

Thai Steel Cable Public Company Limited  
Review report and interim financial statements  
For the three-month and six-month periods ended  
31 March 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thai Steel Cable Public Company Limited

I have reviewed the accompanying statement of financial position of Thai Steel Cable Public Company Limited as at 31 March 2019, the related statements of comprehensive income for the three-month and six-month periods ended 31 March 2019, and the related statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the financial statements. 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 review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Poonnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238

EY Office Limited  
Bangkok: 7 May 2019

**Thai Steel Cable Public Company Limited****Statement of financial position**

(Unit: Thousand Baht)

	Note	31 March 2019	30 September 2018
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		272,559	322,257
Current investments	3	104,825	175,532
Trade and other receivables	4	544,695	543,787
Inventories		196,930	246,255
Other current assets		41,642	30,799
<b>Total current assets</b>		<b>1,160,651</b>	<b>1,318,630</b>
<b>Non-current assets</b>			
Long-term investment	5	25,704	25,704
Investment properties	6	123,936	125,006
Property, plant and equipment	7	1,003,957	975,261
Intangible assets		11,495	15,999
Deferred tax assets		8,461	8,996
Other non-current assets		21,337	17,879
<b>Total non-current assets</b>		<b>1,194,890</b>	<b>1,168,845</b>
<b>Total assets</b>		<b>2,355,541</b>	<b>2,487,475</b>

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited****Statement of financial position (continued)**

(Unit: Thousand Baht)

	Note	31 March 2019	30 September 2018
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	8	594,659	662,286
Current portion of long-term loan from bank	9	16,060	48,520
Current portion of finance lease payables		4,120	4,454
Other current liabilities		10,767	11,651
<b>Total current liabilities</b>		<b>625,606</b>	<b>726,911</b>
<b>Non-current liabilities</b>			
Long-term loan from bank - net of current portion	9	-	-
Finance lease payables - net of current portion		1,324	1,813
Provision for long-term employee benefits	10	49,963	54,329
Provisions	11	20,278	20,230
Other non-current liabilities		93	93
<b>Total non-current liabilities</b>		<b>71,658</b>	<b>76,465</b>
<b>Total liabilities</b>		<b>697,264</b>	<b>803,376</b>

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**

**Statement of financial position (continued)**

	(Unit: Thousand Baht)	
	31 March 2019	30 September 2018
	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>		
Share capital		
Registered		
268,500,000 ordinary shares of Baht 1 each	268,500	268,500
Issued and paid-up		
259,800,000 ordinary shares of Baht 1 each	259,800	259,800
Share premium	464,870	464,870
Retained earnings		
Appropriated - statutory reserve	26,850	26,850
Unappropriated	906,757	932,579
<b>Total shareholders' equity</b>	<b>1,658,277</b>	<b>1,684,099</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,355,541</b>	<b>2,487,475</b>
	-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
.....

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2019**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2019	2018
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales		804,671	805,003
Other income		5,161	10,002
<b>Total revenues</b>		<u>809,832</u>	<u>815,005</u>
<b>Expenses</b>			
Cost of sales		651,651	647,412
Selling expenses		16,618	21,421
Administrative expenses		70,819	63,637
<b>Total expenses</b>		<u>739,088</u>	<u>732,470</u>
<b>Profit before finance cost and income tax expenses</b>		70,744	82,535
Finance cost		(359)	(2,845)
<b>Profit before income tax expenses</b>		70,385	79,690
Income tax expenses	12	(3,349)	(4,183)
<b>Profit for the period</b>		<u>67,036</u>	<u>75,507</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u><u>67,036</u></u>	<u><u>75,507</u></u>
<b>Earnings per share</b>	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.26</u>	<u>0.29</u>
Weighted average number of ordinary shares (Thousand shares)		<u>259,800</u>	<u>259,800</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Statement of comprehensive income**

**For the six-month period ended 31 March 2019**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2019	2018
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales		1,575,170	1,530,237
Other income		13,410	18,841
<b>Total revenues</b>		<u>1,588,580</u>	<u>1,549,078</u>
<b>Expenses</b>			
Cost of sales		1,281,157	1,254,842
Selling expenses		27,622	40,977
Administrative expenses		142,719	124,251
<b>Total expenses</b>		<u>1,451,498</u>	<u>1,420,070</u>
<b>Profit before finance cost and income tax expenses</b>		137,082	129,008
Finance cost		(886)	(6,287)
<b>Profit before income tax expenses</b>		136,196	122,721
Income tax expenses	12	(6,138)	(6,411)
<b>Profit for the period</b>		<u>130,058</u>	<u>116,310</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u><u>130,058</u></u>	<u><u>116,310</u></u>
<b>Earnings per share</b>	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.50</u>	<u>0.45</u>
Weighted average number of ordinary shares (Thousand shares)		<u>259,800</u>	<u>259,800</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Cash flows statement**

**For the six-month period ended 31 March 2019**

	(Unit: Thousand Baht)	
	2019	2018
<b>Cash flows from operating activities</b>		
Profit before tax	136,196	122,721
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	65,739	71,601
Reversal of reduction of inventory to net realisable value	(190)	(1,010)
Gain on disposal/write-off of equipment	(239)	(3,726)
Provisions (reversal)	745	(845)
Provision for long-term employee benefits	3,134	2,679
Unrealised gain on exchange	(718)	(106)
Interest income	(987)	(2,028)
Interest expenses	886	6,287
Profit from operating activities before changes in operating assets and liabilities	204,566	195,573
Operating assets (increase) decrease		
Trade and other receivables	(741)	(20,770)
Inventories	49,516	27,027
Other current assets	(10,843)	(11,871)
Other non-current assets	(9,769)	(7,872)
Operating liabilities decrease		
Trade and other payables	(73,634)	(9,761)
Other current liabilities	621	(1,889)
Other non-current liabilities	(697)	(913)
Cash flows from operating activities	159,019	169,524
Cash paid for long-term employee benefits	(7,500)	-
Cash paid for interest expenses	(896)	(6,248)
Cash paid for income tax	(7,110)	(4,383)
<b>Net cash flows from operating activities</b>	<b>143,513</b>	<b>158,893</b>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Cash flows statement (continued)**

**For the six-month period ended 31 March 2019**

	(Unit: Thousand Baht)	
	2019	2018
<b>Cash flows from investing activities</b>		
Decrease (increase) in current investments	70,708	(2,422)
Cash paid for purchase of equipment	(76,141)	(32,229)
Cash paid for purchase of intangible assets	(1,480)	(2,926)
Proceeds from sales of equipment	3,475	8,131
Interest income	1,061	3,134
<b>Net cash flows used in investing activities</b>	<b>(2,377)</b>	<b>(26,312)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans from banks	-	(50,000)
Repayment of long-term loan	(32,460)	(32,460)
Repayment of finance lease payables	(2,494)	(2,407)
Dividend paid	(155,880)	(142,890)
<b>Net cash flows used in financing activities</b>	<b>(190,834)</b>	<b>(227,757)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(49,698)</b>	<b>(95,176)</b>
Cash and cash equivalents at beginning of period	322,257	575,991
<b>Cash and cash equivalents at end of period</b>	<b>272,559</b>	<b>480,815</b>
	-	
Non-cash items		
Increase in other payables from purchase of equipment (decrease)	6,494	(123)
Purchases of equipment under finance lease agreements	1,671	348
Transfer intangible assets to equipment	2,406	-
Transfer other non-current assets to equipment	6,311	8,605

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Statement of changes in shareholders' equity**

**For the six-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 October 2017</b>	259,800	464,870	26,850	933,186	1,684,706
Dividend paid (Note 15)	-	-	-	(142,890)	(142,890)
Total comprehensive income for the period	-	-	-	116,310	116,310
<b>Balance as at 31 March 2018</b>	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>906,606</u>	<u>1,658,126</u>
<b>Balance as at 1 October 2018</b>	259,800	464,870	26,850	932,579	1,684,099
Dividend paid (Note 15)	-	-	-	(155,880)	(155,880)
Total comprehensive income for the period	-	-	-	130,058	130,058
<b>Balance as at 31 March 2019</b>	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>906,757</u>	<u>1,658,277</u>
	-	-	-	-	-
	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 31 March 2019**

**1. General information**

**1.1 Corporate information**

Thai Steel Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. The registered office of the Company is at Amatanakorn Industrial Estate 700/737, Moo 1, Tambol Panthong, Amphur Panthong, Chonburi.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### 1.3 New financial reporting standards

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

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company' financial statements.

#### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the period, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

**(c) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

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

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

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

#### **1.4 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 30 September 2018.

#### **2. Related party transactions**

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month		For the six-month		Transfer Pricing Policy
	periods ended		periods ended		
	31 March		31 March		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Sales of goods	34.3	45.6	79.5	88.0	Cost plus margin
Purchases of raw materials					
and finished goods	99.8	96.9	211.7	200.7	Cost plus margin
Purchases of assets	0.9	0.6	1.2	2.3	Agreed upon basis
Royalty fee	6.5	10.6	12.8	21.7	2% on the net sales amount

(Unaudited but reviewed)

As at 31 March 2019 and 30 September 2018, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	31 March 2019	30 September 2018
<b>Trade and other receivables - related parties (Note 4)</b>		
<u>Trade receivables - related parties</u>		
Related companies	41,554	40,562
<u>Other receivables - related parties</u>		
Related companies	98	84
<b>Trade and other payables - related parties (Note 8)</b>		
<u>Trade payables - related parties</u>		
Related companies	64,684	84,218
<u>Other payables - related parties</u>		
Related companies	624	1,018
<u>Accrued royalty - related party</u>		
Related company	6,545	6,743
<u>Directors and management's benefits</u>		

During the three-month and six-month periods ended 31 March 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March		For the six-month periods ended 31 March	
	2019	2018	2019	2018
Short-term employee benefits	19,948	18,161	40,332	35,267
Post-employee benefits	1,033	799	2,093	1,597
Total	20,981	18,960	42,425	36,864

### 3. Current investments

These represent fixed deposits with banks with an original maturity of more than three months and not subject to withdrawal restrictions.

(Unaudited but reviewed)

#### 4. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2019	30 September 2018
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	32,552	39,932
Past due up to 3 months	9,002	630
Total trade receivables - related parties	<u>41,554</u>	<u>40,562</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	495,554	493,769
Past due		
Up to 3 months	1,873	180
Total trade receivables - unrelated parties - net	<u>497,427</u>	<u>493,949</u>
Total trade receivables - net	<u>538,981</u>	<u>534,511</u>
<u>Other receivables</u>		
Other receivables - related parties	98	84
Other receivables - unrelated parties	32,529	36,105
Total	<u>32,627</u>	<u>36,189</u>
Less: Allowance for doubtful debts	<u>(26,913)</u>	<u>(26,913)</u>
Total other receivables - net	<u>5,714</u>	<u>9,276</u>
Total trade and other receivables - net	<u>544,695</u>	<u>543,787</u>

#### 5. Long-term investment

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018	31 March 2019	30 September 2018
			(%)	(%)		
Hi-Lex Vietnam Co., Ltd.	USD	USD				
	11,150,000	11,150,000	6.28	6.28	<u>25,704</u>	<u>25,704</u>



(Unaudited but reviewed)

## 6. Investment properties

Movements of the investment properties account during the six-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2018	125,006
Depreciation for the period	(1,070)
Net book value as at 31 March 2019	<u>123,936</u>

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2018	975,261
Acquisitions during the period - at cost	84,306
Transfer in	8,718
Disposal/write-off during the period - net book value at disposal/write-off dates	(3,236)
Depreciation for the period	(61,092)
Net book value as at 31 March 2019	<u>1,003,957</u>

As at 31 March 2019, the Company had equipment under finance lease agreements with net book values amounting to Baht 5 million (30 September 2018: Baht 4 million).

## 8. Trade and other payables

(Unit: Thousand Baht)

	31 March 2019	30 September 2018
Trade payables - related parties	64,684	84,218
Trade payables - unrelated parties	378,336	410,413
Other payables	53,852	40,595
Accrued expenses	97,787	127,060
Total	<u>594,659</u>	<u>662,286</u>

(Unaudited but reviewed)

## 9. Long-term loan from bank

		(Unit: Thousand Baht)	
Interest rate (% per annum)	Repayment schedule	31 March 2019	30 September 2018
3.90	Payment of principal in monthly installments of Baht 5.41 million commencing in June 2016	16,060	48,520
Less: Current portion		<u>(16,060)</u>	<u>(48,520)</u>
Long-term loan from bank - net of current portion		<u><u>-</u></u>	<u><u>-</u></u>

Movements in the long-term loan from bank account during the six-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2018	48,520
Less: Repayment	<u>(32,460)</u>
Balance as at 31 March 2019	<u><u>16,060</u></u>

The loan agreement contains certain several covenants which, among other things, requires the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement. The loan is clean.

## 10. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)
Balance as at 1 October 2018	54,329
Current service cost	2,425
Interest cost	709
Benefits paid during the period	<u>(7,500)</u>
Balance as at 31 March 2019	<u><u>49,963</u></u>

(Unaudited but reviewed)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which was published in the Royal Gazette on 5 April 2019. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 13 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective which is the third quarter of 2019.

## 11. Provisions

These provisions are provisions for product warranty which have movements during the six-month period ended 31 March 2019 summarised below.

(Unit: Thousand Baht)

	Provision for litigation	Provision for product warranty	Total
Balance as at 1 October 2018	11,546	8,684	20,230
Increase during the period	1,267	1,470	2,737
Utilised	-	(697)	(697)
Reversal of provisions	-	(1,992)	(1,992)
Balance as at 31 March 2019	<u>12,813</u>	<u>7,465</u>	<u>20,278</u>

## 12. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 31 March 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		For the six-month periods ended 31 March	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Interim corporate income tax charge	2,849	3,492	5,604	5,514
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>500</u>	<u>691</u>	<u>534</u>	<u>897</u>
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>3,349</u>	<u>4,183</u>	<u>6,138</u>	<u>6,411</u>

**13. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

**14. Segment information**

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

**15. Dividend**

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)
Dividends for the year ended 30 September 2017	The Annual General Meeting of the Company's shareholders on 23 January 2018	<u>142,890</u>	<u>0.55</u>
Dividends for the year ended 30 September 2018	The Annual General Meeting of the Company's shareholders on 22 January 2019	<u>155,880</u>	<u>0.60</u>

**16. Commitments and contingent liabilities****16.1 Capital commitments**

As at 31 March 2019, the Company had capital commitments of approximately Baht 51 million and USD 0.1 million (30 September 2018: Baht 49 million and USD 0.05 million), relating to the purchase of equipment.

**16.2 Operating lease and service commitments**

The Company has entered into several operating lease agreements in respect of the lease of vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

(Unaudited but reviewed)

The Company had future minimum lease and service payments required under these non-cancellable operating leases and service agreements as follows.

	(Unit: Million Baht)	
	31 March	30 September
Payable:	2019	2018
In up to 1 year	32	35
In over 1 and up to 5 years	22	19

### 16.3 Long-term service commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the license agreement, the Company is to pay the fee twice a year as stipulated in the agreement. The fees for the three-month and six-month periods ended 31 March 2019 amounting to approximately Baht 7 million and Baht 13 million, respectively (2018: Baht 11 million and Baht 22 million, respectively) were recognised as expenses.

### 16.4 Guarantees

As at 31 March 2019 and 30 September 2018, there were outstanding bank guarantees of approximately Baht 3 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

### 16.5 Foreign exchange contracts

Foreign exchange contracts outstanding are summarised below.

As at 31 March 2019			
Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	31.81 - 32.72	June - September 2019
Japanese yen	15.7	0.29	June 2019

  

As at 30 September 2018			
Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	32.21 - 32.87	February - March 2019
Japanese yen	70.3	0.29 - 0.30	January - March 2019

## 16.6 Litigation

- a) The Customs Department conducted a post clearance audit at the Company, and accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 and 2006. It therefore assessed import duty and VAT shortfalls amounting to Baht 17.9 million, excluding penalties and surcharges. In September 2017, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company is not allowed to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeal in accordance with Section 30 of the Revenue Code. In December 2018, the special court of appeal delivered a judgment same of the Central Tax Court. In March 2019, the Customs Department filed the petition to the Supreme Court and the Company filed a petition to object the Customs Department's petition to the Supreme Court. The Company's management has assessed the case and believes that the Company is not liable for the import duty and VAT shortfalls, including penalties and surcharges, because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. Considering legal opinions and the opinions of customs tariff experts, the declared imported products are classified according to the product definitions specified in the customs tariff schedule. The Company therefore did not record a provision for the contingent liabilities as a result of this litigation in the financial statements.
- b) The Company was accused of unfair termination of sales contract in value of Baht 12.8 million. In June 2018, the Court of first instance demanded the Company to pay compensation at Baht 10.1 million with interest at the rate 7.5% per annum from the date of filing (2 December 2016). In March 2019, the Court of Appeal Region 2 delivered a judgment demanding the Company to receive the finished products and pay compensation at Baht 12.3 million with interest at the rate 7.5% per annum but not more than Baht 0.5 million. The Company's management has assessed the case that the Company may be affected by the litigation. The Company therefore recorded a provision for the contingent liabilities as a result of this litigation in the financial statements as at 31 March 2019 (as shown in Note 11 to the financial statements).

**17. Event after the reporting period**

On 7 May 2019, the Company's Board of Directors passed a resolution to approve the payment of an interim dividend of Baht 0.40 per share from the earnings of the first half of 2019, or a total of Baht 103.92 million, to be paid in June 2019.

**18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 May 2019.