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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 7 November 2019.

1. **General information**

The principal activities of the Company and its subsidiary (“the Group”) are the manufacturing and distributing of batteries for automobiles and motorcycles.

1. **Basis of preparation of the interim financial statements**

***(a) Statement of compliance***

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 December 2018.

***(b) Use of judgements, estimates and accounting policies***

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018, except for revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which the Group has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS11”) and related interpretation.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such changes in accounting policies have no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new TFRS which are not yet effective for current period in preparing these interim financial statements. Those new TFRS that are relevant to the Group’s operations are disclosed in note 13.

1. **Related parties**

Relationships with the subsidiary are described in note 6. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

| **Name of entities** | **Country of incorporation** | **Nature of relationships** |
| --- | --- | --- |
| Yuasa Battery, Inc. | United States of America | Common ultimate parent company |
| GS Yuasa Siam Sales Ltd. | Thailand | Common ultimate parent company |

Significant transactions for the three-month and nine-month periods ended 30 September with related parties were as follows:

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| *Three-month period ended 30 September* | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Revenue from sales of goods | - |  | - |  | 253,606 |  | 200,238 |
| Rental and service income | - |  | - |  | 342 |  | 342 |
| Service income | - |  | - |  | 62 |  | 238 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from sales of goods | 34,325 |  | 44,249 |  | 34,229 |  | 44,249 |
| Commission income | 120 |  | 162 |  | 120 |  | 162 |
| Purchase of raw materials and goods | 46,579 |  | 51,039 |  | 46,579 |  | 50,272 |
| Royalty fee | 8,968 |  | 8,703 |  | 8,968 |  | 8,703 |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 4,919 |  | 5,096 |  | 3,796 |  | 4,006 |
| Post-employment benefit | 264 |  | 346 |  | 129 |  | 201 |
| **Total key management personnel** |  |  |  |  |  |  |  |
| **compensation** | **5,183** |  | **5,442** |  | **3,925** |  | **4,207** |

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| *Nine-month period ended 30 September* | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Revenue from sales of goods | - |  | - |  | 695,581 |  | 668,086 |
| Rental and service income | - |  | - |  | 1,025 |  | 1,025 |
| Service income | - |  | - |  | 496 |  | 652 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from sales of goods | 107,041 |  | 123,731 |  | 106,945 |  | 123,731 |
| Commission income | 550 |  | 699 |  | 550 |  | 699 |
| Purchase of raw materials and goods | 127,289 |  | 137,369 |  | 127,289 |  | 135,835 |
| Purchase of machinery and equipment | 1,723 |  | 850 |  | 1,723 |  | 850 |
| Royalty fee | 26,526 |  | 28,086 |  | 26,526 |  | 28,086 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 20,088 |  | 19,354 |  | 16,716 |  | 16,083 |
| Post-employment benefit | 2,174 |  | 1,038 |  | 1,766 |  | 599 |
| **Total key management personnel** |  |  |  |  |  |  |  |
| **compensation** | **22,262** |  | **20,392** |  | **18,482** |  | **16,682** |

Balances as at 30 September 2019 and 31 December 2018 with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Trade accounts receivable*** | Consolidated | | |  | Separate | | |
| *- related parties* | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Yuasa Sales and Distribution Co., Ltd. | - |  | - |  | 175,470 |  | 223,676 |
| **Other related parties** |  |  |  |  |  |  |  |
| Yuasa Battery (Malaysia) Sdn Bhd. | 21,390 |  | 32,223 |  | 21,390 |  | 32,223 |
| GS Yuasa International Ltd. | 110 |  | 268 |  | 110 |  | 268 |
| Yuasa Battery, Inc. | 107 |  | - |  | 107 |  | - |
| GS Yuasa Siam Sales Ltd. | 103 |  | - |  | - |  | - |
| Yuasa Battery (Shunde) Co., Ltd. | - |  | 1,150 |  | - |  | 1,150 |
| **Total** | **21,710** |  | **33,641** |  | **197,077** |  | **257,317** |
|  |  |  |  |  |  |  |  |
| *Other current receivables* | Consolidated | | |  | Separate | | |
| *- related parties* | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Yuasa Sales and Distribution Co., Ltd. | - |  | - |  | 292 |  | 490 |
| **Other related party** |  |  |  |  |  |  |  |
| Taiwan Yuasa Battery Co., Ltd. | 119 |  | 383 |  | 119 |  | 383 |
| **Total** | **119** |  | **383** |  | **411** |  | **873** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Trade accounts payable* | Consolidated | | |  | Separate | | | |
| *- related parties* | financial statements | | |  | financial statements | | | |
|  | 30 September |  | 31 December |  | | 30 September |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 | |  | 2018 |
|  | *(in thousand Baht)* | | | | | | | |
| **Other related parties** |  |  |  |  |  | |  |  |
| GS Yuasa International Ltd. | 34,212 |  | 45,983 |  | 34,212 | |  | 45,983 |
| Siam GS Sales Co., Ltd. | - |  | 34 |  | - | |  | - |
| **Total** | **34,212** |  | **46,017** |  | **34,212** | |  | **45,983** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Other current payables* | Consolidated | | |  | Separate | | |
| *- related party* | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Payable for fixed assets purchased*** |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |
| GS Yuasa International Ltd. | - |  | 305 |  | - |  | 305 |
|  |  |  |  |  |  |  |  |
| ***Accrued royalty fee*** |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |
| GS Yuasa International Ltd. | 26,526 |  | 37,604 |  | 26,526 |  | 37,604 |
| **Total** | **26,526** |  | **37,909** |  | **26,526** |  | **37,909** |

1. **Current investment**

On 31 July 2019, the Company had current investment which represents promissory note that the Company has the positive intent and ability to hold to maturity. Held-to-maturity investment has interest rate of 1.72% per annum and mature in April 2020.

1. **Trade accounts receivable**

Aging analyses for trade accounts receivable were as follows:

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Related parties** |  | | | | | | |
| Within credit terms | 21,603 |  | 28,475 |  | 196,970 |  | 252,151 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 107 |  | 5,149 |  | 107 |  | 5,149 |
| 3 - 6 months | - |  | 17 |  | - |  | 17 |
|  | **21,710** |  | **33,641** |  | **197,077** |  | **257,317** |
|  |  |  |  |  |  |  |  |
| **Other parties** |  |  |  |  |  |  |  |
| Within credit terms | 240,628 |  | 239,847 |  | 99,838 |  | 106,599 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 14,095 |  | 49,923 |  | 6,102 |  | 22,371 |
| 3 - 6 months | 37 |  | 1,387 |  | 37 |  | - |
| 6 - 12 months | 53 |  | - |  | - |  | - |
| Over 12 months | 1,625 |  | 3,419 |  | - |  | 146 |
|  | **256,438** |  | **294,576** |  | **105,977** |  | **129,116** |
| *Less* allowance for doubtful accounts | (1,492) |  | (2,776) |  | - |  | (146) |
|  | **254,946** |  | **291,800** |  | **105,977** |  | **128,970** |
| **Net** | **276,656** |  | **325,441** |  | **303,054** |  | **386,287** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Consolidated | | |  | Separate | | |
|  | | financial statements | | |  | financial statements | | |
|  | | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | | *(in thousand Baht)* | | | | | | |
| Reversal of bad and doubtful debts expense | |  |  |  |  |  |  |  |
| for the three-month period ended | |  |  |  |  |  |  |  |
| 30 September | | - |  | (63) |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| Reversal of bad and doubtful debts expense | |  |  |  |  |  |  |  |
| for the nine-month period ended | |  |  |  |  |  |  |  |
| 30 September | | (335) |  | (533) |  | - |  | - |

The normal credit term granted by the Group ranges from 30 days to 100 days.

1. **Investment in subsidiary**

Investment in subsidiary as at 30 September 2019 and 31 December 2018, and dividend income from this investment for the nine-month periods ended 30 September 2019 and 2018 were as follows:

|  |  | Separate financial statements | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost - net | | |  | Dividend income  for the nine-month | | |
|  |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | periods ended | | |
|  | Type of | September |  | December |  | September |  | December |  | September |  | December |  | September |  | December |  | September |  | December |  | 30 September | | |
|  | business | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Subsidiary*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Yuasa Sales and | Distribution |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Distribution Co., Ltd. | of battery | 99.99 |  | 99.99 |  | 1,000 |  | 1,000 |  | 1,000 |  | 1,000 |  | (1,000) |  | (1,000) |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **1,000** |  | **1,000** |  | **(1,000)** |  | **(1,000)** |  | **-** |  | **-** |  | **-** |  | **-** |

A subsidiary was incorporated in Thailand. The book value of investment in Yuasa Sales and Distribution Co., Ltd. (based on the latest audited financial statements) was less than the cost of investment. The Company set up full allowance for the impairment loss of the investment in subsidiary in the separate financial statements.

1. **Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2019 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial | | |  | Separate financial | | |
|  | statements | | |  | statements | | |
|  |  |  | Disposals |  |  |  | Disposals |
|  | Acquisitions |  | and |  | Acquisitions |  | and |
|  | and |  | transfers out |  | and |  | transfers out |
|  | transfers in |  | - net book |  | transfers in |  | - net book |
|  | - at cost |  | value |  | - at cost |  | value |
|  | *(in thousand Baht)* | | | | | | |
| Building and construction | 29,373 |  | (355) |  | 29,373 |  | (355) |
| Machinery and equipment | 25,847 |  | (57) |  | 25,847 |  | (57) |
| Furniture, fixtures and office equipment | 3,100 |  | (4) |  | 3,024 |  | (4) |
| Vehicles | 441 |  | - |  | 441 |  | - |
| Assets under construction and |  |  |  |  |  |  |  |
| machine under installation | 32,151 |  | (55,616) |  | 32,151 |  | (55,616) |
| **Total** | **90,912** |  | **(56,032)** |  | **90,836** |  | **(56,032)** |

As at 30 September 2019, the Group’s and the Company’s land and constructions thereon with a net book value of Baht 30 million have been mortgaged as collateral for some facilities amounted to Baht 137.5 million obtained from a financial institution.

1. **Provision for employee benefits**

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the three-month and six-month periods then ended in the consolidated and separate financial statements increased by an amount of Baht 9.8 million and Baht 8.1 million, respectively.

1. **Segment information and disaggregation of revenue**

The Group’s operations and main revenue streams are revenue from sales of goods. The Group’s main revenue is derived from contracts with customers.

|  | Consolidated financial statements | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Three-month periods ended  30 September | | | |  | Nine-month periods ended  30 September | | |
|  | 2019 | |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | | |
| ***Information about reportable segments*** | |  |  |  |  |  |  |  |
| External revenue | 572,847 | |  | 574,237 |  | 1,682,950 |  | 1,771,572 |
| Internal revenue | 253,606 | |  | 200,239 |  | 695,581 |  | 668,086 |
| **Total revenue** | **826,453** | |  | **774,476** |  | **2,378,531** |  | **2,439,658** |
| Elimination of internal revenue | (253,606) | |  | (200,239) |  | (695,581) |  | (668,086) |
| **Consolidated revenue** | **572,847** | |  | **574,237** |  | **1,682,950** |  | **1,771,572** |

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| ***Three-month periods ended*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
| ***30 September*** |  |  |  |  |  |  |  |
|  | *(in thousand Baht)* | | | | | | |
| ***Disaggregation of revenue*** |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  |  |
| Thailand | 434,865 |  | 404,319 |  | 422,227 |  | 381,326 |
| Other countries | 137,982 |  | 169,918 |  | 137,982 |  | 169,918 |
| **Total** | **572,847** |  | **574,237** |  | **560,209** |  | **551,244** |
|  |  |  |  |  |  |  |  |
| **Major products** |  |  |  |  |  |  |  |
| Automobiles batteries | 243,489 |  | 262,092 |  | 228,916 |  | 247,281 |
| Motorcycles batteries | 311,202 |  | 300,768 |  | 316,364 |  | 293,308 |
| Other products | 18,156 |  | 11,377 |  | 14,929 |  | 10,655 |
| **Total** | **572,847** |  | **574,237** |  | **560,209** |  | **551,244** |
|  |  |  |  |  |  |  |  |
| **Customer groups** |  |  |  |  |  |  |  |
| Original Equipment Market (OEM) | 153,032 |  | 170,470 |  | 153,032 |  | 170,470 |
| Replacement Equipment Market (REM) | 266,244 |  | 223,232 |  | 253,404 |  | 200,210 |
| Export market | 137,982 |  | 169,918 |  | 137,982 |  | 169,918 |
| Others | 15,589 |  | 10,617 |  | 15,791 |  | 10,646 |
| **Total** | **572,847** |  | **574,237** |  | **560,209** |  | **551,244** |
|  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |
| At a point in time | **572,847** |  | **574,237** |  | **560,209** |  | **551,244** |

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| ***Nine-month periods ended*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
| ***30 September*** |  |  |  |  |  |  |  |
|  | *(in thousand Baht)* | | | | | | |
| ***Disaggregation of revenue*** |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  |  |
| Thailand | 1,290,827 |  | 1,292,276 |  | 1,241,934 |  | 1,240,613 |
| Other countries | 392,123 |  | 479,296 |  | 392,123 |  | 479,296 |
| **Total** | **1,682,950** |  | **1,771,572** |  | **1,634,057** |  | **1,719,909** |
|  |  |  |  |  |  |  |  |
| **Major products** |  |  |  |  |  |  |  |
| Automobiles batteries | 669,134 |  | 741,981 |  | 638,596 |  | 714,018 |
| Motorcycles batteries | 953,831 |  | 990,993 |  | 947,215 |  | 976,787 |
| Other products | 59,985 |  | 38,598 |  | 48,246 |  | 29,104 |
| **Total** | **1,682,950** |  | **1,771,572** |  | **1,634,057** |  | **1,719,909** |
|  |  |  |  |  |  |  |  |
| **Customer groups** |  |  |  |  |  |  |  |
| Original Equipment Market (OEM) | 497,021 |  | 543,509 |  | 497,021 |  | 543,509 |
| Replacement Equipment Market (REM) | 744,474 |  | 719,749 |  | 695,226 |  | 668,015 |
| Export market | 392,123 |  | 479,296 |  | 392,123 |  | 479,296 |
| Others | 49,332 |  | 29,018 |  | 49,687 |  | 29,089 |
| **Total** | **1,682,950** |  | **1,771,572** |  | **1,634,057** |  | **1,719,909** |
|  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |
| At a point in time | **1,682,950** |  | **1,771,572** |  | **1,634,057** |  | **1,719,909** |

1. **Dividends**

The dividends paid by the Company to the shareholders are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| *2019* |  |  |  |  |  |
| Annual dividend | 10 April 2019 | May 2019 | 0.30 |  | 32.29 |
|  |  |  |  |  |  |
| *2018* |  |  |  |  |  |
| Annual dividend | 3 April 2018 | May 2018 | 0.24 |  | 25.83 |

1. **Commitments with non-related parties**

| ***At 30 September 2019*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Capital commitments*** |  |  |  |
| *Contracted but not provided for* |  |  |  |
| Machinery and equipment | 8,666 |  | 8,666 |
| Building and constructions | 978 |  | 978 |
| Computer software | 98 |  | 98 |
| **Total** | **9,742** |  | **9,742** |
|  |  |  |  |
| ***Future minimum lease payments under non-cancellable***  ***operating leases*** |  |  |  |
| Within one year | 1,406 |  | 1,346 |
| After one year but within five years | 676 |  | 552 |
| **Total** | **2,082** |  | **1,898** |
|  |  |  |  |
| ***Other commitments*** |  |  |  |
| Bank guarantees | 7,112 |  | 7,112 |

As at 30 September 2019, the Group had;

(a) operating lease agreements covering warehouse, factory equipment, office equipment and vehicles for the Company and covering office equipment for a subsidiary for periods of 1 to 5 years, which will expire in various dates in 2019 to 2022.

(b) letter of guarantees issued by financial institutions in favour of the Company for the use of electricity and for performance bonds guarantee which some letter of guarantees of Baht 6.3 million were secured by the Company’s land and constructions.

(c) purchase order accepted by suppliers of the Company for purchase of raw materials for a total quantity of 1,095 MT, at the prices as determined in purchase order that will be delivered during 2019.

1. **Contingent liabilities**

As at 30 September 2019, the Company had guaranteed unutilised bank overdrafts for subsidiary in amount of Baht 5 million *(31 December 2018: Baht 5 million)*.

1. **Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new TFRS which are relevant to the Group’s operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

| **TFRS** | **Topic** |
| --- | --- |
| TFRS 7\* | Financial Instruments: Disclosures |
| TFRS 9\* | Financial Instruments |
| TFRS 16 | Leases |
| TAS 32\* | Financial Instruments: Presentation |

*\* TFRS - Financial instruments standards*

***(a) TFRS - Financial instruments standards***

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

***(b) TFRS 16 Leases***

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.