LOAN FROM FINANCIAL INSTITUTION - NET

Long-term loan from financial institution as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements / Separate financial statements	
	2019	2018
Long-term loan from financial institution	7,848,580.00	8,909,470.00
<u>Less</u> Current portion of long-term loan from financial institution	(3,050,580.00)	(3,454,470.00)
Long-term loan from financial institution - net	4,798,000.00	5,455,000.00

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

The Company entered into two long-term loan agreements with a domestic bank. The repayment terms and conditions of the loans are as follow:

On March 7, 2016, the Company entered into the long-term loan agreements with a domestic bank for long-term credit facilities totaling Baht 7.27 million for purposes of building construction, renovation of factories and offices. Principal and interest are repayable in 54 monthly installments. The first installment payment of principal is in June 2016 and will complete in November 2020. Long-term loans from financial institution bear interest at the MLR. These credit facilities were secured by the mortgage of the subsidiary's land and the mortgage of the Company structures and the guarantee by a director of the Company.

Under the conditions on the loan agreements, the Company must comply with certain conditions such as:

- Debt to Equity Ratio must not exceed 2 : 1
- Debt Service Coverage Ratio: DSCR shall be at least 1.25 times

On January 30, 2017, the Company entered into the long-term loan agreements with a domestic bank for long-term credit facilities totaling Baht 13.12 million for the purpose of purchase building office. Principal and interest are repayable in 60 monthly installments. The first installment payment of principal is in February 2017 and will complete in January 2022. Long-term loans from financial institution bear interest at the MLR. These credit facilities were secured by the mortgage of the subsidiary's land and the mortgage of the Company structures and the guarantee by a director of the Company.

Under the conditions on the loan agreements, the Company must comply with certain conditions such as:

- Debt to Equity Ratio must not exceed 2 : 1
- Debt Service Coverage Ratio: DSCR shall be at least 1.25 times

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

18. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefit for the three-month periods ended March 31, 2019 and 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Non-current provisions for				
employee benefit at beginning of periods	18,510,069.00	19,307,675.04	18,510,069.00	17,245,824.04
Included in profit or loss:				
Current service cost	906,196.00	1,032,019.00	906,196.00	957,599.00
Interest cost	111,063.00	114,395.00	111,063.00	99,526.00
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	378,002.00	-	449,767.00
Experience adjustments	-	171,445.00	-	192,212.00
Benefit paid during the periods	(317,747.00)	(348,770.00)	(317,747.00)	(348,770.00)
Non-current provisions for				
employee benefit at end of periods	19,209,581.00	20,654,766.04	19,209,581.00	18,596,158.04

Employee benefit expenses in the statements of profit or loss for the three-month periods ended March 31, 2019 and 2018, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Cost of contract work	358,258.00	433,287.00	358,258.00	433,287.00
Cost of services	214,370.00	219,801.00	214,370.00	219,801.00
Selling expenses	238,176.00	273,458.00	238,176.00	184,169.00
Administrative expenses	206,455.00	219,868.00	206,455.00	219,868.00
Total employee benefit expenses	1,017,259.00	1,146,414.00	1,017,259.00	1,057,125.00

.....Director
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.....Director
(Mr.Chalard Na ranong)

The Group has defined benefit plan in accordance with severance payment under the labor law.

Principal actuarial assumptions at the valuation date are as follow:

	(Percentage (%)/annum)			
	Consolidate financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.40	2.60 - 3.02	2.40	2.27
Future salary increase rate	5.00	6.42 - 7.27	5.00	6.42
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008

19. LEGAL RESERVE

Legal reserve is set up under the Public Limited Companies Act B.E. 2535. The Company is required to set aside to a statutory reserve at least 5 percent of its net income, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. INCOME TAX EXPENSES

Income tax expenses for the three-month periods ended March 31, 2019 and 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax expense				
Current tax	(214,206.21)	(245,574.92)	(214,206.21)	(245,574.92)
Deferred tax expense				
Movements in temporary differences	(238,423.92)	581,608.06	(238,423.92)	550,604.76
Total	<u>(452,630.13)</u>	<u>336,033.14</u>	<u>(452,630.13)</u>	<u>305,029.84</u>

Income tax reduction

The Act of Legislation amended Revenue Code No.42 B.E. 2559, dated March 3, 2016, grants the corporate income tax rate 20% on net profit for the accounting periods beginning on January 1, 2016 onwards.

.....Director
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.....Director
(Mr.Chalard Na ranong)

21. PROMOTIONAL PRIVILEGES

The Company is promoted by the BOI. Details of the promotional certificate is as follows:

1. Promotion No.	2440(2)/2010
2. Investment promotion grant date	December 29, 2010
3. Date of right.	April 25, 2014
4. Promoted manufacturing activities	Manufacture of machinery, equipment and parts
5.Privileges are the Company gains	
5.1 Exemption from income tax on profit revived totaling not exceed than 100% of investment excluding the cost of land and working capital from the date of the first earned revenue from operation.	8 Years
5.2 Exemption from income tax on dividends from the operation that has been promoted as 5.1.	8 Years
5.3 Exemption from import duties for imported raw materials and essential materials for use in production for export for a period from the date of the first import.	1 Year
5.4 Exemption of import duties for imported goods which have been expoerted for a period from the date of the first import.	1 Year

The Company must comply with certain terms and conditions prescribed in the promotional certificates.

.....Director
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.....Director
(Mr.Chalard Na ranong)

The Company's revenues divided according promoted activities and non-promoted activities for the three-month periods ended March 31, 2019 and 2018 are summarized as follows:

	Unit : Baht		
	Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total
For the three-month Period ended March 31, 2019			
Revenue from contract work	55,826,335.66	82,227,070.54	138,053,406.20
Revenue from services	-	40,911,129.05	40,911,129.05
Other income	-	2,488,321.46	2,488,321.46
Total	55,826,335.66	125,626,521.05	181,452,856.71
For the three-month Period ended March 31, 2018			
Revenue from contract work	43,124,042.08	200,364,139.35	243,488,181.43
Revenue from services	-	47,943,217.04	47,943,217.04
Other income	-	3,272,995.82	3,272,995.82
Total	43,124,042.08	251,580,352.21	294,704,394.29

22. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest rate risk

Interest rate risk arises from future movements in market interest rates that will affect the results of the Company's operations and its cash flows. Management believes that the interest rate risk is minimal because the interest rates on overdrafts and loans are at market rate and all of the loans have short-term maturities. Accordingly, the Company does not hedge such risk.

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchase denominated in foreign currency.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due. To manage this risk, the Company generally requests customers to open letters of credit. The Company does not expect any counterparties to fail to meet their obligations.

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Because the financial instruments have short-term maturities, the Company used the following methods and assumptions in estimating the fair values of financial instruments:

Cash and cash equivalents, trade and other receivable; carrying values approximate their fair values.

Trade and other payable; fair value is based on the carrying value in the statements of financial position.

Short-term loans from financial institutions; carrying values approximate their fair values.

23. CAPITAL MANAGEMENT

The management of the Company has a capital management policy to maintain a strong capital base by emphasis on planning and determining operating strategies that result in good business performance and sustained cash flow management. In addition, the Company considers investing in projects which have good rates of return, appropriate working capital management, strong financial position and appropriate investment structure so as to sustain future operations and to maintain the interests and confidence of shareholders, investors, creditors and other parties.

24. SEGMENT INFORMATION

The Company and subsidiaries' businesses are the sale steam boilers including boiler installation and repair. The segmented information for the three-month periods ended March 31, 2019 and 2018 are as follows:

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)

Unit : Baht

Consolidated financial statements

	For the three-month period ended March 31, 2019			For the three-month period ended March 31, 2018		
	Domestic	Oversea	Total	Domestic	Oversea	Total
Revenue from contract work	123,617,995.90	14,977,400.72	138,595,396.62	230,391,497.12	14,435,410.30	244,826,907.42
Revenue from services	39,674,584.85	2,718,822.48	42,393,407.33	46,878,328.19	1,236,544.20	48,114,872.39
Cost of contract work	(109,344,005.86)	(10,934,406.59)	(120,278,412.45)	(227,097,719.24)	(10,631,592.05)	(237,729,311.29)
Cost of services	(30,186,265.24)	(691,745.55)	(30,878,010.79)	(31,477,821.93)	(584,090.84)	(32,061,912.77)
Gross profit	23,762,309.65	6,070,071.06	29,832,380.71	18,694,284.14	4,456,271.61	23,150,555.75
Other income			2,397,331.10			2,645,966.05
Selling expenses			(15,828,890.14)			(14,452,217.74)
Administrative expenses			(13,532,137.87)			(14,224,022.83)
Finance costs			(456,561.91)			(1,467,317.80)
Tax revenue (expense)			(452,630.13)			336,033.14
Profit (loss) for the period			1,959,491.76			(4,011,003.43)
Defined benefit plan actuarial loss - net of income tax			-			(439,557.60)
Foreign currency translation differences			58,073.78			(4,272.54)
Total comprehensive income (loss) for the period			2,017,565.54			(4,454,833.57)
As at March 31, 2019 and 2018						
Property, plant and equipment - net			219,165,908.49			229,455,101.61
Total assets			876,647,323.63			1,007,921,446.87

.....Director

(Mr.Suchat Mongkhonaripong)

.....Director

(Mr.Chalard Na ranong)

Unit : Baht

	Separate financial statement					
	For the three-month period ended March 31, 2019			For the three-month period ended March 31, 2018		
	Domestic	Oversea	Total	Domestic	Oversea	Total
Revenue from contract work	121,696,668.56	16,356,737.64	138,053,406.20	231,082,076.45	12,406,104.98	243,488,181.43
Revenue from services	40,362,020.61	549,108.44	40,911,129.05	46,878,328.19	1,064,888.85	47,943,217.04
Cost of contract work	(108,700,553.37)	(11,656,487.04)	(120,357,040.41)	(228,054,334.39)	(9,228,652.60)	(237,282,986.99)
Cost of services	(30,519,832.22)	(250,523.86)	(30,770,356.08)	(32,168,401.26)	(305,741.65)	(32,474,142.91)
Gross profit	22,838,303.58	4,998,835.18	27,837,138.76	17,737,668.99	3,936,599.58	21,674,268.57
Other income			2,488,321.46			3,272,995.82
Selling expenses			(15,785,177.38)			(11,201,805.97)
Administrative expenses			(11,269,343.29)			(12,503,723.23)
Finance costs			(1,255,270.72)			(2,222,496.01)
Tax revenue (expense)			(452,630.13)			305,029.84
Profit (loss) for the period			1,563,038.70			(675,730.98)
Defined benefit plan actuarial loss - net of income tax			-			(513,583.20)
Total comprehensive income (loss) for the period			1,563,038.70			(1,189,314.18)
As at March 31, 2019 and 2018						
Property, plant and equipment - net			199,396,828.15			207,866,103.76
Total assets			889,378,623.82			1,007,855,607.01

.....Director

(Mr.Suchat Mongkhonaripong)

.....Director

(Mr.Chalard Na ranong)

COMMITMENTS AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at March 31, 2019 and December 31, 2018 consisted of:

- 25.1 The Company and subsidiaries had contingent liabilities from bank guarantees in the amount of Baht 252.07 million, and USD 0.02 million (2018: Baht 120.87 million and USD 0.02 million) which were issued by banks.
- 25.2 The Company and subsidiaries had contingent liabilities from unused letter of credit in the amount of Euro 2.69 million, and USD 0.30 million (2018: Euro 0.04 million and USD 0.21 million).
- 25.3 The Company and subsidiaries had commitments with respect to Building Rental and Service Agreements in the amounts of Baht 0.91 million and Baht 0.93 million per month, respectively. These agreement periods are 1-8 years.
- 25.4 The Company has contingent liability on the fine from the delay of Baht 9.88 million and Baht 9.91 million, respectively since the Company is unable to deliver the products to the counterparties as the schedule in the agreements. At present, these are under negotiation. The management of the Company believes that there will be no significant losses incurred for the fine from the delay exceeding the amount recorded liability on contract delay in the financial statements

25. EVENTS AFTER THE REPORTING PERIOD

- 26.1 Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 4.18 million. The Company and its subsidiaries will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

- 26.2 The 2018 Annual General Meeting of Shareholders of the Company held on April 23, 2019, passed a resolution to pay dividend for the year 2018 of Baht 0.0104 per share for a total amount of Baht 9.98 million from the separate financial statements' retained earnings after deduction of legal reserves.

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's board of directors on May 7, 2019.

.....Director
(Mr.Suchat Mongkhonaripong)

.....Director
(Mr.Chalard Na ranong)