

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the shareholders of Sahamitr Pressure Container Public Company Limited

I have reviewed the accompanying statement of financial position as at 31 March 2017 of Sahamitr Pressure Container Public Company Limited, and the related statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017, and condensed notes to the interim financial statements. 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 issue a conclusion report 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 enquiries, 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 on the interim financial information.

### **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".

*Navin Churamongkol*

**Mr. Narin Churamongkol**

Certified Public Accountant

Registration No. 8593

Bangkok, Thailand

12 May 2017

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

**ASSETS**

	Notes	Thousand Baht	
		31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	109,347	94,807
Trade accounts receivable	7	481,831	417,755
Inventories-net	8	623,445	571,310
Refundable value added tax		48,116	23,985
Other current assets		21,450	8,921
<b>Total Current Assets</b>		<b>1,284,189</b>	<b>1,116,778</b>
<b>NON-CURRENT ASSETS</b>			
Receivable from related parties under guarantee obligation - net	5	-	-
Restricted deposits with banks	9	35,880	35,869
Investment property-net	10	41,722	41,722
Property, plant and equipment-net	11	894,809	876,924
Deferred income tax asset		11,872	10,866
Other non-current assets		432	432
<b>Total Non-Current Assets</b>		<b>984,715</b>	<b>965,813</b>
<b>TOTAL ASSETS</b>		<b>2,268,904</b>	<b>2,082,591</b>

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Notes	Thousand Baht	
		31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>CURRENT LIABILITIES</b>			
Short-term loans from bank	12	378,354	291,194
Trade accounts payable		217,818	226,777
Current portion of			
- Long-term loan from bank	13	5,400	11,100
- Liabilities under finance leases	14	1,603	1,740
Advances from customers		25,475	43,130
Accrued dividend payment	17	181,408	1,519
Accrued commission expenses		19,952	47,354
Accrued transportation expenses		18,882	24,917
Accrued income tax		88,289	58,920
Other accrued expenses	5	49,878	37,738
Other current liabilities		7,046	7,006
<b>Total Current Liabilities</b>		<b>994,105</b>	<b>751,395</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities under finance lease agreements-net	14	5,701	6,009
Liabilities under employee benefits obligation	15	35,606	30,681
<b>Total Non-Current Liabilities</b>		<b>41,307</b>	<b>36,690</b>
<b>Total Liabilities</b>		<b>1,035,412</b>	<b>788,085</b>

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION

**LIABILITIES AND SHAREHOLDERS' EQUITY** (Continue)

		Thousand Baht	
		31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)
	Note	<u>                    </u>	<u>                    </u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital-ordinary shares, Baht 1 par value			
Authorized-536,405,305 shares		536,405	536,405
Issued and fully paid-up-529,127,108 shares		<u>529,127</u>	<u>529,127</u>
Premium on share capital		18,328	18,328
Capital reserve for share-based payment transaction	16	2,885	2,274
Retained earnings			
- Appropriated for legal reserve		53,641	53,641
- Unappropriated		629,511	691,136
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>1,233,492</u>	<u>1,294,506</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>2,268,904</u>	<u>2,082,591</u>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	Notes	Thousand Baht	
		2017	2016
Net sales	19	971,655	811,763
Costs of sales	19	(749,726)	(563,013)
<b>Gross profit</b>		221,929	248,750
Other income	18	36,063	30,274
<b>Income before expense</b>		257,992	279,024
Selling expenses		(61,116)	(63,504)
Administrative expenses		(44,471)	(45,091)
<b>Income before financial costs and income tax</b>		152,405	170,429
Financial costs		(1,693)	(2,840)
<b>Income before income tax</b>		150,712	167,589
Income tax		(29,275)	(32,922)
<b>INCOME FOR THE PERIOD</b>		121,437	134,667
<b>Other comprehensive loss for the period</b>			
<b>Items not to be reclassified subsequently to profit or loss</b>			
Actuarial loss-net of tax		(3,162)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		118,275	134,667
<b>Basic earnings per share</b>			
Income (Baht per share)		0.23	0.26
Weighted average number of common shares (share)		529,127,108	526,996,513
<b>Diluted earnings per share</b>			
Income (Baht per share)		0.23	0.25
Weighted average number of common shares (share)		531,649,986	529,192,054

## SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

Thousand Baht

	Notes	Share Capital	Premium	Capital reserve	Retained earnings		Total
		Issued and Fully Paid - Up	on Share Capital	for share-based payment transactions	Appropriated for Legal Reserve	Unappropriated	
<b>Balance as at 1 January 2016</b>		526,996	6,098	1,833	37,908	493,061	1,065,896
Recognition of share-base payment	16	-	-	611	-	-	611
Dividend payment		-	-	-	-	(168,609)	(168,609)
Comprehensive income for the period		-	-	-	-	134,667	134,667
<b>Balance as at 31 March 2016</b>		<b>526,996</b>	<b>6,098</b>	<b>2,444</b>	<b>37,908</b>	<b>459,119</b>	<b>1,032,565</b>
<b>Balance as at 1 January 2017</b>		529,127	18,328	2,274	53,641	691,136	1,294,506
Recognition of share-base payment	16	-	-	611	-	-	611
Dividend payment	17	-	-	-	-	(179,900)	(179,900)
Comprehensive income for the period		-	-	-	-	118,275	118,275
<b>Balance as at 31 March 2017</b>		<b>529,127</b>	<b>18,328</b>	<b>2,885</b>	<b>53,641</b>	<b>629,511</b>	<b>1,233,492</b>

The accompanying notes form an integral part of these interim financial statements.

## STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	Thousand Baht	
	2017	2016
<b>Cash flows from operating activities:</b>		
Income before income tax	150,712	167,589
<b>Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:</b>		
Depreciation	13,402	10,386
Unrealized loss (gain) on exchange rate-net	734	(973)
Provision for employee benefits obligation	649	452
Gain on disposal of assets	(61)	(646)
Expense for share-based payment	611	611
Interest expense	1,693	2,840
<b>Cash provided from operations before changes in operating assets and liabilities</b>	167,740	180,259
<b>Decrease (increase) in operating assets:</b>		
Trade accounts receivable	(69,577)	13,645
Inventories	(52,135)	(36,953)
Refundable value added tax	(24,131)	12,298
Other current assets	(12,590)	(3,265)
<b>Increase (decrease) in operating liabilities:</b>		
Trade accounts payable	(8,813)	5,883
Advances received from customers	(17,903)	27,497
Accrued commission expenses	(27,228)	10,856
Accrued transportation expenses	(6,035)	3,102
Other accrued expenses	12,299	12,194
Other current liabilities	40	109
<b>Cash provided from (used in) operations</b>	(38,333)	225,625

## SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

## STATEMENT OF CASH FLOWS (CONTINUED)

## FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	Thousand Baht	
	2017	2016
<b>Cash provided from (used in) operations (continued)</b>	(38,333)	225,625
Interest paid	(1,467)	(2,630)
Income tax deducted at sources	(122)	(240)
<b>Net cash provided from (used in) operating activities</b>	<u>(39,922)</u>	<u>222,755</u>
<b>Cash flows from investing activities:</b>		
Increase in restricted deposits with bank	(11)	(11)
Proceeds from disposal of assets	61	787
Purchase of property, plant and equipment	(31,287)	(33,717)
<b>Net cash used in investing activities</b>	<u>(31,237)</u>	<u>(32,941)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans from bank	91,855	(80,514)
Repayment of long-term loan from bank	(5,700)	(5,700)
Repayment of liabilities under finance leases	(445)	(167)
Dividend payment	(11)	(1)
<b>Net cash provided from (used in) financing activities</b>	<u>85,699</u>	<u>(86,382)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	14,540	103,432
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>94,807</u>	<u>58,641</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>109,347</u></u>	<u><u>162,073</u></u>
<b>Supplemental cash flows information:</b>		
Non-cash transactions:		
- Purchase of vehicles under finance lease agreement	-	5,499

The accompanying notes form an integral part of these interim financial statements.



**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT 31 MARCH 2017 (Unaudited but reviewed)**

(With comparative information for 2016 (audited))

1. NATURE OF BUSINESS

Sahamitr Pressure Container Public Company Limited was incorporated as a limited public company in Thailand, and has been listed on the Stock Exchange of Thailand. The Company is engaged in the manufacturing of LPG and other pressure cylinders for both domestic and export sales.

2. GENERAL INFORMATION AND BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Amended 2016) “Interim financial reporting”, whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended 31 December 2016.

The interim financial statements are officially prepared in Thai language. The translation of these financial statements to other language must conform to the Thai financial report.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended 31 December 2016.

The Federation of Accounting Professions has announced the new and amendments to some Thai Accounting Standards and Thai Financial Reporting Standards, and Accounting Standard Interpretations and Financial Reporting Standards Interpretations, which are effective for the preparation of financial statements with accounting periods beginning on or after 1 January 2017. The Company has adopted the application of those standards and interpretations for preparation of financial statements effective 1 January 2017. These accounting standards and interpretations do not have significant impact on the financial position and results of operations for the period.

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#### 4. ESTIMATES AND JUDGEMENT

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the annual financial statements for the year ended 31 December 2016.

#### 5. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties that are related to it through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Significant balances with related parties as at 31 March 2017 and 31 December 2016 consist of:

	Thousand Baht	
	31 March 2017	31 December 2016
Receivables from directors, under guarantee obligation for Sahamitr Steel Co., Ltd.		
- Estate of Mr. Sutham Ekahitanond	191,210	191,210
- Mrs. Supha Phromsaka Na Sakolnakorn	191,210	191,210
Total	382,420	382,420
<u>Less</u> Allowance for doubtful accounts	(382,420)	(382,420)
Net	-	-
<u>Key management personnel compensation</u>		
Provision for post-employment benefits	14,682	14,085

The current portion of the provision for post-employment benefits is presented as “Other accrued expenses” and the non-current portion is presented as “Liabilities under employee benefits obligation”.

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Significant transactions with related parties for the three-month periods ended 31 March 2017 and 2016 consist of:

	Thousand Baht	
	For the three-month periods ended	
	31 March	
	2017	2016
<u>Key management personnel compensation</u>		
Current employment benefits	19,452	19,139
Provision for post-employment benefits	86	72
Total	<u>19,538</u>	<u>19,211</u>

6. CASH AND CASH EQUIVALENTS

	Thousand Baht	
	31 March 2017	31 December 2016
Cash	353	290
Saving accounts with banks	60,508	88,553
Current accounts with banks	48,486	5,964
Total	<u>109,347</u>	<u>94,807</u>

7. TRADE ACCOUNTS RECEIVABLE

As at 31 March 2017 and 31 December 2016, the aged trade accounts receivable are as follows:

	Thousand Baht	
	31 March 2017	31 December 2016
Not yet due	391,005	213,813
Over due		
Less than 3 months	83,746	199,143
More than 3 months, not over 6 months	6,559	705
More than 6 months, not over 12 months	472	4,094
More than 12 months	49	-
Total	<u>481,831</u>	<u>417,755</u>

The normal credit term from 30 days to 90 days.

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8. INVENTORIES-NET

	Thousand Baht	
	31 March 2017	31 December 2016
Finished goods	38,555	55,224
Work in process	43,476	36,579
Raw materials and others	542,070	480,163
Total	<u>624,101</u>	<u>571,966</u>
<u>Less</u> Allowance for defective inventories	(656)	(656)
Net	<u>623,445</u>	<u>571,310</u>

9. RESTRICTED DEPOSITS WITH BANKS

As at 31 March 2017 and 31 December 2016, the Company's fixed and saving deposits totalling Baht 35.88 million and Baht 35.87 million, respectively, are restricted for usage as they have been pledged as collaterals for letters of guarantee issued by a local bank for utilities usage, performance bond and loan from bank.

10. INVESTMENT PROPERTY

As at 31 March 2017 and 31 December 2016, investment property is presented at fair value which had been determined by an independent appraiser by comparing the market price to other properties near its location (Level 2). The above investment property has been mortgaged as collateral for credit facilities as discussed in Notes 12 and 13 to the financial statements.

During the three-month period ended 31 March 2017, there were no significant movements in the fair value of the investment property.

11. PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended 31 March 2017, the Company has following condensed movements in property, plant and equipment:

	Thousand Baht
Net book value as at 1 January 2017	876,924
Purchases of assets	31,287
Depreciation for the period	(13,402)
Net book value as at 31 March 2017	<u>894,809</u>

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Land and buildings and a part of machinery have been mortgaged as collateral for credit facilities with a bank as mentioned in Notes 12 and 13.

12. SHORT-TERM LOANS FROM BANK

	Thousand Baht	
	31 March 2017	31 December 2016
Liabilities under trust receipts	378,354	277,758
Promissory note	-	13,436
Total	378,354	291,194

As at 31 March 2017, the Company has credit facilities from bank totaling Baht 5,231 million (31 December 2016 : Baht 5,231 million). The promissory notes and liabilities under trust receipts bear interest at the rates of 1.6% - 2.2% per annum (31 December 2016 : 1.5% - 4.5% per annum). These loans are collateralized by the mortgage of the Company's land, buildings thereon and machinery, investment property, bank deposit, the pledge of the Company's shares belonging to the Company's shareholders and the personal guarantees of certain Company directors.

13. LONG-TERM LOAN FROM BANK- NET

	Thousand Baht	
	31 March 2017	31 December 2016
Long-term loans from bank	5,400	11,100
<u>Less</u> Current portion	(5,400)	(11,100)
Long-term loans from bank-net	-	-

Movements in the long-term loan during the three-month period ended 31 March 2017 are summarized below.

	Thousand Baht
Balance as at 1 January 2017	11,100
<u>Less</u> Repayments	(5,700)
Balance as at 31 March 2017	5,400

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The long-term loan from bank is repayable at Baht 1.90 million per month. This loan bears interest at MLR – 1.00 per annum, with principal repayment within 3 years. The loan is collateralized by the mortgage of the Company’s land, buildings and certain machinery thereon, investment property, bank deposit, the pledge of the Company shares belonging to the Company’s shareholders and the personal guarantees of certain Company’s directors.

14. LIABILITIES UNDER FINANCE LEASE AGREEMENTS-NET

	Thousand Baht	
	31 March 2017	31 December 2016
Liabilities under financial leases		
Due within 1 year	2,029	2,114
Due over 1 year but not more than 4 years	6,318	6,786
Total	8,347	8,900
<u>Less</u> Deferred interest	(1,043)	(1,151)
	7,304	7,749
<u>Less</u> Portion due within 1 year	(1,603)	(1,740)
Net	5,701	6,009

The Company has financial lease agreements for vehicles that are being used in the operations with installment periods of 48 - 49 months.

15. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

During the three-month periods ended 31 March 2017, movements in liabilities under employee benefits obligation are as follow:

	Thousand Baht
Balance as at 1 January 2017	30,681
Actuarial loss	3,952
Provision for the period	973
Balance as at 31 March 2017	35,606

During the three-month period ended 31 March 2017, the Company has remeasured liabilities under employee benefits obligation. The valuation was performed by an independent actuary.

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The employee benefits expense were recorded in the statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2017 and 2016 are as follows:

	Thousand Baht	
	For the three-month periods ended	
	31 March	
	2017	2016
<b>Recognized in profit or loss</b>		
Service cost	649	452
Interest cost	324	284
<b>Recognized in other comprehensive income</b>		
Actuarial loss-net of tax	3,162	-

#### 16. WARRANTS

During the three-month period ended 31 March 2017 and 2016, movements in warrants and capital reserve for share-based payment transactions are as follows:

	2017		2016	
	Number of warrants (Unit)	Capital reserve for share – based payment transactions (Thousand Baht)	Number of warrants (Unit)	Capital reserve for share – based payment transactions (Thousand Baht)
Balance as at 1 January	6,992,105	2,274	9,122,700	1,833
Recognition of share-base payment as expenses during the period	-	611	-	611
Balance as at 31 March	6,992,105	2,885	9,122,700	2,444

#### 17. DIVIDEND PAYMENT

At the Annual General Meeting of Shareholders held on 30 March 2017, the shareholders passed a resolution to make a dividend from the profit for the year ended 31 December 2016 of Baht 0.64 per share. An approve interim dividend payment for the six-month period ended 30 June 2016 had already been paid of Baht 0.30 per share for 529,127,108 shares, totaling Baht 159 million on 9 September 2016. The remaining dividend payment for the period from 1 July 2016 to 31 December 2016 of Baht 0.34 per share, totaling not exceeding Baht 180 million was paid on 28 April 2017.

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As at 31 March 2017, the Company has made an accrual for dividends payable amounting to Baht 181.41 million (31 December 2016 : Baht 1.52 million) under current liabilities.

#### 18. OTHER INCOME

Other income for the three-month periods ended 31 March 2017 and 2016 are as follows:

	Thousand Baht	
	For the three-month periods ended 31 March	
	2017	2016
Revenue from scrap sales	31,446	24,108
Gain on exchange rate	2,305	4,010
Freight income	680	725
Interest income	63	85
Revenue from product quality testing	230	-
Others	1,339	1,346
Total	36,063	30,274

#### 19. SEGMENTAL FINANCIAL INFORMATION

Significant segmental financial information for the three-month periods ended 31 March 2017 and 2016 are as follows:

	Thousand Baht					
	For the three-month periods ended 31 March					
	2017			2016		
	Domestic	Export	Total	Domestic	Export	Total
Net sales	60,778	910,877	971,655	43,234	768,529	811,763
Cost of sales	(47,000)	(702,726)	(749,726)	(27,552)	(535,461)	(563,013)
Gross profit	13,778	208,151	221,929	15,682	233,068	248,750

Gross profit for domestic and export sales derived from the deduction of related costs of sales, which are calculated by the weighted average standard cost of each product.

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## 20. COMMITMENTS

As at 31 March 2017, the Company has the following commitments:

- 20.1 An obligation under a domestic bank guarantee amounting to Baht 932.51 million (31 December 2016 : Baht 788.15 million) for the issuance of letters of guarantee to the Customs Department to exempt the Company from paying anti-dumping duties for materials imported for manufacturing and re-exported within one-year.
- 20.2 Obligations under domestic bank guarantees for electricity usage and other matters totalling Baht 57.31 million (31 December 2016 : Baht 37.16 million).

Such letters of guarantee are guaranteed by the mortgage of the Company's land, buildings and certain machinery as disclosed in Notes 10 and 11 and the personal guarantee of certain of the Company's director.

## 21. FINANCIAL INSTRUMENTS

### *Foreign Currency Risk*

The Company has foreign currency risk exposure relating to sales and purchases denominated in foreign currencies. As at 31 March 2017, the Company has unhedged assets and liabilities in foreign currencies from the import and export of products with natural hedges as follows:

	31 March 2017		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currencies</u>			
USD	34	34.2857	1,166
<u>Trade accounts receivable in foreign currencies</u>			
USD	10,606	34.2857	363,634
EUR	1,249	36.4362	45,541
GBP	481	42.5708	20,477
<u>Trade accounts payable in foreign currencies</u>			
USD	14,203	34.6144	491,628
<u>Short-term loans from bank in foreign currency</u>			
USD	10,941	34.6144	378,716

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	31 March 2017		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Advances from customers in foreign currenc</u>			
USD	443	34.6144	15,334
EUR	78	37.1446	2,897
<u>Accrued commission expenses in foreign currency</u>			
USD	502	34.6144	17,376
EUR	70	37.1446	2,600

## 22. CONTINGENT LIABILITIES

On 1 April 2015, a company who owns land near the Company's factory area, sued the Company as a joint defendant with four other parties in the Civil Court for compensation claimed to be caused by the Company's production process amounting to Baht 201.88 million, which comprises of Baht 130.94 million being the total claim amount plus interest at the rate of 7.50 percent per annum from 1 April 2015 to the expected payment date.

On 30 January 2017, the Civil Court determined that this is an environmental claim, and on 4 April 2017 they concluded that this case is negotiable between the counterparties. A further hearing has been scheduled on 6 June 2017 to determine how the prosecution will proceed.

In addition, the plaintiff is suing Government authorities in respect of the legality of the issuance of Company's factory licence. Consequently, the Company has been subpoenaed as an interpleader by the Central Administrative Court. Currently, the Company is waiting for the order of the Central Administrative Court.

The Company believes that their business operations are compliant with the law and there will be no any damages from such case. The Company therefore, has not set up any provision in the financial statements.

## 23. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's Board of Directors on 12 May 2017.

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