



Auditor's Review Report and
Interim Financial Statements of

Sahamitr Pressure Container Public Company Limited

For the Three-Month and Nine-Month Periods Ended
30 September 2018



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

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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 September 2018, the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, changes in shareholders' equity and cash flows for the nine-month period ended 30 September 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 nine-month periods ended 30 September 2017, changes in shareholders' equity and cash flows for the nine-month period ended 30 September 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 November 2017.

**Mr. Teerasak Chuasrisakul**

Certified Public Accountant

Registration No. 6624

Grant Thornton Limited

Bangkok

8 November 2018

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

ASSETS

		Thousand Baht	
		30 September 2018	31 December 2017
		(Unaudited	
		but reviewed)	(Audited)
	Notes		
CURRENT ASSETS			
Cash and cash equivalents	6	208,500	118,921
Short-term investment	7	221	-
Trade accounts receivable	8	493,928	555,481
Inventories	9	870,921	701,257
Refundable value added tax		45,283	25,118
Other current assets		13,434	13,950
Total Current Assets		1,632,287	1,414,727
NON-CURRENT ASSETS			
Restricted deposits with banks	10	36,112	36,078
Investment property	11	53,480	53,480
Property, plant and equipment	12	1,076,629	933,144
Deferred income tax asset		10,715	10,081
Other non-current assets		432	432
Total Non-Current Assets		1,177,368	1,033,215
TOTAL ASSETS		2,809,655	2,447,942

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		30 September 2018	31 December 2017
		(Unaudited	
	Notes	but reviewed)	(Audited)
CURRENT LIABILITIES			
Short-term loans from bank	13	487,150	297,816
Trade accounts payable		390,389	370,373
Current portion of liabilities under finance leases agreements		1,347	1,237
Advances received from customers		14,947	14,562
Accrued commission expenses		64,758	44,943
Accrued transportation expenses		19,856	23,836
Accrued income tax		42,103	69,560
Other accrued expenses		80,356	44,711
Other current liabilities		7,912	9,078
Total Current Liabilities		1,108,818	876,116
NON-CURRENT LIABILITIES			
Liabilities under finance lease agreements		3,657	4,760
Liabilities under post-employment benefits	5, 14	40,915	38,074
Total Non-Current Liabilities		44,572	42,834
Total Liabilities		1,153,390	918,950

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		Thousand Baht	
		30 September 2018	31 December 2017
		(Unaudited	
		but reviewed)	(Audited)
	Notes		
SHAREHOLDERS' EQUITY			
Share capital-ordinary shares, Baht 1 par value			
Authorized 536,405,305 shares		536,405	536,405
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		1,012,027	905,978
TOTAL SHAREHOLDERS' EQUITY		1,656,265	1,528,992
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,809,655	2,447,942

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER

		Thousand Baht			
		Three-month periods		Nine-month periods	
		ended 30 September		ended 30 September	
	Notes	2018	2017	2018	2017
Net sales	19	1,155,634	1,126,003	3,592,601	3,128,016
Costs of sales	19	(892,893)	(851,797)	(2,825,054)	(2,421,692)
Gross profit		262,741	274,206	767,547	706,324
Other income	18	73,494	50,337	190,325	131,009
Profit before expense		336,235	324,543	957,872	837,333
Selling expenses		(69,840)	(80,890)	(239,357)	(222,577)
Administrative expenses		(47,424)	(46,067)	(143,350)	(135,617)
Profit before finance costs and income tax		218,971	197,586	575,165	479,139
Finance costs		(4,214)	(2,092)	(9,456)	(5,977)
Profit before income tax		214,757	195,494	565,709	473,162
Income tax		(42,334)	(38,278)	(112,825)	(92,044)
PROFIT FOR THE PERIOD		172,423	157,216	452,884	381,118
Other comprehensive income 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 PERIOD		172,423	157,216	452,884	377,956
Basic earnings per share					
Profit (Baht per share)		0.32	0.30	0.85	0.72
Weighted average number of common shares (share)		535,506,333	531,987,443	533,302,193	530,206,282

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

(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	
Balance as at 1 January 2017		529,127	18,328	2,274	53,641	691,136	1,294,506
Recognition of share-base payment	16	-	-	2,241	-	-	2,241
Share capital increment		2,860	16,418	(2,689)	-	-	16,589
Dividend payment		-	-	-	-	(312,889)	(312,889)
Transactions with owners		2,860	16,418	(448)	-	(312,889)	(294,059)
Profit for the period		-	-	-	-	381,118	381,118
Actuarial loss-net of tax		-	-	-	-	(3,162)	(3,162)
Total comprehensive income for the period		-	-	-	-	377,956	377,956
Balance as at 30 September 2017		531,987	34,746	1,826	53,641	756,203	1,378,403
Balance as at 1 January 2018		531,987	34,746	2,640	53,641	905,978	1,528,992
Recognition of share-base payment	16	-	147	668	-	-	815
Share capital increment	15, 16	3,519	20,198	(3,308)	-	-	20,409
Dividend payment	17	-	-	-	-	(346,835)	(346,835)
Transactions with owners		3,519	20,345	(2,640)	-	(346,835)	(325,611)
Profit for the period		-	-	-	-	452,884	452,884
Total comprehensive income for the period		-	-	-	-	452,884	452,884
Balance as at 30 September 2018		535,506	55,091	-	53,641	1,012,027	1,656,265

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

	Thousand Baht	
	2018	2017
Cash flows from operating activities:		
Profit before income tax	565,709	473,162
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:		
Depreciation	41,894	38,701
Unrealized gain on exchange rate	(6,036)	(1,299)
Provision for post-employment benefits	2,042	1,946
Loss (gain) on disposal of assets	481	(196)
Reversal of liabilities	(1,032)	-
Expense for share-based payments	815	2,241
Gain on disposal of short-term investment	(221)	(64)
Interest expense	9,456	5,977
Cash provided from operations before changes in operating assets and liabilities	613,108	520,468
Decrease (Increase) in operating assets:		
Trade accounts receivable	55,814	29,022
Inventories	(169,664)	(148,830)
Refundable value added tax	(20,165)	2,345
Other current assets	518	(9,286)
Increase (decrease) in operating liabilities:		
Trade accounts payable	20,020	62,783
Advances received from customers	426	41,981
Accrued commission expenses	20,467	(950)
Accrued transportation expenses	(3,980)	(2,575)
Other accrued expenses	36,679	32,514
Other current liabilities	(2,398)	985
Employee benefit paid	(266)	-
Cash provided from operations	550,559	528,457

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

	Thousand Baht	
	2018	2017
Cash provided from operations (continued)	550,559	528,457
Interest paid	(8,393)	(5,087)
Income tax and income tax deducted at sources paid	(223)	(342)
Income tax paid	(140,693)	(112,917)
Net cash provided from operating activities	401,250	410,111
Cash flows from investing activities:		
Purchase of short-term investment	(146,000)	(120,000)
Proceeds from disposal of short-term investment	146,000	40,064
Increase in restricted deposits with bank	(34)	(33)
Proceeds from disposal of assets	371	196
Purchase of property, plant and equipment	(186,233)	(78,546)
Net cash used in investing activities	(185,896)	(158,319)
Cash flows from financing activities:		
Increase in short-term loans from bank	200,412	21,452
Repayment of long-term loan from bank	-	(11,100)
Repayment of liabilities under finance leases agreements	(993)	(1,342)
Dividend payment	(345,603)	(311,848)
Proceeds from the exercise of share purchase warrants	20,409	16,589
Net cash used in financing activities	(125,775)	(286,249)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,579	(34,457)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	118,921	94,807
CASH AND CASH EQUIVALENTS AT END OF PERIOD	208,500	60,350

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 8 November 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 has 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.

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During the period, the Federation of Accounting Professions issued the following new Thai Financial Reporting Standards:

- Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" (TFRS 15)

TFRS 15 is effective from 1 January 2019, and 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 are limited in detail under existing Thai Financial Reporting Standards.

- Thai Financial Reporting Standards for "Financial Instruments"

TFRSs for financial instruments are effective from 1 January 2020 and has new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Company will adopt these new standards when they become 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, revenue 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.

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

		Thousand Baht	
		For the three-month periods ended 30 September	
Pricing Policy		2018	2017
Land rental-related parties	Contract rate	300	60
<u>Key management personnel compensation</u>			
	Current employment benefits	21,394	19,927
	Provision for post-employment benefits		
	- Service cost	92	86
	- Finance cost	74	66
Total		21,560	20,079

		Thousand Baht	
		For the nine-month periods ended 30 September	
Pricing Policy		2018	2017
Land rental-related parties	Contract rate	900	180
<u>Key management personnel compensation</u>			
	Current employment benefits	63,438	59,521
	Provision for post-employment benefits		
	- Service cost	276	259
	- Finance cost	222	199
Total		63,936	59,979

6. CASH AND CASH EQUIVALENTS

		Thousand Baht	
		30 September 2018	31 December 2017
Cash		165	358
Saving accounts with banks		201,748	113,888
Current accounts with banks		6,587	4,675
Total		208,500	118,921

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7. SHORT-TERM INVESTMENT

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

	Thousand Baht
Balance as at 1 January 2018	-
<u>Add</u> Addition	146,000
<u>Less</u> Disposals	(145,779)
Balance as at 30 September 2018	<u>221</u>

The Company has invested in an open-end mutual fund which yields return more 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 September 2018 and 31 December 2017, the aged trade accounts receivable are as follows:

	Thousand Baht	
	30 September 2018	31 December 2017
Not yet due	258,841	358,748
Over due		
Less than 3 months	223,228	196,719
More than 3 months, not over 6 months	6,254	14
More than 6 months, not over 12 months	5,593	-
More than 12 months	12	-
Total	<u>493,928</u>	<u>555,481</u>

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

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9. INVENTORIES

	Thousand Baht	
	30 September 2018	31 December 2017
Finished goods	74,793	28,446
Work in process	33,507	28,681
Raw materials and others	763,277	644,786
Total	871,577	701,913
<u>Less</u> Allowance for decline in value of inventories	(656)	(656)
Net	870,921	701,257

10. RESTRICTED DEPOSITS WITH BANKS

As at 30 September 2018 and 31 December 2017, the Company's fixed and saving deposits totalling Baht 36.11 million and Baht 36.08 million, respectively, are restricted for usage as they have been pledged as collateral for letters of guarantee issued by a local bank for utilities usage, performance bonds and loans from bank.

11. INVESTMENT PROPERTY

As at 30 September 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 nine-month period ended 30 September 2018, there was no movement in the fair value of the investment property.

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12. PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended 30 September 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	186,233
Disposal and written off assets - net	(854)
Depreciation for the period	(41,894)
Net book value as at 30 September 2018	1,076,629

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 September 2018	31 December 2017
Liabilities under trust receipts	487,150	297,816
Total	487,150	297,816

As at 30 September 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% - 2.41% 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 nine-month period ended 30 September 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	3,107
Payment during the period	(266)
Balance as at 30 September 2018	40,915

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

	Thousand Baht			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Recognized in profit or loss				
Service cost	680	648	2,042	1,946
Interest cost	355	324	1,065	971
Recognized in other comprehensive income				
Actuarial loss - net of tax	-	-	-	3,162

15. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

For the nine-month period ended 30 September 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 and adjustment to recognize warrants of Baht 3.52 million, Baht 20.20 million and Baht 3.31 million, respectively.

16. WARRANTS

During the nine-month periods ended 30 September 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	-	2,241
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 September	-	-	4,131,770	1,826

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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 Board of Directors' meeting No. 4/2018 held on 10 August 2018, the Board of Directors 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, totaling Baht 160.66 million. The dividend was paid on 7 September 2018.

As at 30 September 2018, the Company has an accrual for dividends payable amounting to Baht 3.77 million (31 December 2017 : Baht 2.54 million), which is presented as other current liabilities.

18. OTHER INCOME

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

	Thousand Baht			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2018	2017	2018	2017
Revenue from scrap sales	55,539	33,938	153,885	97,171
Gain on exchange rate	7,535	8,678	13,921	21,546
Revenue from product quality test	7,270	5,357	8,864	5,817
Freight income	1,077	303	1,667	1,491
Interest income	66	66	359	345
Others	2,007	1,995	11,629	4,639
Total	73,494	50,337	190,325	131,009

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19. SEGMENTAL FINANCIAL INFORMATION

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

Thousand Baht						
For the three-month periods ended 30 September						
	2018			2017		
	Domestic	Export	Total	Domestic	Export	Total
Net sales	99,540	1,056,094	1,155,634	31,189	1,094,814	1,126,003
Cost of sales	(58,218)	(834,675)	(892,893)	(19,512)	(832,285)	(851,797)
Gross profit	41,322	221,419	262,741	11,677	262,529	274,206

Thousand Baht						
For the nine-month periods ended 30 September						
	2018			2017		
	Domestic	Export	Total	Domestic	Export	Total
Net sales	195,104	3,397,497	3,592,601	117,978	3,010,038	3,128,016
Cost of sales	(121,079)	(2,703,975)	(2,825,054)	(85,814)	(2,335,878)	(2,421,692)
Gross profit	74,025	693,522	767,547	32,164	674,160	706,324

Major Customer

For the nine-month period ended 30 September 2018, the Company has no major customer (30 September 2017 : Baht 562.98 million).

Gross profit for domestic and export sales is 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 September 2018, the Company has the following commitments:

20.1 An obligation under a domestic bank guarantee amounting to Baht 722.58 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-exportation within one-year.

20.2 Obligations under domestic bank guarantees for electricity usage and other matters totalling Baht 73.69 million (31 December 2017 : Baht 50.65 million).

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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 September 2018, the Company has unhedged assets and liabilities in foreign currencies from the import and export of products with natural hedges as follows:

30 September 2018			
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currency</u>			
USD	1,019	32.2364	32,863
<u>Trade accounts receivable in foreign currencies</u>			
USD	13,519	32.2364	435,810
EUR	476	37.3504	17,762
<u>Trade accounts payable in foreign currency</u>			
USD	5,993	32.5767	195,226
<u>Short-term loans from bank in foreign currency</u>			
USD	14,954	32.5767	487,150
<u>Advances from customers in foreign currencies</u>			
USD	376	32.5767	12,257
EUR	1	38.0908	42
<u>Accrued commission expenses in foreign currencies</u>			
USD	1,720	32.5767	56,036
EUR	229	38.0908	8,722

() Director

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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, such company who own the lands, sued 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 and filed testimony to Court. Currently, the Company is waiting for the order of the Central Administrative Court. However, the Company believes that their business operations are compliance 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.

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