

Thai Steel Cable Public Company Limited
Review report and interim financial statements
For the three-month and nine-month periods ended
30 June 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 30 June 2019, the related statements of comprehensive income for the three-month and nine-month periods ended 30 June 2019, and the related statements of changes in shareholders' equity, and cash flows for the nine-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: 6 August 2019

(Unaudited but reviewed)

Thai Steel Cable Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 June 2019

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

	Note	2019	2018
Profit or loss:			
Revenues			
Sales		742,571	757,397
Other income		7,024	6,278
Total revenues		<u>749,595</u>	<u>763,675</u>
Expenses			
Cost of sales		621,410	616,740
Selling and distribution expenses		12,708	11,749
Administrative expenses		67,987	62,747
Total expenses		<u>702,105</u>	<u>691,236</u>
Profit before finance cost and income tax expenses		<u>47,490</u>	<u>72,439</u>
Finance cost		(200)	(2,208)
Profit before income tax expenses		<u>47,290</u>	<u>70,231</u>
Income tax expenses	12	(2,003)	(3,188)
Profit for the period		<u>45,287</u>	<u>67,043</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>45,287</u>	<u>67,043</u>
Earnings per share	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.17</u>	<u>0.26</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 nine-month period ended 30 June 2019

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

	Note	2019	2018
Profit or loss:			
Revenues			
Sales		2,317,741	2,287,634
Other income		20,434	25,119
Total revenues		<u>2,338,175</u>	<u>2,312,753</u>
Expenses			
Cost of sales		1,902,567	1,871,582
Selling and distribution expenses		40,330	52,726
Administrative expenses		210,706	186,998
Total expenses		<u>2,153,603</u>	<u>2,111,306</u>
Profit before finance cost and income tax expenses		184,572	201,447
Finance cost		(1,086)	(8,495)
Profit before income tax expenses		183,486	192,952
Income tax expenses	12	(8,141)	(9,599)
Profit for the period		<u>175,345</u>	<u>183,353</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>175,345</u>	<u>183,353</u>
Earnings per share	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.67</u>	<u>0.71</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 nine-month period ended 30 June 2019

	(Unit: Thousand Baht)	
	2019	2018
Cash flows from operating activities		
Profit before tax	183,486	192,952
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	98,123	106,360
Reversal reduction of inventory to net realisable value	(1,572)	(255)
Gain on disposal/write-off of equipment	(303)	(3,970)
Provisions (reversal)	2,890	(1,217)
Provision for long-term employee benefits	18,832	4,019
Loss (gain) on exchange	(299)	424
Dividend income	-	(1,889)
Interest income	(1,476)	(3,314)
Interest expenses	1,086	8,495
Profit from operating activities before changes in operating assets and liabilities	300,767	301,605
Operating assets (increase) decrease		
Trade and other receivables	25,476	(27,063)
Inventories	45,810	(2,394)
Other current assets	(6,977)	(4,578)
Other non-current assets	(14,703)	(18,791)
Operating liabilities increase (decrease)		
Trade and other payables	(64,446)	5,907
Other current liabilities	5,948	(2,015)
Other non-current liabilities	(924)	(1,167)
Cash flows from operating activities	290,951	251,504
Cash paid for long-term employee benefits	(7,500)	-
Cash paid for compensation from litigation	(15,341)	-
Cash paid for interest expenses	(1,101)	(8,245)
Cash paid for income tax	(12,616)	(9,902)
Net cash flows from operating activities	254,393	233,357

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 nine-month period ended 30 June 2019

(Unit: Thousand Baht)

	2019	2018
Cash flows from investing activities		
Decrease (increase) in current investments	140,697	(2,708)
Cash paid for purchase of equipment	(97,968)	(44,693)
Cash paid for purchase of intangible assets	(5,765)	(2,926)
Proceeds from sales of equipment	3,659	12,309
Dividend income	-	1,889
Interest income	1,554	4,126
Net cash flows from (used in) investing activities	42,177	(32,003)
Cash flows from financing activities		
Decrease in short-term loans from banks	-	(100,000)
Repayment of long-term loan	(48,520)	(48,690)
Repayment of finance lease payables	(3,810)	(3,618)
Dividend paid	(259,800)	(246,810)
Net cash flows used in financing activities	(312,130)	(399,118)
Net decrease in cash and cash equivalents	(15,560)	(197,764)
Cash and cash equivalents at beginning of period	322,257	575,991
Cash and cash equivalents at end of period	306,697	378,227
	-	
Non-cash items		
Increase in other payables from purchase of equipment	8,922	5,502
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	14,352

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 nine-month periods ended 30 June 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 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

The Federation of Accounting Professions issued the revised (revised 2018) and new financial reporting standards and interpretations 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 recognised 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.

(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.

(Unaudited but reviewed)

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 nine-month		Transfer Pricing Policy
	periods ended		periods ended		
	30 June		30 June		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Sales of goods	47.2	47.3	126.7	135.3	Cost plus margin
Purchases of raw materials					
and finished goods	110.8	114.0	322.5	314.7	Cost plus margin
Purchases of assets	0.3	2.4	1.5	4.7	Agreed upon basis
Royalty fee	6.2	6.5	19.0	28.2	2% on the net sales amount

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

(Unit: Thousand Baht)

	30 June	30 September
	2019	2018
Trade and other receivables - related parties (Note 4)		
<u>Trade receivables - related parties</u>		
Related companies	39,520	40,562
<u>Other receivables - related parties</u>		
Related companies	59	84

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 June 2019	30 September 2018
Trade and other payables - related parties (Note 8)		
<u>Trade payables - related parties</u>		
Related companies	80,234	84,218
<u>Other payables - related parties</u>		
Related companies	496	1,018
<u>Accrued royalty - related party</u>		
Related company	12,709	6,743
<u>Directors and management's benefits</u>		

During the three-month and nine-month periods ended 30 June 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 30 June		For the nine-month periods ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	21,083	14,679	61,415	49,946
Post-employee benefits	7,695	816	9,788	2,413
Total	28,778	15,495	71,203	52,359

3. Current investments

These represent fixed deposits with banks with an original maturity of less than one year and not subject to withdrawal restrictions.

4. Trade and other receivables

(Unit: Thousand Baht)

	30 June 2019	30 September 2018
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	32,786	39,932
Past due up to 3 months	6,734	630
Total trade receivables - related parties	39,520	40,562

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 June 2019	30 September 2018
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	464,038	493,769
Past due up to 3 months	2,665	180
Total trade receivables - unrelated parties - net	466,703	493,949
Total trade receivables - net	506,223	534,511
<u>Other receivables</u>		
Other receivables - related parties	59	84
Other receivables - unrelated parties	37,916	36,105
Total	37,975	36,189
Less: Allowance for doubtful debts	(26,913)	(26,913)
Total other receivables - net	11,062	9,276
Total trade and other receivables - net	517,285	543,787

5. Long-term investment

(Unit: Thousand Baht)

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

6. Investment properties

Movements of the investment properties account during the nine-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2018	125,006
Depreciation for the period	(1,599)
Net book value as at 30 June 2019	123,407

(Unaudited but reviewed)

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2018	975,261
Acquisitions during the period - at cost	108,561
Transfer in	8,718
Disposal/write-off during the period - net book value at disposal/write-off dates	(3,357)
Depreciation for the period	(91,251)
Net book value as at 30 June 2019	<u>997,932</u>

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

8. Trade and other payables

(Unit: Thousand Baht)

	30 June 2019	30 September 2018
Trade payables - related parties	80,234	84,218
Trade payables - unrelated parties	359,175	410,413
Other payables	39,835	40,595
Accrued expenses	126,257	127,060
Total	<u>605,501</u>	<u>662,286</u>

9. Long-term loan from bank

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

Movements in the long-term loan from bank account during the nine-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2018	48,520
Less: Repayment	<u>(48,520)</u>
Balance as at 30 June 2019	<u><u>-</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	4,818
Past service cost	12,950
Interest cost	1,064
Benefits paid during the period	<u>(7,500)</u>
Balance as at 30 June 2019	<u><u>65,661</u></u>

On 5 April 2019, the Royal Gazette has published the Labour Protection Act (Issue 7) B.E. 2562, which 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. It has been effective since 5 May 2019. 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 reflected the effect of the change by recognising past services costs as expenses in the income statement for the current period.

(Unaudited but reviewed)

11. Provisions

These provisions are provision for litigation and provisions for product warranty which have movements during the nine-month period ended 30 June 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	3,795	2,163	5,958
Utilised	(15,341)	(924)	(16,265)
Reversal of provisions	-	(3,068)	(3,068)
Balance as at 30 June 2019	<u>-</u>	<u>6,855</u>	<u>6,855</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 nine-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the nine-month periods ended 30 June	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	1,566	3,689	7,170	9,203
Deferred tax:				
Relating to origination and reversal of temporary differences	437	(501)	971	396
Income tax expenses reported in the statements of comprehensive income	<u>2,003</u>	<u>3,188</u>	<u>8,141</u>	<u>9,599</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

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Dividends for the year ended 30 September 2017	The Annual General Meeting of the Company's shareholders on 23 January 2018	142,890	0.55
Interim dividends for the year ended 30 September 2018	The Board of Directors Meeting of the Company on 8 May 2018	103,920	0.40
Total dividends for the year 2018		246,810	0.95
Dividends for the year ended 30 September 2018	The Annual General Meeting of the Company's shareholders on 22 January 2019	155,880	0.60
Interim dividends for the year ended 30 September 2019	The Board of Directors Meeting of the Company on 7 May 2019	103,920	0.40
Total dividends for the year 2019		259,800	1.00

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

As at 30 June 2019, the Company had capital commitments of approximately Baht 36 million and USD 0.07 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.

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

	(Unit: Million Baht)	
	30 June	30 September
Payable:	2019	2018
In up to 1 year	35	35
In over 1 and up to 5 years	16	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 nine-month periods ended 30 June 2019 amounting to approximately Baht 6 million and Baht 19 million, respectively (2018: Baht 6 million and Baht 28 million, respectively) were recognised as expenses.

16.4 Guarantees

As at 30 June 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 30 June 2019			
Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.4	30.67 - 31.68	November 2019 - January 2020
Japanese yen	32.9	0.29	December 2019 - January 2020

(Unaudited but reviewed)

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. As at 30 June 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. The Company's management has assessed the case that the Supreme Court judgement would not change from the Court of Appeal Region 2. Then, the Company's management finalized the consideration to end the case and pay compensation with interest following the judgement of Court of Appeal Region 2 (as shown in Note 11 to the financial statements). On 11 July 2019, Chonburi Provincial Court issued the certified confirming the termination of the case.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 August 2019.