

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Masterkool International Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2018 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and the condensed notes to financial statements of Masterkool International Public Company Limited and its subsidiary and of Masterkool International Public Company Limited. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 reviews 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 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 reviews, 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 34 "Interim Financial Reporting".

SP Audit Company Limited

(Miss Chuenta Chommern)

Certified Public Accountant (Thailand) No. 7570

Bangkok

May 14, 2018

Masterkool International Public Company Limited and Subsidiary

Statement of Financial Position

As at March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		Unaudited	Audited	Unaudited	Audited
<u>Assets</u>					
Current assets					
Cash and cash equivalents		14,859,556.14	10,866,863.62	11,591,400.14	7,873,775.74
Short-term investments	6	-	122,760.35	-	122,760.35
Trade and other receivables - related parties	5.1, 7	3,434,819.42	2,783,295.44	19,532,013.59	21,848,399.76
Trade and other receivables - third parties	8	187,626,200.13	123,156,207.60	153,995,263.96	84,303,651.14
Current portion of receivables of					
finance lease	9	13,633,739.95	16,980,684.76	353,619.55	498,809.21
Inventories	10	279,450,296.30	230,135,975.99	278,940,231.77	229,670,600.39
Short-term loan to related party	5.1	-	-	-	7,000,000.00
Total current assets		499,004,611.94	384,045,787.76	464,412,529.01	351,317,996.59
Non-current assets					
Deposits at financial institutions pledged as collateral	11	70,750,000.00	71,702,955.77	69,750,000.00	70,702,955.77
Receivables of finance lease	9	1,980,037.41	2,831,831.35	89,813.87	111,879.92
Investment in subsidiary	12	-	-	30,255,410.25	30,255,410.25
Property, plant and equipment	13	57,688,781.11	58,318,787.37	48,259,873.13	48,700,282.35
Intangible assets	14	6,828,396.27	6,674,899.46	5,081,532.01	4,915,542.90
Deferred tax assets	15	7,607,088.59	7,558,301.38	6,188,158.46	6,181,673.18
Other non-current assets		8,414,934.15	10,885,399.48	8,256,995.35	10,043,695.35
Total non-current assets		153,269,237.53	157,972,174.81	167,881,783.07	170,911,439.72
Total assets		652,273,849.47	542,017,962.57	632,294,312.08	522,229,436.31

Notes to financial statements are an integral part of these financial statements.

Masterkool International Public Company Limited and Subsidiary

Statement of Financial Position

As at March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		Unaudited	Audited	Unaudited	Audited
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdraft and Short-term loan					
from financial institutions	16	220,183,686.85	171,028,833.25	220,183,686.85	171,028,833.25
Trade and other payables - related parties	5.1	97,945.21	-	452,063.57	238,408.28
Trade and other payables - third parties	17	156,514,626.34	73,883,997.65	139,631,859.30	56,327,297.18
Provision for warranty	18	5,043,054.87	5,467,711.61	3,141,054.87	3,565,711.61
Current portion of long-term liabilities					
- Long-term loan from financial institutions	19	-	24,692.40	-	24,692.40
- Finance lease liabilities	20	2,523,727.86	2,674,539.30	2,523,727.86	2,674,539.30
Revenue Department payable		2,559,200.05	616,685.03	1,612,037.75	439,261.85
Income tax payable		90,853.93	-	-	-
Short-term loan from related party	5.1	10,000,000.00	-	10,000,000.00	-
Total current liabilities		397,013,095.11	253,696,459.24	377,544,430.20	234,298,743.87
Non - Current Liabilities					
Finance lease liabilities	20	2,106,141.99	2,714,982.08	2,106,141.99	2,714,982.08
Employee benefit obligations	21	6,938,907.33	6,581,978.14	6,065,122.33	5,734,125.99
Total non - current Liabilities		9,045,049.32	9,296,960.22	8,171,264.32	8,449,108.07
Total liabilities		406,058,144.43	262,993,419.46	385,715,694.52	242,747,851.94

Notes to financial statements are an integral part of these financial statements.

Masterkool International Public Company Limited and Subsidiary

Statement of Financial Position

As at March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		Unaudited	Audited	Unaudited	Audited
Shareholders' Equity					
Share capital	22				
Authorised share capital					
480,000,000 ordinary shares of Baht 0.25 each		120,000,000.00	120,000,000.00	120,000,000.00	120,000,000.00
Issued and paid up share capital					
480,000,000 ordinary shares of Baht 0.25 each		120,000,000.00	120,000,000.00	120,000,000.00	120,000,000.00
Premium on ordinary shares		183,030,332.93	183,030,332.93	183,030,332.93	183,030,332.93
Surplus on share-based payment transactions		3,063,936.73	3,063,936.73	3,063,936.73	3,063,936.73
Retained earnings (deficits)					
Appropriated - legal reserve		8,256,778.85	8,256,778.85	8,256,778.85	8,256,778.85
Unappropriated		(68,135,343.47)	(35,326,505.40)	(67,772,430.95)	(34,869,464.14)
Total Shareholders' Equity		246,215,705.04	279,024,543.11	246,578,617.56	279,481,584.37
Total Liabilities and Shareholders' Equity		652,273,849.47	542,017,962.57	632,294,312.08	522,229,436.31

Notes to financial statements are an integral part of these financial statements.

Masterkool International Public Company Limited and Subsidiary
Statement of Comprehensive Income
For the three-month period ended March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2018	2017 (Reclassified)	2018	2017 (Reclassified)
Revenues					
Revenues from sales		147,063,243.67	195,417,074.40	144,964,053.75	188,689,532.44
Revenues from services		21,298,437.89	7,671,093.88	10,550,568.29	6,913,132.84
Other income		5,648,691.18	3,585,809.66	5,198,702.35	3,455,940.05
Total revenues		174,010,372.74	206,673,977.94	160,713,324.39	199,058,605.33
Expenses					
Costs of sales		126,361,325.88	156,811,204.46	125,468,225.34	151,988,222.79
Costs of services		11,723,626.43	1,936,417.18	3,288,455.10	1,520,917.95
Selling expenses		46,287,035.34	44,635,133.87	44,989,344.52	43,434,203.20
Administrative expenses		19,810,940.57	19,487,864.69	17,430,181.78	18,107,980.62
Finance cost		2,446,569.74	597,388.00	2,446,569.74	597,144.41
Total expenses		206,629,497.96	223,468,008.20	193,622,776.48	215,648,468.97
Loss before income tax income (expense)		(32,619,125.22)	(16,794,030.26)	(32,909,452.09)	(16,589,863.64)
Income tax income (expense)	23	(189,712.85)	(652,792.41)	6,485.28	(20,523.85)
Loss for the period		(32,808,838.07)	(17,446,822.67)	(32,902,966.81)	(16,610,387.49)
Other comprehensive income (loss)		-	-	-	-
Total comprehensive loss for the period		(32,808,838.07)	(17,446,822.67)	(32,902,966.81)	(16,610,387.49)
Basic loss per share					
Basic loss per share	24	(0.07)	(0.04)	(0.07)	(0.03)
Number of share (Unit : share)					
Number of share (Unit : share)		480,000,000.00	480,000,000	480,000,000	480,000,000

Unaudited

Masterkool International Public Company Limited and Subsidiary

Separate Financial Statements

For the three-month period ended March 31, 2018

(Unit : Baht)

	Notes	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained (deficits) earnings		Total
					Legal reseve	Unappropriated	
Balance as at January 1, 2018		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(34,869,464.14)	279,481,584.37
Change in equity for period							
Total comprehensive loss for the period		-	-	-	-	(32,902,966.81)	(32,902,966.81)
Balance as at March 31, 2018		120,000,000.00	183,030,332.93	3,063,936.73	8,256,778.85	(67,772,430.95)	246,578,617.56
Balance as at January 31, 2017		120,000,000.00	183,030,332.93	3,063,936.73	3,743,166.50	86,710,680.07	396,548,116.23
Change in equity for period							
Total comprehensive loss for the period		-	-	-	-	(16,610,387.49)	(16,610,387.49)
Balance as at March 31, 2017		120,000,000.00	183,030,332.93	3,063,936.73	3,743,166.50	70,100,292.58	379,937,728.74

Unaudited

Masterkool International Public Company Limited and Subsidiary

Statement of Cash Flows

For the three-month period ended March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2018	2017	2018	2017
Cash flows from operating activities					
Loss before income tax income (expense)		(32,619,125.22)	(16,794,030.26)	(32,909,452.09)	(16,589,863.64)
Adjustments to reconcile loss before income tax income (expense) for					
cash provided by (used in) operating activities					
Depreciation and amortisation		8,106,550.62	5,327,290.22	7,887,489.78	5,157,937.03
Doubtful debt		1,344,799.38	1,118,398.36	977,318.20	1,118,398.36
Loss on deduction of withholding tax		50,515.84	-	-	-
Unrealised (gain) loss from exchange rates		(4,226,060.61)	3,643,471.11	(4,314,407.52)	3,643,471.11
Loss on write-off of property, plant and equipment		6,078.76	63,138.02	6,078.76	63,138.02
Gain from disposals of property, plant and equipment		(20,056.90)	(1,388.86)	(20,056.90)	(1,388.86)
Allowance of obsolete inventories		7,878,654.41	3,261,088.13	7,878,654.41	3,261,088.13
Employee benefit obligations		356,929.19	80,496.75	330,996.34	77,131.17
Reversal provision expense after sale		(424,656.74)	(51,941.25)	(424,656.74)	(51,941.22)
Unrealised gain from short-term investment		-	(196,552.00)	-	(196,552.00)
Interest income		(507,832.12)	(1,258,050.85)	(102,354.59)	(468,996.34)
Interest expenses		2,612,368.91	610,462.83	2,446,569.74	597,144.41
Loss from operating activities before changes in operating assets		(17,441,834.48)	(4,197,617.80)	(18,243,820.61)	(3,390,433.83)
and liabilities					
(Increase) decrease in trade and other receivables - related parties		(651,523.98)	(2,794,223.72)	2,303,372.47	(5,938,544.25)
Increase in trade and other receivables - third parties		(65,678,100.57)	(125,819,010.46)	(70,863,190.97)	(118,136,190.45)
(Increase) decrease in finance lease receivables		4,198,738.75	(2,193,044.75)	167,255.71	106,514.93
Increase in inventories		(57,511,322.65)	(78,454,096.10)	(57,466,633.72)	(78,069,372.56)
(Increase) decrease in other non-current assets		1,767,211.20	(1,025,100.00)	1,786,700.00	(1,025,100.00)
Increase in trade and other payables - related parties		-	-	112,710.08	382,394.28
Increase in trade and other payables - third parties		78,051,440.03	77,456,566.17	78,816,720.37	73,855,251.24
Increase in Revenue Department payable		1,942,515.02	3,446,096.18	1,172,775.90	3,449,351.18
Cash generated from operation		(55,322,876.68)	(133,580,430.48)	(62,214,110.77)	(128,766,129.46)
Cash received from interest		632,307.29	1,101,234.44	65,467.09	535,839.65
Cash paid for income tax		(218,816.38)	(654,357.96)	(218,580.88)	(638,701.62)
Net Cash used in Operating Activities		(54,909,385.77)	(133,133,554.00)	(62,367,224.56)	(128,868,991.43)

Unaudited

Masterkool International Public Company Limited and Subsidiary

Statement of Cash Flows

For the three-month period ended March 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2018	2017	2018	2017
Cash Flow from Investing Activities					
Cash received from sales short-term investment		122,760.35	100,521,549.61	122,760.35	100,521,549.61
Cash paid for purchase short-term investment		-	(103,630,000.00)	-	(103,630,000.00)
Cash paid for purchase of property, plant and equipment		(603,340.02)	(11,930,838.58)	(586,368.52)	(11,804,782.28)
Cash received from disposals of property, plant and equipment		28,112.28	1,610.00	28,112.28	1,610.00
Cash paid for purchase of intangible assets		(468,322.51)	(375,000.00)	(468,322.51)	-
Cash paid for investment in subsidiary		-	-	-	(28,994,200.00)
Decrease in short-term loan due to related party		-	-	7,000,000.00	21,279,887.50
(Increase) decrease in fixed deposits pledged as collateral		952,955.77	(12,000,000.00)	952,955.77	(12,000,000.00)
Net cash provided by (used in) investing activities		32,165.87	(27,412,678.97)	7,049,137.37	(34,625,935.17)
Cash Flows from Financing Activities					
Increase in short - term loans from financial institutions		52,028,765.17	157,104,678.44	52,028,765.17	157,104,678.44
Cash received from short-term loans from related person		10,000,000.00	-	10,000,000.00	-
Cash paid for obligation under finance leases		(759,651.53)	(450,502.97)	(759,651.53)	(450,502.97)
Repayment of interest-obligation under finance lease		(78,127.93)	(77,307.08)	(78,127.93)	(77,307.08)
Cash paid for long-term loan due from financial institution		(24,692.40)	(24,990.88)	(24,692.40)	(24,990.88)
Cash paid for interest		(2,296,380.89)	(1,237,236.18)	(2,130,581.72)	(1,223,917.76)
Net Cash provided by Financing Activities		58,869,912.42	155,314,641.33	59,035,711.59	155,327,959.75
Net Increase(Decrease) in Cash and Cash Equivalent		3,992,692.52	(5,231,591.64)	3,717,624.40	(8,166,966.85)
Cash and Cash Equivalents, Beginning Balance		10,866,863.62	47,440,839.74	7,873,775.74	46,754,433.00
Cash and Cash Equivalents, Ending Balance	25.1	14,859,556.14	42,209,248.10	11,591,400.14	38,587,466.15

Unaudited

MASTERKOOL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 (UNAUDITED)

1. General information

Masterkool International Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company’s registered office is 12/16-17 Thetsaban Songkhro, Latyao, Chatuchak Bangkok. The Company has administrative office branch as follows :

- The 1st office branch is 184 Moo 10, Nawanghin, Panusnikhom, Chonburi
- The 2nd office branch is 12/16-17 & 20 Thesabansongkro Rd., Ladyao, Chatuchak, Bangkok
- The 3rd office branch is 259/14 Soi Vibhavadi 40 (Patcharapa) Talat Bang Khen, Lak Si, Bangkok
- The 4th office branch is 39 Moo 6, Klongneung, Klongluang, Pathumthani
- The 5th office branch is 795 Pracharat 1 Rd., Bang Sue, Bang Sue, Bangkok

The principal activities of the Company and subsidiary (“the Group”) involve supply, sale and service of cooling products such as evaporative air cooler, misting fans industrial fans and ozone generator and sale and service for ozone system.

2. Basis of preparation of interim financial statements

These interim consolidated and separate financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 (or 2000), being those Thai Accounting Standards issued under the Account Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of Capital Market Supervisory Board. The primary financial statements (i.e. statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows) are prepared in the full format as required by Capital Market Supervisory Board. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting (revised 2017)” and additional notes are presented as required by Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535 (or 1992).

The interim consolidated and separate financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2017. 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, 2017.

The interim consolidated and separate financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2018.

TFRS No. 2 Share-based Payment (revised 2017)
TFRS No. 3 Business Combinations (revised 2017)
TFRS No. 4 Insurance Contracts (revised 2017)
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2017)
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2017)
TFRS No. 8 Operating Segments (revised 2017)
TFRS No. 10 Consolidated Financial Statements (revised 2017)
TFRS No. 11 Joint Arrangements (revised 2017)
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2017)
TFRS No. 13 Fair Value Measurement (revised 2017)
TAS No. 1 Presentation of Financial Statements (revised 2017)
TAS No. 2 Inventories (revised 2017)
TAS No. 7 Statement of Cash Flows (revised 2017)
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2017)
TAS No. 10 Events after the Reporting Period (revised 2017)
TAS No. 11 Construction Contracts (revised 2017)
TAS No. 12 Income Taxes (revised 2017)
TAS No. 16 Property, Plant and Equipment (revised 2017)
TAS No. 17 Leases (revised 2017)
TAS No. 18 Revenue (revised 2017)
TAS No. 19 Employee Benefits (revised 2017)
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2017)
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2017)
TAS No. 23 Borrowing Costs (revised 2017)
TAS No. 24 Related Party Disclosures (revised 2017)
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2017)
TAS No. 27 Separate Financial Statements (revised 2017)
TAS No. 28 Investments in Associates and Joint Ventures (revised 2017)
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2017)
TAS No. 33 Earnings per Share (revised 2017)
TAS No. 34 Interim Financial Reporting (revised 2017)
TAS No. 36 Impairment of Assets (revised 2017)
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2017)
TAS No. 38 Intangible Assets (revised 2017)
TAS No. 40 Investment Property (revised 2017)
TAS No. 41 Agriculture (revised 2017)
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2017)
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2017)
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2017)
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies (revised 2017)
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2017)
TFRIC No. 12 Service Concession Arrangements (revised 2017)
TFRIC No. 13 Customer Loyalty Programmes (revised 2017)
TFRIC No. 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2017)

(Unaudited)

TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2017)
 TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2017)
 TFRIC No. 18 Transfers of Assets from Customers (revised 2017)
 TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017)
 TFRIC No. 21 Levies (revised 2017)
 TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2017)
 TSIC No. 15 Operating Leases - Incentives (revised 2017)
 TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2017)
 TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2017)
 TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2017)
 TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2017)
 TSIC No. 32 Intangible Assets - Web Site Costs (revised 2017)

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period.

3. Principles of interim consolidation financial statement

The interim consolidated financial statements as at March 31, 2018 and December 31, 2017 have been prepared by including the financial statements of Masterkool International Public Company Limited and its subsidiary after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2018</u>	<u>2017</u>
Innov Green Solutions Co., Ltd.	Sale and service for ozone system	Thailand	100.00	100.00

The financial statements of the subsidiary are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

4. Accounting policies

Accounting policies and methods of computation applied in the interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2017

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

(Unaudited)

5. Related party transactions

As at March 31, 2018, Veeraman family is a major shareholder, holding 25.62% (December 31, 2017 : 25.61%) of the share capital of the Company. Transactions related to companies in which major shareholder and directors, the principal shareholders or directors are recognised as related parties to the Company.

The Company has transactions with related persons and companies for the three-month period ended March 31, 2018 and 2017 as follows:

5.1 Inter-assets and liabilities

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Trade receivables				
- Innov Green Solutions Co., Ltd.	-	-	16,095,550.33	19,050,446.78
- Site Preparation Management Co., Ltd.	135,000.08	-	135,000.08	-
- Actdee Co., Ltd.	3,250,819.32	2,783,295.44	3,250,819.32	2,783,295.44
- Director	49,000.02	-	49,000.02	-
Total	3,434,819.42	2,783,295.44	19,530,369.75	21,833,742.22
Accrued interest receivable				
- Innov Green Solutions Co., Ltd.	-	-	1,643.84	14,657.54
Total trade and other receivable	3,434,819.42	2,783,295.44	19,532,013.59	21,848,399.76
Short-term loans to related party				
- Innov Green Solutions Co., Ltd.				
Beginning balance	-	-	7,000,000.00	25,279,887.50
Addition during year	-	-	-	28,000,000.00
Repayment during the year	-	-	(7,000,000.00)	(46,279,887.50)
Ending balance	-	-	-	7,000,000.00
Account payables				
- Innov Green Solutions Co., Ltd.	-	-	351,118.36	232,408.28
Accrued interest expense				
- Director	97,945.21	-	97,945.21	-
Other payables				
- Innov Green Solutions Co., Ltd.	-	-	3,000.00	6,000.00
Total Account payables and other payables	97,945.21	-	452,063.57	238,408.28

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Short-term loans from related party				
- Director				
Beginning balance	-	-	-	-
Addition during year	10,000,000.00	-	10,000,000.00	-
Repayment during the year	-	-	-	-
Ending balance	<u>10,000,000.00</u>	<u>-</u>	<u>10,000,000.00</u>	<u>-</u>

As at March 31, 2018, short - term loans to related party is the loan to subsidiary in form of promissory note endure for a period 5 - 6 months, bear interest between 5.00% per annum (December 31, 2017 : interest rate of 5% per annum).

As at March 31, 2018, short - term loans from related party is the loan from director in form of promissory note endure for a period 6 months, bear interest between 6.50% per annum

5.2 Inter-revenue and expenses

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Sales of goods				
- Innov Green Solutions Co., Ltd.	-	-	3,312,295.25	3,786,787.88
- Site Preparation Management Co., Ltd.	134,570.17	-	134,570.17	-
- Actdee Co., Ltd.	2,671,561.32	1,729,424.34	2,671,561.32	1,729,424.34
- Director	259,990.73	-	259,990.73	-
Total	<u>3,066,122.22</u>	<u>1,729,424.34</u>	<u>6,378,417.47</u>	<u>5,516,212.22</u>
Service income				
- Innov Green Solutions Co., Ltd.	-	-	1,149,238.80	144,745.40
- Site Preparation Management Co., Ltd.	-	14,250.00	-	14,250.00
- Actdee Co., Ltd.	-	20,570.00	-	20,570.00
Total	<u>-</u>	<u>34,820.00</u>	<u>1,149,238.80</u>	<u>179,565.40</u>
Interest income				
- Innov Green Solutions Co., Ltd.	-	-	43,835.62	289,413.57

(Unaudited)

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Rental cost and service cost				
- Innov Green Solutions Co., Ltd.	-	-	77,660.80	-
Accrued commission				
- Innov Green Solutions Co., Ltd.	-	-	-	374,499.33
Service expense				
- Innov Green Solutions Co., Ltd.	-	-	33,283.20	-
Interest expense				
- Director	97,945.21	-	97,945.21	-

5.3 Management benefit expenses

(Unit : Baht)

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	2,890,294.46	3,610,166.00	2,523,294.46	3,173,166.00
Post-employment benefits	98,889.16	46,056.38	85,004.87	46,056.38
Total	2,989,183.62	3,656,222.38	2,608,299.33	3,219,222.38

5.4 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Revenues from sales and services	Price approximate price charge to third party
Interest income	Rate approximate rate charge to Financial institutions
Other income	Contract price
Purchase of goods	Price approximate price charge to third party
Purchase of fixed assets	Price approximate price charge to third party
Rental service cost	Price approximate price charge to third party
Management fees	Cost plus margin
Advertising and sale promotion expenses	Price approximate price charge to third party
Consumables cost	Price approximate price charge to third party
Finance costs	Contract price (5.00% and 6.00% p.a.)

(Unaudited)

5.5 Obligation

As at March 31, 2018 and December 31, 2017, the Company has performed contract of management services to a subsidiary for 1 years. (2017 : for 1 year) The subsidiary constitutes obligation commitment that has to repay service fee by Baht 350,000.00 per month. (2017 : Baht 20,000 per month)

As at March 31, 2018 and December 31, 2017, the Company and its subsidiary entered into a joint investment and share benefit agreement with a local company. The condition of joint operation and share of benefit as specific in the agreement.

5.6 Relationship

<u>Company</u>	<u>Relationship</u>
Innov Green Solutions Co., Ltd.	Subsidiary
Let Co., Ltd.	Relative of Shareholder & Director
Site Preparation Management Co., Ltd.	Co-Shareholder & Co-director
Actdee Co., Ltd.	Relative of Shareholder & Director
Mr. Noppachai Weeraman	Shareholder & director
Mr. Fung Meng Hoi	Shareholder & director

6. Short-term investments

Consisted of:-

	(Unit: Baht)			
	Consolidated/ Separate financial statement			
	As at			
	<u>March 31, 2018</u>		<u>December 31, 2017</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Unit trust	-	-	123,902.91	122,760.35
Unrealize loss in short – term investments	-	-	(1,142.56)	-
Net	-	-	122,760.35	122,760.35

(Unaudited)

The movement of investment trading securities for the three-month period ended on March 31, 2018 is as follow:-

	(Unit: Baht)
	Consolidated/ <u>Separate financial statement</u>
Beginning book value	122,760.35
Purchase during the period	-
Disposal during the period	(122,760.35)
Changes in fair value of investments	-
Ending book value	-

7. Trade and other receivable - related parties

Outstanding trade receivable - related parties can be aged as follows:

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Trade receivables				
Within credit term	2,229,792.65	1,920,182.69	7,002,080.05	16,826,044.97
Overdue 1 month to 3 months	1,205,026.77	863,112.75	12,528,289.70	4,874,344.91
Overdue 3 months to 6 months	-	-	-	10,700.00
Overdue 6 months to 12 months	-	-	-	122,652.34
Overdue over 12 months	-	-	-	-
Total	3,434,819.42	2,783,295.44	19,530,369.75	21,833,742.22
Accrued interest receivable	-	-	1,643.84	14,657.54
Total trade and other receivables	3,434,819.42	2,783,295.44	19,532,013.59	21,848,399.76

(Unaudited)

8. Trade and other receivable - third parties

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Post dated cheques	-	2,141,947.01	-	953,659.83
Trade receivables	172,910,760.12	87,699,726.79	144,679,357.60	64,677,127.31
Total	172,910,760.12	89,841,673.80	144,679,357.60	65,630,787.14
<u>Less</u> Allowance for doubtful debts	(16,693,435.94)	(15,348,636.56)	(16,228,172.26)	(15,250,854.06)
Net	156,217,324.18	74,493,037.24	128,451,185.34	50,379,933.08
Other receivables	4,460,499.34	851,475.30	4,289,995.10	693,349.91
Prepaid expense	2,125,228.64	1,995,238.38	2,003,030.37	1,885,769.23
Undue input vat	1,990,015.18	1,158,501.97	1,169,323.33	421,492.52
Accrued revenue	4,568,492.95	13,734,848.31	3,659,953.88	-
Deposit payment	17,362,365.22	30,648,833.45	13,702,411.34	30,648,833.45
Advance payment	855,666.50	446,245.71	672,756.48	446,245.71
Withholding tax	218,580.88	-	218,580.88	-
Total	31,580,848.71	48,835,143.12	25,716,051.38	34,095,690.82
<u>Less</u> Allowance for doubtful debts	(171,972.76)	(171,972.76)	(171,972.76)	(171,972.76)
Net	31,408,875.95	48,663,170.36	25,544,078.62	33,923,718.06
Total trade and other receivables	187,626,200.13	123,156,207.60	153,995,263.96	84,303,651.14

Outstanding trade receivable - third parties can be aged as follows:

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Within credit term	87,474,848.86	37,413,353.40	73,326,944.68	18,338,520.97
Overdue 1 month to 3 months	64,003,297.53	19,359,245.66	50,850,326.55	14,418,756.43
Overdue 3 months to 6 months	2,797,080.99	12,425,392.94	1,866,553.63	12,425,392.94
Overdue 6 months to 12 months	5,462,284.96	6,674,829.60	5,462,284.96	6,479,264.60
Overdue over 12 months	13,173,247.78	13,968,852.20	13,173,247.78	13,968,852.20
Total	172,910,760.12	89,841,673.80	144,679,357.60	65,630,787.14
<u>Less</u> Allowance for doubtful debts	(16,693,435.94)	(15,348,636.56)	(16,228,172.26)	(15,250,854.06)
Net	156,217,324.18	74,493,037.24	128,451,185.34	50,379,933.08

(Unaudited)

The movement of allowance for doubtful debts-trade receivables third parties for the three-month period ended March 31, 2018 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance	(15,348,636.56)	(15,250,854.06)
Allowance increased during the year	(1,344,799.38)	(977,318.20)
Collected during the year	-	-
Ending balance	<u>(16,693,435.94)</u>	<u>(16,228,172.26)</u>

The movement of allowance for doubtful debts-other receivables third parties for the three-month period ended March 31, 2018 is as follows :-

	(Unit: Baht)	
	<u>Consolidated / Separate financial statement</u>	
Beginning balance	(171,972.76)	
Additions during the period	-	
Collect during the period	-	
Ending balance	<u>(171,972.76)</u>	

9. Finance lease receivables

Consisted of:-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	As at			
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Receivables of financial lease contracts	15,613,777.36	19,812,516.11	443,433.42	610,689.13
<u>Less</u> Current portion	(13,633,739.95)	(16,980,684.76)	(353,619.55)	(498,809.21)
Net	<u>1,980,037.41</u>	<u>2,831,831.35</u>	<u>89,813.87</u>	<u>111,879.92</u>

(Unaudited)

Finance lease receivables - minimum lease payments receivable as follows:

(Unit : Baht)

	Consolidated			Separate financial statement		
	As at March 31, 2018					
	Finance lease receivables	Unearned finance income	Net	Finance lease receivables	Unearned finance income	Net
Not later than 1 year	14,569,109.49	(935,369.54)	13,633,739.95	441,243.55	(87,624.00)	353,619.55
Later than 1 year but not later than 5 years	2,151,265.58	(171,228.17)	1,980,037.41	167,293.52	(77,479.65)	89,813.87
Total	16,720,375.07	(1,106,597.71)	15,613,777.36	608,537.07	(165,103.65)	443,433.42

(Unit : Baht)

	Consolidated			Separate financial statement		
	As at December 31, 2017					
	Finance lease receivables	Unearned finance income	Net	Finance lease receivables	Unearned finance income	Net
Not later than 1 year	18,166,297.55	(1,185,612.79)	16,980,684.76	594,323.74	(95,514.53)	498,809.21
Later than 1 year but not later than 5 years	3,099,946.81	(268,115.46)	2,831,831.35	209,116.80	(97,236.88)	111,879.92
Total	21,266,244.36	(1,453,728.25)	19,812,516.11	803,440.54	(192,751.41)	610,689.13

As at March 31, 2018, the Group performs the contract of long term financial leased with several customers so as to lease goods by number of 15 contracts (December 31, 2017 : number of 14 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 7,348.82 - 322,510.00 per month (December 31, 2017 : from Baht 7,597.79 - 322,510.00). The leased period is carried from 1 - 7 years (December 31, 2017 : from 1 - 7 year). In addition, ownership of such goods will be transferred to ownership of the customers when the Group receives the payments of final installment in accordance with the leased contract.

(Unaudited)

10. Inventories

Consisted of:-

(Unit : Baht)

	Consolidated					
	As at					
	March 31, 2018			December 31, 2017		
	Cost	Allowance for diminution in value of inventories	Net	Cost	Allowance for diminution in value of inventories	Net
Finished goods	281,065,108.24	(33,810,658.14)	247,254,450.10	217,967,821.43	(22,746,025.28)	195,221,796.15
Raw materials	29,077,846.21	(9,423,066.54)	19,654,779.67	30,972,243.99	(12,609,044.99)	18,363,199.00
Work in process	254,700.01	-	254,700.01	-	-	-
Goods in transit	12,286,366.52	-	12,286,366.52	16,550,980.84	-	16,550,980.84
Total	322,684,020.98	(43,233,724.68)	279,450,296.30	265,491,046.26	(35,355,070.27)	230,135,975.99

(Unit : Baht)

	Separate financial statement					
	As at					
	March 31, 2018			December 31, 2017		
	Cost	Allowance for diminution in value of inventories	Net	Cost	Allowance for diminution in value of inventories	Net
Finished goods	280,802,930.41	(33,803,844.83)	246,999,085.58	217,571,632.52	(22,739,211.97)	194,832,420.55
Raw materials	29,077,846.21	(9,423,066.54)	19,654,779.67	30,972,243.99	(12,609,044.99)	18,363,199.00
Goods in transit	12,286,366.52	-	12,286,366.52	16,474,980.84	-	16,474,980.84
Total	322,167,143.14	(43,226,911.37)	278,940,231.77	265,018,857.35	(35,348,256.96)	229,670,600.39

The movement of allowance for diminutions in value of inventories for the three-month period ended March 31, 2018 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Beginning balance	(35,355,070.27)	(35,348,256.96)
Additional during the period	(7,878,654.41)	(7,878,654.41)
Reversal during the period	-	-
Ending balance	(43,233,724.68)	(43,226,911.37)

(Unaudited)

For the three-month period ended March 31, 2018, the costs of inventories recognized as expenses are Baht 125.17 million in the consolidated and Baht 115.84 million in separate financial statement (For the three-month period ended March 31, 2017 : Baht 153.18 million in the consolidated and Baht 144.42 million in separate financial statement).

For the three-month period ended March 31, 2018 and 2017, the Group have not reversed allowance for diminutions in the value of inventories.

As at March 31, 2018, some inventories with the carrying amount of Baht 3.13 million in the consolidated and separate financial statement (December 31, 2017 : Baht 31.20 million in the consolidated and separate financial statement).

11. Deposits at financial institutions pledged as collateral

As at March 31, 2018 and December 31, 2017, the restricted bank deposits are fixed deposit used to guarantee credit and obligation with commercial bank as mentioned in the note to financial statement 16, 19 and 26.

12. Investments in subsidiary

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiary in the separate financial statement can be summarized as follows :-

<u>Name of subsidiary</u>	<u>Paid-up capital ('000 Baht)</u>		<u>Investment portion (%)</u>		<u>Cost method ('000 Baht)</u>		<u>Dividends ('000 Baht)</u>	
	As at		As at		As at		As at	
	March 31, <u>2018</u>	December 31, <u>2017</u>	March 31, <u>2018</u>	December 31, <u>2017</u>	March 31, <u>2018</u>	December 31, <u>2017</u>	March 31, <u>2018</u>	December 31, <u>2017</u>
<u>Subsidiary don't having non-controlling interests</u>								
Innov Green Solutions Co., Ltd.	30,000	30,000	100.00	100.00	30,255	30,255	-	-
Total					30,255	30,255	-	-

*(Unaudited)*13. Property, plant and equipment

The movement of property, plant and equipment for the three-month period March 31, 2018 is as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	58,318,787.37	48,700,282.35
Purchase	6,839,842.38	6,822,870.88
Disposal	(8,055.38)	(8,055.38)
Write off	(6,078.76)	(6,078.76)
Transfer in	318,347.93	318,347.93
Transfer out	-	-
Depreciation charge for the period	(7,774,062.43)	(7,567,493.89)
Ending net book value	<u>57,688,781.11</u>	<u>48,259,873.13</u>

As at March 31, 2018, certain plant and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 25.42 millions (December 31, 2017 : Baht 23.75 million).

As at March 31, 2018, the Company has pledged the land plus property and equipment in original cost of Baht 3.98 million (December 31, 2017 : Baht 4.09 million) to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 488.50 million.

Assets under finance leases, where the Company are lessee, which are included in the above list includes vehicles and machinery with net book value as at March 31, 2018, of Baht 6.17 million and Baht 1.78 million, respectively (December 31, 2017 : vehicles Baht 6.59 million and machinery Baht 1.85 million, respectively).

(Unaudited)

14. Intangible assets

The movement of intangible assets for the three-month period ended March 31, 2018 are as follow :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	6,674,899.46	4,915,542.90
Purchase	485,985.00	485,985.00
Amortization charge for the period	(332,488.19)	(319,995.89)
Ending net book value	6,828,396.27	5,081,532.01

As at March 31, 2018, certain intangible assets items of the Company have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those assets amounted to Baht 6.79 million (December 31, 2017 : Baht 6.79 million).

15. Deferred tax assets/liabilities

Changed of deferred tax assets and liabilities for the three-month period ended March 31, 2018 is as follows:-

	(Unit : Baht)		
	<u>Consolidated</u>	<u>Recognized in</u>	
	<u>January 1, 2018</u>	<u>profit or loss</u>	<u>March 31, 2018</u>
Trade and other receivable	2,649,498.52	(36,380.86)	2,613,117.66
Property, plant and equipment	604,853.21	73,496.23	678,349.44
Inventories	3,050,302.43	-	3,050,302.43
Finance lease receivables	(165,379.42)	6,485.28	(158,894.14)
Provision for warranty	874,998.71	-	874,998.71
Employee benefit	544,027.93	5,186.56	549,214.49
Total	7,558,301.38	48,787.21	7,607,088.59

(Unaudited)

(Unit : Baht)

	Separate financial statement		
	Recognized in		
	January 1, 2018	profit or loss	March 31, 2018
Trade and other receivable	2,629,942.02	-	2,629,942.02
Property, plant and equipment	(364,689.42)	-	(364,689.42)
Inventories	3,048,939.77	-	3,048,939.77
Finance lease receivables	(1,770.04)	6,485.28	4,715.24
Provision for warranty	494,598.71	-	494,598.71
Employee benefit	374,652.14	-	374,652.14
Total	6,181,673.18	6,485.28	6,188,158.46

The Group offsets the deferred tax assets and the deferred tax liabilities for the presentation in the statement of financial position only in a case where such assets and liabilities relates to the same taxable company and the income tax is levied by the same taxation authority, as follows :-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Amount recognized as assets/liabilities in the statement of financial position				
- Deferred tax assets	7,607,088.59	7,558,301.38	6,188,158.46	6,181,673.18
- Deferred tax liabilities	-	-	-	-
Total	7,607,088.59	7,558,301.38	6,188,158.46	6,181,673.18

The deferred tax asset is not recognized in the statement of financial position; consisted of:-

(Unit : Baht)

	Consolidated/Separate financial statement	
	<u>March 31, 2018</u>	<u>December, 31 2017</u>
	Unused tax losses	
- Expire in next 1 year	-	-
- Expire in next 2 – 12 years	16,731,546.81	12,681,986.28
Temporary differences	8,650,100.90	6,123,567.02
Total	25,381,647.71	18,805,553.30

(Unaudited)

16. Short-term loans from financial institutions

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Bank over draft	30,879,747.13	43,505,793.17	30,879,747.13	43,505,793.17
Short-term loans	60,847,793.14	57,640,214.45	60,847,793.14	57,640,214.45
Trust receipt payable	128,456,146.58	69,882,825.63	128,456,146.58	69,882,825.63
Total	220,183,686.85	171,028,833.25	220,183,686.85	171,028,833.25

As at March 31, 2018 and December 31, 2017, the Group held bank overdraft and short - term loans from financial institutions amounting of Baht 485.10 million Interest rate is MLR, MLR - 1.00%, MOR, MOR - 1.50% per annum.

Such the line of bank overdrafts and short-term borrowings from financial institutions are secured by bank deposits described in Note 11 to the financial statements, land and buildings described in Note 13.

17. Trade and other payable - third parties

Consisted of:-

(Unit : Baht)

	Consolidated		Separate financial statement	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Trade payables	105,234,532.64	48,552,085.62	93,386,703.80	34,156,240.19
Asset payable	10,800,161.40	2,217,863.22	8,874,524.94	2,620,360.09
Deposit received	2,258,301.39	620,597.13	2,118,391.28	620,597.13
Accrued expenses	30,850,435.96	17,364,741.39	28,431,590.00	14,951,890.19
Undue output vat	1,317,509.94	1,383,512.28	990,613.34	409,177.41
Other payables	4,085,581.55	2,057,184.11	3,861,932.48	1,881,018.27
Advanced received income	1,968,103.46	1,688,013.90	1,968,103.46	1,688,013.90
Total	156,514,626.34	73,883,997.65	139,631,859.30	56,327,297.18

(Unaudited)

18. Provision for warranty

The movement of provision for warranty for the three-month period ended on March 31, 2018 is as follows:-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening net book value	5,467,711.61	3,565,711.61
Increase during the period	1,063,353.48	1,063,353.48
Utilized during the period	-	-
Unused amount reversed during the period	(1,488,010.22)	(1,488,010.22)
Ending net book value	<u>5,043,054.87</u>	<u>3,141,054.87</u>

Long-term provision for warranty – minimum payments:-

	(Unit : Baht)			
	<u>Consolidated</u>		<u>Separate financial statement</u>	
	As at			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Within 1 years	4,843,054.87	3,565,711.61	3,141,054.87	3,565,711.61
Within 2 year - 5 years	200,000.00	1,902,000.00	-	-
Total	<u>5,043,054.87</u>	<u>5,467,711.61</u>	<u>3,141,054.87</u>	<u>3,565,711.61</u>

19. Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the three-month period ended March 31, 2018 is as follows :-

	(Unit : Baht)
	<u>Consolidated/</u>
	<u>Separate financial statement</u>
Opening balance	24,692.40
Addition during the period	-
Repayment during the period	(24,692.40)
Ending balance	<u>-</u>

(Unaudited)

20. Obligation under finance lease

The movements of obligation under finance lease for the three-month period ended March 31, 2018 is as follows :

	(Unit : Baht)
	Consolidated/ <u>Separate financial statement</u>
Opening balance	5,389,521.38
Additions during the period	-
Repayment during the period	(759,651.53)
Ending balance	<u>4,629,869.85</u>

Obligation under finance lease - minimum lease payments as follows:

	(Unit : Baht)					
	Consolidated /Separate financial statement					
	As at March 31, 2018			As at December 31, 2017		
	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>	Obligation under <u>finance lease</u>	Deferred finance <u>lease charges</u>	<u>Net</u>
Not later than 1 year	2,730,904.90	(207,177.04)	2,523,727.86	2,922,215.14	(247,675.84)	2,674,539.30
Later than 1 year but not later than 5 years	2,181,475.12	(75,333.13)	2,106,141.99	2,827,944.34	(112,962.26)	2,714,982.08
Total	<u>4,912,380.02</u>	<u>(282,510.17)</u>	<u>4,629,869.85</u>	<u>5,750,159.48</u>	<u>(360,638.10)</u>	<u>5,389,521.38</u>

As at March 31, 2018 and December 31 2017, the Company has entered into the contract of long term financial leased with several leasing companies so as to lease vehicles by number of 16 contracts and machine by number of 1 contract. The leased contracts determine leased fee repayment as monthly installment from Baht 7,430.00 to Baht 89,620.00 per month. The leased period is carried from 2 years to 4 years. Such leased contract comprises the Company's shareholders and directors as guarantors. In addition, ownership of such vehicles and machine will transfer to ownership of the Company when the Company pays the final installment in accordance with the leased contract.

*(Unaudited)*21. Employee benefit obligation

Changes in the present value of the employee benefit obligation for the three-month period ended March 31, 2018 are as follows :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate financial statement</u>
Opening balance	6,581,978.14	5,734,125.99
Current service cost	297,248.33	277,740.05
Interest cost	59,680.86	53,256.29
Ending balance	6,938,907.33	6,065,122.33

22. Share capital

The movement of share capital for the three-month period ended March 31, 2018 is as follows :-

	Number of share (Unit : share)	Ordinary share (Unit : Baht)
Registered share capital (Baht 0.25 per share)		
As at January 1, 2018	480,000,000	120,000,000.00
Increment during the period	-	-
As at March 31, 2018	480,000,000	120,000,000.00
Paid-up share capital (Baht 0.25 per share)		
As at January 1, 2018	480,000,000	120,000,000.00
Increment during the period	-	-
As at March 31, 2018	480,000,000	120,000,000.00

(Unaudited)

23. Income tax (income) expense

The income tax (income) expenses recognized in loss for the three-month period ended March 31, 2018 and 2017 are as follow:

	Consolidated		Separate financial statement	
	For the three-month periods ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current tax expense	238,500.06	-	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	(48,787.21)	652,792.41	(6,485.28)	20,523.85
Total income tax (income) expense recognized in profit or loss	189,712.85	652,792.41	(6,485.28)	20,523.85

The relationship between income tax (income) expense and accounting loss for the three-month period ended March 31, 2018 and 2017, are as follow.

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting loss	(32,619,125.22)	(16,794,030.26)	(32,909,452.09)	(16,589,863.64)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(6,523,825.04)	(3,358,806.05)	(6,581,890.42)	(3,317,972.73)
Temporary difference not recognized as a deferred tax asset	2,526,533.88	881,608.40	2,526,533.88	880,935.29
Expenses that are not deductible in determining taxation profit	151,403.48	7,940.86	13,270.73	7,541.30
Revenues that are granted income tax	(13,960.00)	(147,801.64)	(13,960.00)	(147,801.64)
Loss from operation for the period	4,049,560.53	3,269,850.84	4,049,560.53	2,597,821.63
Income tax (income) expense	189,712.85	652,792.41	(6,485.28)	20,523.85
Tax rate			<u>2018</u>	<u>2017</u>
- The Company and subsidiary				
- Profit of non-BOI business			20%	20%
- Profit of BOI business				
- Exemption from taxation			-	-
- Reduction of tax			10%	10%

(Unaudited)

24. Loss per share

Basic loss per share are calculated by dividing the loss for the periods attributable to shareholders by the weighted average number of ordinary shares in issue during the periods.

25. Supplemental disclosures of cash flow information

25.1 Cash and cash equivalents consist of :-

	Consolidated		Separate financial statement	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	430,890.75	432,184.00	428,173.00	417,983.00
Cash deposits-Saving accounts	7,207,684.05	15,837,536.22	4,071,423.57	15,832,334.07
Cash deposits-Current accounts	5,265,244.59	25,214,466.87	5,169,120.42	21,612,088.07
Fixed deposits	1,955,736.75	725,061.01	1,922,683.15	725,061.01
Total	14,859,556.14	42,209,248.10	11,591,400.14	38,587,466.15

(Unit : Baht)

25.2 Non-cash items are as follows :-

	Consolidated		Separate financial statements	
	For the three-month period ended March 31,			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Purchase equipment but not yet paid	6,236,502.36	4,328,741.42	6,236,502.36	4,314,208.12
Purchase intangible but not yet paid	17,662.49	-	17,662.49	-
Purchase assets by leased	-	698,831.77	-	698,831.77
Transfer of an inventory to equipment	318,347.93	-	318,347.93	-

(Unit : Baht)

(Unaudited)

25.3 Liabilities arising from financing activities :-

The movements of liabilities arising from financing activities the three-month period ended March 31, 2018 was as follow:-

(Unit : Baht)

	Consolidated /Separate financial statement			
	January 1, 2018	Cash flows	Non-cash changes	
			Changes in foreign exchange rates	
	March 31, 2018			March 31, 2018
Short-term loans from finance institution	171,028,833.25	52,028,765.17	(2,873,911.57)	220,183,686.85
Short-term loan from related party	-	10,000,000.00	-	10,000,000.00
Long-term loans from finance institution	24,692.40	(24,692.40)	-	-
Finance lease liabilities	5,389,521.38	(759,651.53)	-	4,629,869.85
Total	176,443,047.03	61,244,421.24	(2,873,911.57)	234,813,556.70

26. Credit line of financial institutions

(Unit: Million Baht)

	Consolidated					
	As at					
	March 31, 2018			December 31, 2017		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	8.10	(0.85)	7.25	8.10	(5.29)	2.81
Credit line of bank overdraft	61.10	(28.23)	32.87	61.10	(43.51)	17.59
Credit line of short-term loans	424.00	(226.25)	197.75	424.00	(57.64)	366.36
Credit line of long-term loans	0.30	-	0.30	0.30	(0.28)	0.02
	493.50	(255.33)	238.17	493.50	(106.72)	386.78

(Unit: Million Baht)

	Separate financial statement					
	As at					
	March 31, 2018			December 31, 2017		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	7.10	(0.54)	6.56	7.10	(5.00)	2.10
Credit line of bank overdraft	61.10	(28.23)	32.87	61.10	(43.51)	17.59
Credit line of short-term loans	420.00	(226.25)	193.75	420.00	(57.64)	362.36
Credit line of long-term loans	0.30	-	0.30	0.30	(0.28)	0.02
	488.50	(255.02)	233.48	488.50	(106.43)	382.07

(Unaudited)

The Group pledged the land plus property, as mentioned in the notes to financial statements No. 13, and bank deposit to financial statements No. 11, as collaterals against the said credit facilities.

27. Operating segments

The Group identified the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment in the form of type of business operated. The Group has two operating segments which are consists of the sale of products segment and the service of products segment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses and finance cost.

The segment operation for the three-month period ended March 31, 2018 and 2017 are as follows :-

	(Unit: Million Baht)					
	Sale of Products		Service		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net outsider sales	147.06	195.42	21.30	7.67	168.36	203.09
Gross profit	20.70	38.61	9.57	5.73	30.28	44.34
Other income					5.65	3.59
Selling expenses					(46.29)	(44.63)
Administrative expenses					(19.81)	(19.49)
Finance cost					(2.45)	(0.60)
Loss before income tax income (expenses)					(32.62)	(16.79)

The reconciliations of each segment total assets to the Group's assets and other material items.

	(Unit: Million Baht)							
	Sale of Products		Service		Central		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Depreciation	5.63	2.99	0.57	0.48	1.58	1.61	7.78	5.08
Amortization	-	-	-	-	0.33	0.25	0.33	0.25

For the three-month period ended March 31, 2018, the Group has the revenue from sale of goods to 2 major customers in the amount of Baht 36.23 million earned from sale of products segment. (For the three-month period ended March 31, 2017 : 2 major customers in the amount of Baht 31.81 million earned from sale of products segment).

(Unaudited)

Geographical segment information for the three-month period ended March 31, 2018 and 2017 are as follows:-

(Unit : Million Baht)

	Consolidated					
	For the three-month period ended March 31,					
	Thailand		China		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues from external customers	109.67	100.22	58.69	102.87	168.36	203.09
Non-current assets	26.33	0.99	21.93	32.85	48.26	33.84

28. Financial instruments

During the three-month period ended March 31, 2018, the Group has not other financial instruments significantly change from December 31, 2017, except.

28.1 Risks from Interest Rates

Risk from interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. Risk from interest rates remains due to bank deposit, loans to related parties, credit facilities owing to the commercial bank and related parties. Due to the fact that such financial assets and liabilities constitute interest rates which are always closed to market interest rate; as a result, the Group anticipates of non material risk from interest rates.

	Consolidated			
	Amount (Unit : million Baht)		Interest rate per annum (%)	
	As at		As at	
	March 31,	December 31,	March 31,	December 31,
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Saving accounts	7.21	0.98	0.0400%-0.3750%	0.1250%-0.3750%
Fixed deposits	1.96	3.23	0.6500%-1.2500%	0.9000%-1.3750%
Finance lease receivables	15.61	19.81	2.7827%-33.8484%	2.7827%-33.8484%
Deposits pledged as collateral	70.75	71.70	0.1250%-1.2500%	0.9000%-1.1500%
Bank overdrafts	30.88	43.51	6.1750%-7.3750%	6.1750%-7.3750%
Short-term loan from finance institution	60.85	57.64	5.2500%-5.7750%	5.2500%-5.7750%
Trust receipt payable	128.46	69.88	3.5300%-4.7444%	3.5300%-4.7444%
Short-term loan from related parties	10.00	-	0.0650%	-
Long-term loan from finance institution	-	0.02	-	7.13%
Obligation under finance lease	4.63	5.39	4.2693%-6.5984%	4.2693%-6.5984%

(Unaudited)

	Separate financial statement			
	Amount (Unit : million Baht)		Interest rate per annum (%)	
	As at		As at	
	March 31, <u>2018</u>	December 31, <u>2017</u>	March 31, <u>2018</u>	December 31, <u>2017</u>
Saving accounts	4.07	0.97	0.0400%-0.3750%	0.1250%-0.3750%
Fixed deposits	1.92	3.19	0.6500%-1.2500%	0.9000%-1.3750%
Finance lease receivables	0.44	0.61	2.7827%-9.9411%	2.7827%-9.9411%
Deposits pledged as collateral	69.75	70.70	0.1250%-1.2500%	0.9000%-1.1500%
Short-term loan to related parties	-	7.00	-	5.0000%
Bank overdrafts	30.88	43.51	6.1750%-7.1250%	6.1750%-7.3750%
Short-term loan from finance institution	60.85	57.64	5.2500%-6.0000%	5.2500%-5.7750%
Trust receipt payable	128.46	69.88	3.7400%-6.0250%	3.5300%-4.7444%
Short-term loan from related parties	10.00	-	0.0650%	-
Long-term loan from finance institution	-	0.02	-	7.1250%
Obligation under finance lease	4.63	5.39	4.2693%-6.5984%	4.2693%-6.5984%

28.2 Foreign currency risk

The Group constitutes material risk from exchange rates in overseas currencies which has been cash at bank, trade receivable, trade payable and trust receipt that are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at March 31, 2018 and December 31, 2017, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	As at March 31, 2018			
	Consolidated		Separated financial statement	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	1,456,853.55	6,541,986.16	1,456,853.55	6,480,672.46
Euro	-	33.75	-	33.75

<u>Foreign currency</u>	As at December 31, 2017			
	Consolidated		Separated financial statement	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	227,306.00	3,112,135.55	227,306.00	3,059,373.06

(Unaudited)

29. Fair value Measurement

Information on assets and liabilities of the Group measured the fair value in the statement of financial position as at March 31, 2018 and December 31, 2017, are as follows:

(Unit: Million Baht)

	Fair value		Fair value hierarchy	Valuations techniques
	March 31, 2018	December 31, 2017		
Investment in trading securities	-	0.12	Level 2	NAV per unit calculated by the asset management.

Information on assets and liabilities of the Group not measured the fair value in the statement of financial position as at March 31, 2018 and December 31, 2017, are as follows:

(Unit: Million Baht)

	Book value		Fair value		Fair value hierarchy	Valuations techniques
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017		
Foreign currency forward contract (Note 30.4)	6.37	-	6.28	-	Level 2	Calculated by the value declared by the financial institution.

30. Commitments and contingent liabilities

30.1 As at March 31, 2018, the Company has commitments relating to letters of credit which has been withdrawn in amount of USD 1.20 million and of Baht 31.00 million (December 31, 2017 : USD 0.70 million).

30.2 As at March 31, 2018, the Group constitutes contingent liability from issuance of guarantee letter of the bank by amount of Baht 0.85 million (December 31, 2017 : amount of Baht 5.29 million).

30.3 The Group constitutes lease contract of building, equipment and warehouse from third parties. As at March 31, 2018 and December 31, 2017, the Group had obligation to repay the lease as follows:-

(Unit : Baht)

	Consolidated		Separated financial statement	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Maturities of payment				
- Not later than 1 year	8,143,940.82	10,021,827.76	7,747,940.82	9,625,827.76
- Later than 1 year and not later than 5 years	7,859,700.00	7,557,170.00	7,694,700.00	7,293,170.00
Total	16,003,640.82	17,578,997.76	15,442,640.82	16,918,997.76

- 30.4 As at March 31, 2018 The Group has performed the forward foreign currencies contract in amount of USD 0.20 million which holds the contract life not exceeding one year.
- 30.5 The Company entered into a distributor agreement with a foreign company for a period of 11 years expiring in December 2022. The Company is authorized to sell the products of cooling machines business EVAP 70 and EVAP 35 in the country around the world save except some country as specified in the agreement. Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.
- 30.6 The Company entered into a distributor agreement with a foreign company as the same as No. 30.5 for 2 contracts for period of 11 years expiring in December 2023. The Company is authorized to sell the products of cooling machines business EVAP 03 and EVAP 20 in the country around the world save except some country as specified in the agreement. Under the agreement, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.
- 30.7 The Company entered into an OEM agreement with a foreign company to manufacture the evaporative fan model MIK-25EXN for the contractual period of 11 years. The agreement term will be expired in 2025.
- 30.8 The Company entered into a quality assurance agreement with a foreign OEM manufacturer to cover the damage that may incurred from manufacturing the evaporative fans for the Company. The contractual period is 3 years and will be expired in August 2018.
- 30.9 As of March 31, 2018, the Group Companies have obligation from engaging services that provided by several outside parties for the period of 1 - 3 years. The Group Companies have obligation to pay the service fees at Baht 10,000.00 - 95,000.00 per month.
- 30.10 The Group Companies have obligation from hiring outside parties as procurement agent for merchandises from People's Republic Of China. The contractual term commenced in January 2016 and the term will be expired when both parties mutually agreed to end the agreement. The Group Companies have the obligation to pay Yuan Ren Minbi 2,352.94 per month.

(Unaudited)

31. Reclassification of accounting transactions

Some transactions in consolidate and separate statement of comprehensive income for the three-month period ended March 31, 2017, are newly reclassified so as to comply with reflection in consolidate and separate statement comprehensive income for the three-month period ended March 31, 2018, which can be summarized as follows:

		(Unit : Baht)	
		For the three-month period ended on March 31, 2017	
Transactions which <u>formerly presented</u>	<u>Reclassified</u>	<u>Consolidated statements of comprehensive income</u>	<u>Separate statements of comprehensive income</u>
Adminstrative expenses	Other income	537,309.54	537,309.54

32. Employee joint investment program

Details of the first program employee joint investment program is as follows:

Approved by	: In accordance with Meeting of The Board of Directors No. 7/2016
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Employees contribute 3 percent of their monthly base salary and the Group additionally contribute 3 percent of employees' monthly base salary
Program management	: TISCO Asset Management Company Limited

Details of the second employee joint investment program for executive directors is as follows:

Approved by	: In accordance with The annual ordinary general meeting of shareholders of 2017
Duration of the scheme	: 4 years, from February 1, 2017 to January 31, 2021
Detail of contributions	: Directors contribute 3 percent and the Group additionally contribute 3 percent of their monthly base salary.
Program management	: TISCO Asset Management Company Limited

For the three-month period ended March 31, 2018, the Group contributed the joint investment program for employee and executive directors in the amount of Baht 0.38 million (For the three-month period ended March 31, 2017 : Baht 0.23 million).

33. Events after the reporting period

The annual ordinary general meeting of shareholders of 2018 with held on April 26, 2018, has the following resolutions.

- Approval on the increase of the Company's registered capital of Baht 24,000,000.00 by issuing 96,000,000 new ordinary shares with a par value of Baht 0.25 per share

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to specific investor (Private Placement)

- Approval on the allotment of not more than 48,000,000 new ordinary shares with a par value of Baht 0.25 per share by means of General Mandate to existing shareholders (Right Offering)

- Authorization on the Board of Directors to consider other details regarding to the allotment of new ordinary shares by means of General Mandate as follows the offering period will be considered for sale on one or several times. It will be offered to any specific group of investors or any groups at the same time, date and time of offering, offered price, terms and conditions, etc. regarding the allotment of ordinary shares of the Capital Increase.

On May 10, 2018, the Company has already registered the share capital increment with the Department of Business Development, Ministry of Commerce.

34. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board of directors on May 14, 2018.
