

Auditor's Review Report and
Interim Financial Statements of

Sahamitr Pressure Container Public Company Limited

For the Three-Month and Six-Month Periods Ended
30 June 2018



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

Grant Thornton Limited
18th Floor Capital Tower
87/1 Wireless Road
Lumpini, Phatumwan
Bangkok, Thailand
10330

T +66 2 205 8222
F +66 2 654 3339


To the Board of Directors and the Shareholders of Sahamitr Pressure Container Public Company Limited

I have reviewed the accompanying statement of financial position as at 30 June 2018, the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2018, and condensed notes to the interim financial statements of Sahamitr Pressure Container Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion 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". 

Other matters

The statement of financial position of Sahamitr Pressure Container Public Company Limited as at 31 December 2017, presented as comparative information, were audited by another auditor in the same office as mine, who expressed an unmodified opinion thereon in his report dated 14 February 2018.

The statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017 of Sahamitr Pressure Container Public Company Limited, presented as comparative information, were reviewed by another auditor in the same office as mine, who concluded nothing has come to his attention that causes him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim financial reporting" thereon in his report dated 10 August 2017.

**Miss Sansanee Poolsawat**

Certified Public Accountant

Registration No. 6977

Grant Thornton Limited

Bangkok

10 August 2018

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

ASSETS

		Thousand Baht	
		30 June 2018	31 December 2017
		(Unaudited	
		but reviewed)	(Audited)
	Notes		
CURRENT ASSETS			
Cash and cash equivalents	6	67,643	118,921
Short-term investment	7	116,114	-
Trade accounts receivable	8	711,549	555,481
Inventories - net	9	812,944	701,257
Refundable value added tax		27,056	25,118
Other current assets		27,610	13,950
Total Current Assets		1,762,916	1,414,727
NON-CURRENT ASSETS			
Receivable from related parties			
under guarantee obligation - net	5	-	-
Restricted deposits with banks	10	36,100	36,078
Investment property	11	53,480	53,480
Property, plant and equipment - net	12	1,051,127	933,144
Deferred income tax asset		10,485	10,081
Other non-current assets		432	432
Total Non-Current Assets		1,151,624	1,033,215
TOTAL ASSETS		2,914,540	2,447,942

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		30 June 2018	31 December 2017
		(Unaudited	
	Notes	but reviewed)	(Audited)
CURRENT LIABILITIES			
Short-term loans from bank	13	570,363	297,816
Trade accounts payable		405,818	370,373
Current portion of liabilities under finance leases agreements		1,347	1,237
Advances from customers		28,914	14,562
Accrued commission expenses		61,313	44,943
Accrued transportation expenses		27,283	23,836
Accrued income tax		70,584	69,560
Other accrued expenses		51,357	44,711
Other current liabilities		9,207	9,078
Total Current Liabilities		1,226,186	876,116
NON-CURRENT LIABILITIES			
Liabilities under finance lease agreements - net		3,990	4,760
Liabilities under post-employment benefits	5, 14	39,879	38,074
Total Non-Current Liabilities		43,869	42,834
Total Liabilities		1,270,055	918,950

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		Thousand Baht	
		30 June 2018	31 December 2017
		(Unaudited	
Notes		but reviewed)	(Audited)
SHAREHOLDERS' EQUITY			
Share capital-ordinary shares, Baht 1 par value			
		536,405	536,405
Authorized 536,405,305 shares			
Issued and fully paid-up 535,506,333 shares			
(2017 : 531,987,443 shares)	15	535,506	531,987
Premium on share capital	15	55,091	34,746
Capital reserve for share-based payment transaction	16	-	2,640
Retained earnings			
- Appropriated for legal reserve		53,641	53,641
- Unappropriated		1,000,247	905,978
TOTAL SHAREHOLDERS' EQUITY		1,644,485	1,528,992
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		2,914,540	2,447,942

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE

		Thousand Baht			
		Three-month periods ended		Six-month periods ended	
		30 June		30 June	
	Notes	2018	2017	2018	2017
Net sales	19	1,230,206	1,030,358	2,436,967	2,002,013
Costs of sales	19	(963,489)	(820,169)	(1,932,161)	(1,569,895)
Gross profit		266,717	210,189	504,806	432,118
Other income	18	73,374	44,609	116,831	80,672
Profit before expense		340,091	254,798	621,637	512,790
Selling expenses		(88,491)	(80,571)	(169,517)	(141,687)
Administrative expenses		(41,500)	(45,079)	(95,926)	(89,550)
Profit before finance costs and income tax		210,100	129,148	356,194	281,553
Finance costs		(3,200)	(2,192)	(5,242)	(3,885)
Profit before income tax		206,900	126,956	350,952	277,668
Income tax		(43,035)	(24,491)	(70,491)	(53,766)
PROFIT FOR THE PERIODS		163,865	102,465	280,461	223,902
Other comprehensive loss for the period					
Items not to be reclassified subsequently to profit or loss					
Actuarial loss-net of tax	14	-	-	-	(3,162)
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		163,865	102,465	280,461	220,740
Basic earnings per share					
Profit (Baht per share)		0.31	0.19	0.53	0.42
Weighted average number of common shares (share)		532,567,480	529,472,863	532,279,064	529,300,941

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

		Thousand Baht				
Notes	Share capital Issued and fully paid-up	Premium on share capital	Capital reserve for share-based payment transaction	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
	529,127	18,328	2,274	53,641	691,136	1,294,506
17	-	-	1,426	-	-	1,426
	2,860	16,418	(2,689)	-	-	16,589
17	-	-	-	-	(179,899)	(179,899)
	2,860	16,418	(1,263)	-	(179,899)	(161,884)
	-	-	-	-	223,902	223,902
	-	-	-	-	(3,162)	(3,162)
	-	-	-	-	220,740	220,740
	531,987	34,746	1,011	53,641	731,977	1,353,362
	531,987	34,746	2,640	53,641	905,978	1,528,992
16	-	147	668	-	-	815
15	3,519	20,198	(3,308)	-	-	20,409
17	-	-	-	-	(186,192)	(186,192)
	3,519	20,345	(2,640)	-	(186,192)	(164,968)
	-	-	-	-	280,461	280,461
	-	-	-	-	280,461	280,461
	535,506	55,091	-	53,641	1,000,247	1,644,485

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

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

	Thousand Baht	
	2018	2017
Cash flows from operating activities:		
Profit before income tax	350,952	277,668
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:		
Depreciation	26,940	25,907
Unrealized loss (gain) on exchange rate	2,330	(5,470)
Provision for post-employment benefits	1,361	1,297
Loss (gain) on disposal of assets	49	(196)
Reversal of liabilities	(1,032)	-
Expense for share-based payments	815	1,426
Unrealized gain from short term investment	(114)	-
Interest expense	5,242	3,885
Cash provided from operations before changes in operating assets and liabilities	386,543	304,517
Decrease (increase) in operating assets:		
Trade accounts receivable	(139,984)	(12,016)
Inventories	(111,687)	(194,431)
Refundable value added tax	(1,938)	(2,484)
Other current assets	(13,660)	(8,875)
Increase (decrease) in operating liabilities:		
Trade accounts payable	35,423	152,391
Advances received from customers	13,550	53,996
Accrued commission expenses	14,456	(17,832)
Accrued transportation expenses	3,447	3,897
Other accrued expenses	7,738	17,448
Other current liabilities	(398)	318
Employee benefit paid	(266)	-
Cash provided from operations	193,224	296,929

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

	Thousand Baht	
	2018	2017
Cash provided from operations (continued)	193,224	296,929
Interest paid	(4,592)	(3,305)
Income tax and income tax deducted at sources paid	(69,871)	(59,287)
Net cash provided from operating activities	118,761	234,337
Cash flows from investing activities:		
Purchase of short term investment	(116,000)	(40,000)
Increase in restricted deposits with bank	(22)	(22)
Proceeds from disposal of assets	294	196
Purchase of property, plant and equipment	(145,266)	(59,709)
Net cash used in investing activities	(260,994)	(99,535)
Cash flows from financing activities:		
Increase in short-term loans from bank	256,871	29,024
Repayment of long-term loan from bank	-	(11,100)
Repayment of liabilities under finance leases agreements	(660)	(893)
Dividend payment	(185,665)	(179,314)
Proceeds from common stock from the exercise of share purchase warrants	20,409	16,589
Net cash provided from (used in) financing activities	90,955	(145,694)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(51,278)	(10,892)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	118,921	94,807
CASH AND CASH EQUIVALENTS AT END OF PERIOD	67,643	83,915

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2018 (Unaudited but reviewed)

1. NATURE OF BUSINESS

Sahamitr Pressure Container Public Company Limited was incorporated as a 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 2017) "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 2017.

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.

These interim financial statements have been approved by the Company's Board of Directors on 10 August 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company for the year ended 31 December 2017. The Company have adopted the revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2018. The changes were principally to align with the corresponding International Financial Reporting Standards, with most of the changes relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of the revised Thai Financial Reporting Standards has no material effect on these interim financial statements of the Company.

() Director

() Director

During the period, the Federation of Accounting Professions issued the Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” which is effective from 1 January 2019. Thai Financial Reporting Standard No. 15 presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No. 11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which limited in detail under existing Thai Financial Reporting Standards. The Company will adopt this new standard when it becomes effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

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 2017.

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 30 June 2018 and 31 December 2017 consist of:

	Thousand Baht	
	30 June 2018	31 December 2017
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>		
Liabilities under post-employment benefits	15,699	15,367

() Director

() Director

The current portion of the liabilities under post-employment benefits is presented as "Other accrued expenses" and the non-current portion is presented as "Liabilities under post-employment benefits".

Significant transactions with related parties for the three-month and six-month periods ended 30 June 2018 and 2017 consist of:

		Thousand Baht	
		For the three-month periods	
		ended 30 June	
	Pricing Policy	2018	2017
Land rental-related parties	Contract rate	300	60
<u>Key management personnel compensation</u>			
Current employment benefits		22,244	19,452
Provision for post-employment benefits			
- Service cost		92	86
- Finance cost		74	66
Total		22,410	19,604

		Thousand Baht	
		For the six-month periods	
		ended 30 June	
	Pricing Policy	2018	2017
Land rental-related parties	Contract rate	600	120
<u>Key management personnel compensation</u>			
Current employment benefits		42,044	39,594
Provision for post-employment benefits			
- Service cost		184	173
- Finance cost		148	133
Total		42,376	39,900

() Director

() Director

6. CASH AND CASH EQUIVALENTS

	Thousand Baht	
	30 June 2018	31 December 2017
Cash	255	358
Saving accounts with banks	58,926	113,888
Current accounts with banks	8,462	4,675
Total	67,643	118,921

7. SHORT-TERM INVESTMENT

Movements in the short-term investment during the six-month period ended 30 June 2018 are summarized below.

	Thousand Baht
Balance as at 1 January 2018	-
Addition	116,000
Unrealized gain from short term investment	114
Balance as at 30 June 2018	116,114

The Company has invested in an open-end mutual fund which yields more return than general savings deposits. The investment does not have any restriction for redemption and has been classified as held-for-trading.

8. TRADE ACCOUNTS RECEIVABLE

As at 30 June 2018 and 31 December 2017, the aged trade accounts receivable are as follows:

	Thousand Baht	
	30 June 2018	31 December 2017
Not yet due	517,902	358,748
Over due		
Less than 3 months	184,608	196,719
More than 3 months, not over 6 months	9,025	14
More than 6 months, not over 12 months	14	-
Total	711,549	555,481

The normal credit term is between 30 days and 90 days.

() Director

() Director

9. INVENTORIES – NET

	Thousand Baht	
	30 June 2018	31 December 2017
Finished goods	95,529	28,446
Work in process	51,732	28,681
Raw materials and others	666,339	644,786
Total	813,600	701,913
<u>Less</u> Allowance for decline in value of inventories	(656)	(656)
Net	812,944	701,257

10. RESTRICTED DEPOSITS WITH BANKS

As at 30 June 2018 and 31 December 2017, the Company's fixed and saving deposits totalling Baht 36.10 million and Baht 36.08 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 bonds and loans from bank.

11. INVESTMENT PROPERTY

As at 30 June 2018 and 31 December 2017, 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 13 and 20 to the financial statements.

During the six-month period ended 30 June 2018, there was no movement in the fair value of the investment property.

() Director

() Director

12. PROPERTY, PLANT AND EQUIPMENT - NET

During the six-month period ended 30 June 2018, the Company has the following condensed movements in property, plant and equipment:

	Thousand Baht
Net book value as at 1 January 2018	933,144
Purchases of assets	145,266
Disposal and written off assets - net	(343)
Depreciation for the period	(26,940)
Net book value as at 30 June 2018	1,051,127

Land and buildings and a part of machinery have been mortgaged as collateral for credit facilities with a bank as mentioned in Note 13 to the financial statements.

13. SHORT-TERM LOANS FROM BANK

	Thousand Baht	
	30 June 2018	31 December 2017
Liabilities under trust receipts	570,363	297,816
Total	570,363	297,816

As at 30 June 2018, the Company has credit facilities from bank totaling Baht 5,181 million (31 December 2017 : Baht 5,581 million). The liabilities under trust receipts bear interest at the rates of 1.55% - 2.30% per annum (31 December 2017 : 1.50% - 2.20% 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's directors.

14. LIABILITIES UNDER POST-EMPLOYMENT BENEFITS

During the six-month period ended 30 June 2018, movements in liabilities under post-employment benefits are as follow:

	Thousand Baht
Balance as at 1 January 2018	38,074
Recognized expense for the period	2,071
Payment during the period	(266)
Balance as at 30 June 2018	39,879

() Director

() Director

The post-employment benefits expense were recorded in the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

	Thousand Baht			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Recognized in profit or loss				
Service cost	680	648	1,361	1,297
Interest cost	355	324	710	648
Recognized in other comprehensive income				
Actuarial loss - net of tax	-	-	-	3,162

15. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

For the six-month period ended 30 June 2018, the warrant holders exercised 3,518,890 warrants to buy 3,518,890 common shares with an exercise price of Baht 5.80 per share. The Company has received additional paid-up share capital, share premium including share premium from expired warrants and adjustment to recognize warrants of Baht 3.52 million, Baht 20.35 million and Baht 3.31 million, respectively.

16. WARRANTS

During the six-month periods ended 30 June 2018 and 2017, movements in warrants and capital reserve for share-based payment transactions are as follows:

	2018		2017	
	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	4,131,770	2,640	6,992,105	2,274
Recognition of share-base payment as expenses during the period	-	815	-	1,426
Exercise of warrants	(3,518,890)	(3,308)	(2,860,335)	(2,689)
Expired warrants as at 15 June 2018	(612,880)	(147)	-	-
Balance as at 30 June	-	-	4,131,770	1,011

() Director

() Director

17. DIVIDEND PAYMENT

At the 2018 Annual General Meeting of Shareholders held on 28 March 2018, the shareholders passed a resolution to pay a dividend from the profit for the year ended 31 December 2017 of Baht 0.60 per share. An approved interim dividend payment for the six-month period ended 30 June 2017 had already been paid of Baht 0.25 per share for 531,987,443 shares, totaling Baht 133 million on 8 September 2017. The remaining dividend payment for the period from 1 July 2017 to 31 December 2017 of Baht 0.35 per share, totaling Baht 186 million, was paid on 27 April 2018.

At the 2017 Annual General Meeting of Shareholders held on 30 March 2017, the shareholders passed a resolution to pay a dividend from the profit for the year ended 31 December 2016 of Baht 0.64 per share. An approved 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 Baht 180 million was paid on 28 April 2017.

As at 30 June 2018, the Company has an accrual for dividends payable amounting to Baht 3.07 million (31 December 2017 : Baht 2.54 million) under other current liabilities.

18. OTHER INCOME

Other income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

	Thousand Baht			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Revenue from scrap sales	58,180	31,787	98,346	63,233
Gain on exchange rate	6,386	10,563	6,386	12,868
Freight income	590	508	590	1,188
Interest income	227	216	293	279
Revenue from product quality test	1,364	230	1,594	460
Others	6,627	1,305	9,622	2,644
Total	73,374	44,609	116,831	80,672

() Director

() Director

19. SEGMENTAL FINANCIAL INFORMATION

Significant segmental financial information for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

	Thousand Baht					
	For the three-month periods ended 30 June					
	2018			2017		
	Domestic	Export	Total	Domestic	Export	Total
Net sales	66,049	1,164,157	1,230,206	26,011	1,004,347	1,030,358
Cost of sales	(40,667)	(922,822)	(963,489)	(19,302)	(800,867)	(820,169)
Gross profit	25,382	241,335	266,717	6,709	203,480	210,189

	Thousand Baht					
	For the six-month periods ended 30 June					
	2018			2017		
	Domestic	Export	Total	Domestic	Export	Total
Net sales	95,564	2,341,403	2,436,967	86,789	1,915,224	2,002,013
Cost of sales	(62,861)	(1,869,300)	(1,932,161)	(66,302)	(1,503,593)	(1,569,895)
Gross profit	32,703	472,103	504,806	20,487	411,631	432,118

Major Customer

For the six-month period ended 30 June 2018, the Company has no major customer (30 June 2017 : Baht 424.31 million).

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.

20. COMMITMENTS

As at 30 June 2018, the Company has the following commitments:

20.1 An obligation under a domestic bank guarantee amounting to Baht 564.55 million (31 December 2017: Baht 435.22 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 52.31 million (31 December 2017 : Baht 50.65 million).

() Director

() Director

Such letters of guarantee are guaranteed by the mortgage of the Company's land, buildings, certain machinery and investment property as disclosed in Notes 11 and 12 to the financial statements 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 30 June 2018, the Company has unhedged assets and liabilities in foreign currencies from the import and export of products with natural hedges as follows:

	30 June 2018		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currencies</u>			
USD	34	33.0065	1,114
<u>Trade accounts receivable in foreign currencies</u>			
USD	13,627	33.0065	449,783
EUR	5,473	38.1371	208,733
GBP	503	42.9961	21,637
<u>Trade accounts payable in foreign currencies</u>			
USD	5,460	33.3278	181,963
<u>Short-term loans from bank in foreign currency</u>			
USD	16,007	33.3278	533,469
<u>Advances from customers in foreign currency</u>			
USD	642	33.3278	21,391
EUR	1	38.8481	43
<u>Accrued commission expenses in foreign currency</u>			
USD	1,577	33.3278	52,550
EUR	226	38.8481	8,763

() Director

() Director

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 caused by the Company's production process amounting to Baht 130.94 million. The total claim amounts to Baht 201.88 million, which includes interest at a rate of 7.50 percent per annum from 1 April 2015 to the expected payment date. The Civil Court determined that this is an environmental claim on 30 January 2017. The Company has already improved its factory to reduce the environmental impact but their will be another court hearing on 12 December 2018 since the plaintiff would like to find more witnesses.

In addition, the plaintiff is suing Government authorities in respect of the legality of the issuance of Company's factory license. 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. However, 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. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting No. 4/2018 held on 10 August 2018, the Board of Director passed a resolution to appropriate an interim dividend payment from the operating profit for the six-month period ended 30 June 2018 of Baht 0.30 per share for 535,506,333 shares, totally not exceeding Baht 160.66 million. The dividend will be paid on 7 September 2018.

() Director

() Director

