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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 8 November 2018.

1. **General information**

Yuasa Battery (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 164, Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan.

The Company was listed on the Market for Alternative Investment (MAI) on 21 November 1994.

The Company’s major shareholders during the financial period were GS Yuasa International Ltd. (40.69% shareholding) which was incorporated in Japan and Metropolitan Motor Service Co., Ltd. (19.13% shareholding) which was incorporated in Thailand.

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**
2. ***Statement of compliance***

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) *Interim Financial Reporting;* guidelines promulgated by the Federation of Accounting Professions (FAP); 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 2017. 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 2017.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these interim financial statements.

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

|  |  |  |
| --- | --- | --- |
| **TFRS** | **Topic** | **Effective** |
| TFRS 7\* | Financial Instruments: Disclosures | 2020 |
| TFRS 9\* | Financial Instruments | 2020 |
| TFRS 15 | Revenue from Contracts with Customers | 2019 |
| TAS 32\* | Financial Instruments: Presentation | 2020 |

\* TFRS - Financial instruments standards

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

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

* 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, and*
* TFRIC 18 (revised 2017) *Transfers of Assets from Customers.*

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

***TFRS - Financial instruments standards***

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

***(b) Functional and presentation currency***

The interim financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency.

***(c) Use of judgements and estimates***

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

1. **Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with the subsidiary are described in note 6. Relationship with key management and other related parties were as follows:

|  | **Country of** |  |
| --- | --- | --- |
|  | **incorporation/** |  |
| **Name of entities** | **nationality** | **Nature of relationships** |
| GS Yuasa International Ltd. | Japan | A major shareholder, 40.69% shareholding |
| Metropolitan Motor Service Co., Ltd. | Thailand | A major shareholder, 19.13% shareholding |
| Manutham Mansion and Development  Co., Ltd. | Thailand | Common director |
| Fuji Merchantiles Co., Ltd. | Thailand | Common director and shareholder |
| GS Yuasa Corporation | Japan | Ultimate parent company |
| Yuasa Battery (Malaysia) Sdn Bhd. | Malaysia | Common ultimate parent company |
| GS Yuasa Battery (Singapore) Pte. Ltd. | Singapore | Common ultimate parent company |
| PT. Yuasa Battery Indonesia | Indonesia | Common ultimate parent company |
| Tata Autocomp GY Battery Private Ltd. | India | Common ultimate parent company |
| GS Yuasa Power Supply Ltd. | Japan | Common ultimate parent company |
| GS Yuasa Siam Industry Co., Ltd. | Thailand | Common ultimate parent company |
| Taiwan Yuasa Battery Co., Ltd. | Taiwan | Common ultimate parent company |
| GS Battery Taiwan Co., Ltd. | Taiwan | Common ultimate parent company |
| GS Battery Vietnam Co., Ltd. | Vietnam | Common ultimate parent company |
| Siam GS Battery Co., Ltd. | Thailand | Common ultimate parent company |
| Siam GS Sales Co., Ltd. | Thailand | Common ultimate parent company |
| Yuasa Battery (Shunde) Co., Ltd. | China | Common ultimate parent company |
| Tianjin Yuasa Batteries Co., Ltd. | China | Common ultimate parent company |
| Key management personnel | Thailand and Japan | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group |

The pricing policies for transactions with related parties are explained further below:

|  |  |  |
| --- | --- | --- |
| **Transactions** |  | **Pricing policies** |
| Revenue from sales of goods |  | Market price |
| Commission income |  | At agreed price |
| Rental and service income |  | Contract price |
| Service income |  | At agreed price |
| Purchase of raw materials and goods |  | Market price |
| Purchase of machinery and equipment |  | At agreed price |
| Royalty fee |  | Contract price |
| Dividends paid |  | As announced |

Significant transactions for the three-month and nine-month periods ended 30 September 2018 and 2017 with related parties were as follows:

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| *Three-month period ended 30 September* | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Revenue from sales of goods | - |  | - |  | 200,239 |  | 250,607 |
| Rental and service income | - |  | - |  | 342 |  | 221 |
| Service income | - |  | - |  | 238 |  | 318 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from sales of goods | 44,249 |  | 34,133 |  | 44,249 |  | 34,133 |
| Commission income | 162 |  | 261 |  | 162 |  | 261 |
| Purchase of raw materials and goods | 51,039 |  | 42,649 |  | 50,272 |  | 41,994 |
| Purchase of machinery and equipment | - |  | 1,183 |  | - |  | 1,183 |
| Royalty fee | 8,703 |  | 9,222 |  | 8,703 |  | 9,222 |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 5,096 |  | 4,936 |  | 4,006 |  | 3,930 |
| Post-employment benefit | 346 |  | 323 |  | 201 |  | 181 |
| **Total key management personnel** |  |  |  |  |  |  |  |
| **compensation** | **5,442** |  | **5,259** |  | **4,207** |  | **4,111** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | financial statements | | |  | financial statements | | |
| *Nine-month period ended 30 September* | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Revenue from sales of goods | - |  | - |  | 668,086 |  | 703,888 |
| Rental and service income | - |  | - |  | 1,025 |  | 661 |
| Service income | - |  | - |  | 652 |  | 811 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from sales of goods | 123,731 |  | 105,439 |  | 123,731 |  | 105,439 |
| Commission income | 699 |  | 1,526 |  | 699 |  | 1,526 |
| Purchase of raw materials and goods | 137,369 |  | 85,376 |  | 135,835 |  | 83,411 |
| Purchase of machinery and equipment | 850 |  | 1,967 |  | 850 |  | 1,967 |
| Royalty fee | 28,086 |  | 27,926 |  | 28,086 |  | 27,926 |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 19,354 |  | 19,574 |  | 16,083 |  | 16,554 |
| Post-employment benefit | 1,038 |  | 968 |  | 599 |  | 543 |
| **Total key management personnel** |  |  |  |  |  |  |  |
| **compensation** | **20,392** |  | **20,542** |  | **16,682** |  | **17,097** |

Balances as at 30 September 2018 and 31 December 2017 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 |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Yuasa Sales and Distribution Co., Ltd. | - |  | - |  | 196,513 |  | 229,599 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Yuasa Battery (Malaysia) Sdn Bhd. | 27,675 |  | 20,042 |  | 27,675 |  | 20,042 |
| Siam GS Sales Co., Ltd. | 729 |  | 916 |  | 729 |  | 916 |
| GS Yuasa International Ltd. | 306 |  | 73 |  | 306 |  | 73 |
| Yuasa Battery (Shunde) Co., Ltd. | 11 |  | 214 |  | 11 |  | 214 |
| **Total** | **28,721** |  | **21,245** |  | **225,234** |  | **250,844** |
|  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Other current receivables* | Consolidated | | |  | Separate | | |
| *- related parties* | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| Yuasa Sales and Distribution Co., Ltd. | - |  | - |  | 371 |  | 288 |
|  |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |
| Taiwan Yuasa Battery Co., Ltd. | 362 |  | 410 |  | 362 |  | 410 |
| **Total** | **362** |  | **410** |  | **733** |  | **698** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Trade accounts payable* | Consolidated | | | |  | Separate | | |
| *- related party* | financial statements | | | |  | financial statements | | |
|  | 30 September |  | | 31 December |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 | |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| **Other related party** |  |  |  | |  |  |  |  |
| GS Yuasa International Ltd. | **46,943** |  | **33,517** | |  | **46,943** |  | **33,517** |
|  |  |  |  | |  |  |  |  |
| *Other current payables* | Consolidated | | | |  | Separate | | |
| *- related party* | financial statements | | | |  | financial statements | | |
|  | 30 September |  | 31 December | |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 | |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| ***Accrued royalty fee*** |  |  |  | |  |  |  |  |
| **Other related party** |  |  |  | |  |  |  |  |
| GS Yuasa International Ltd. | **28,086** |  | **36,995** | |  | **28,086** |  | **36,995** |

***Significant agreements with related parties***

*Technical Assistance Agreements*

On 1 January 2009, the Company entered into technical assistance agreements with GS Yuasa International Ltd. whereby the latter agreed to grant the Company the rights to use technical know-how and expertise related to manufacturing of automotive and motorcycle batteries as well as to use trademarks owned by GS Yuasa Corporation. The Company is committed to pay royalty fee at the rates as specified in the agreements. These agreements shall remain effective for 5 years and will be automatically renewed for another one year each unless terminated by either party giving notice in writing at least 90 days before the expiration of the agreements.

*Rental Agreement*

On 25 December 2016, the Company entered into a rental agreement to lease office premises, warehouse space and related facilities to Yuasa Sales and Distribution Co., Ltd. with the rental and service income as specified in the agreement. The agreement is for a period of 2 years and shall be renewed on an annual basis.

1. **Trade accounts receivable**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated** | | | |  | Separate | | |
|  |  | financial statements | | | |  | financial statements | | |
|  |  | 30 September |  | 31 December | |  | 30 September |  | 31 December |
|  | *Note* | 2018 |  | | 2017 |  | 2018 |  | 2017 |
|  |  | *(in thousand Baht)* | | | | | | | |
| Related parties | *3* | 28,721 |  | | 21,245 |  | 225,234 |  | 250,844 |
| Other parties |  | 274,121 |  | | 278,925 |  | 141,260 |  | 122,730 |
| **Total** |  | **302,842** |  | | **300,170** |  | **366,494** |  | **373,574** |
| *Less* allowance for doubtful |  |  |  | |  |  |  |  |  |
| accounts |  | (545) |  | | (6,218) |  | (146) |  | (146) |
| **Net** |  | **302,297** |  | | **293,952** |  | **366,348** |  | **373,428** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  |  | *(in thousand Baht)* | | | | | | |
| Reversal of bad and doubtful  debts expense | |  |  |  |  |  |  |  |
| * + - for the three-month period |  |  |  |  |  |  |  |  |
| ended 30 September |  | (63) |  | (108) |  | - |  | (50) |
|  |  |  |  |  |  |  |  |  |
| * + - for the nine-month period |  |  |  |  |  |  |  |  |
| ended 30 September |  | (533) |  | (475) |  | - |  | (100) |

Aging analyses for trade accounts receivable were as follows:

|  | Consolidated | | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | | |  | financial statements | | |
|  | 30 September |  | 31 December | |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 | |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| **Related parties** |  | | | | | | | |
| Within credit terms | 28,721 |  | | 21,172 |  | 225,234 |  | 250,771 |
| Overdue: |  |  | |  |  |  |  |  |
| Less than 3 months | - |  | | 73 |  | - |  | 73 |
|  | **28,721** |  | | **21,245** |  | **225,234** |  | **250,844** |
|  |  |  | |  |  |  |  |  |
| **Other parties** |  |  | |  |  |  |  |  |
| Within credit terms | 258,836 |  | | 236,025 |  | 138,056 |  | 114,185 |
| Overdue: |  |  | |  |  |  |  |  |
| Less than 3 months | 10,330 |  | | 33,752 |  | 3,058 |  | 8,399 |
| 3 - 6 months | 70 |  | | - |  | - |  | - |
| 6 - 12 months | 1,397 |  | | - |  | - |  | - |
| Over 12 months | 3,488 |  | | 9,148 |  | 146 |  | 146 |
|  | **274,121** |  | | **278,925** |  | **141,260** |  | **122,730** |
| *Less* allowance for doubtful accounts | (545) |  | | (6,218) |  | (146) |  | (146) |
|  | **273,576** |  | | **272,707** |  | **141,114** |  | **122,584** |
| **Net** | **302,297** |  | | **293,952** |  | **366,348** |  | **373,428** |

The normal credit term granted by the Group ranges from 15 days to 90 days.

1. **Other current receivables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated** | | |  | Separate | | |
|  |  | financial statements | | |  | financial statements | | |
|  |  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | *Note* | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  |  | *(in thousand Baht)* | | | | | | |
| Other receivables from other parties |  | 9,854 |  | 13,245 |  | 6,620 |  | 12,612 |
| Receivable from Revenue Department |  | 6,148 |  | 3,719 |  | 6,148 |  | 3,719 |
| Prepaid expenses |  | 4,423 |  | 6,695 |  | 3,170 |  | 6,678 |
| Other receivables from related parties | *3* | 362 |  | 410 |  | 733 |  | 689 |
| Others |  | 4,250 |  | 4,425 |  | 3,802 |  | 4,071 |
| **Total** |  | **25,037** |  | **28,484** |  | **20,473** |  | **27,779** |
| *Less* allowance for doubtful accounts |  | (3,086) |  | - |  | - |  | - |
| **Net** |  | **21,951** |  | **28,484** |  | **20,473** |  | **27,779** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | | *(in thousand Baht)* | | | | | | |
| Bad and doubtful debts expense | |  |  |  |  |  |  |  |
| * + - for the three-month period |  |  |  |  |  |  |  |  |
| ended 30 September |  | 3,086 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| * + - for the nine-month period |  |  |  |  |  |  |  |  |
| ended 30 September |  | 3,086 |  | - |  | - |  | - |

1. **Investment in subsidiary**

Investment in subsidiary as at 30 September 2018 and 31 December 2017, and dividend income from this investment for the nine-month period ended 30 September 2018 and 2017 were as follows:

|  |  | Separate financial statements | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost - net | | |  | Dividend income | | |
|  |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 31 |  | 30 |  | 30 |
|  | Type of | September |  | December |  | September |  | December |  | September |  | December |  | September |  | December |  | September |  | December |  | September |  | September |
|  | business | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  |  | *(%)* | | |  | *(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 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 2018 and 2017 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | |
| ***Nine-month period ended 30 September*** | 2018 | | |  | 2017 | | |
|  |  |  | 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 | 11,113 |  | - |  | 13,653 |  | (13) |
| Machinery and equipment | 26,479 |  | (135) |  | 30,356 |  | (58) |
| Furniture, fixtures and office equipment | 5,896 |  | - |  | 4,390 |  | - |
| Vehicles | - |  | - |  | 1,877 |  | - |
| Assets under construction and |  |  |  |  |  |  |  |
| machine under installation | 50,062 |  | (29,896) |  | 28,068 |  | (33,917) |
| **Total** | **93,550** |  | **(30,031)** |  | **78,344** |  | **(33,988)** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | | | | | | | |
| ***Nine-month period ended 30 September*** | 2018 | | |  | | 2017 | | | | | |
|  |  |  | 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 | 11,113 |  | - | |  | | 13,653 | |  | | (13) |
| Machinery and equipment | 26,479 |  | (135) | |  | | 30,356 | |  | | (58) |
| Furniture, fixtures and office equipment | 5,722 |  | - | |  | | 4,019 | |  | | - |
| Vehicles | - |  | - | |  | | 1,877 | |  | | - |
| Assets under construction and |  |  |  | |  | |  | |  | |  |
| machine under installation | 49,838 |  | (29,672) | |  | | 28,068 | |  | | (33,917) |
| **Total** | **93,152** |  | **(29,807)** | |  | | **77,973** | |  | | **(33,988)** |

As at 30 September 2018, the Group’s and the Company’s land and constructions thereon with a carrying value of Baht 30 million have been mortgaged as collateral for some facilities amounted to Baht 137.5 million obtained from a financial institution. For remaining facilities that the Company obtained from other financial institutions of Baht 615 million are unsecured.

1. **Segment information**

Management considers that the Group operates in a single line of business comprising the manufacturing of batteries for automobiles and motorcycles, and has, therefore, only one reportable segment. The Group is a battery manufacturer and derives revenue from 3 different customer groups i.e. Original Equipment Market (OEM), Replacement Equipment Market (REM) and Export market. Other operations include other products than batteries for automobiles and motorcycles. Information regarding the revenue from each customer group as included in the internal management report that are reviewed by the Group’s chief operating decision maker (CODM) is shown below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Original Equipment Market (OEM) | | |  | Replacement Equipment Market (REM) | | |  | Export Market | | |  | Others | | |  | Total | | |
| ***Three-month period ended***  ***30 September*** | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| External revenue | 170,470 |  | 178,509 |  | 223,232 |  | 258,220 |  | 169,917 |  | 144,779 |  | 10,618 |  | 8,839 |  | 574,237 |  | 590,347 |
| Internal revenue | - |  | - |  | 200,210 |  | 250,533 |  | - |  | - |  | 29 |  | 74 |  | 200,239 |  | 250,607 |
| **Total revenue** | **170,470** |  | **178,509** |  | **423,442** |  | **508,753** |  | **169,917** |  | **144,779** |  | **10,647** |  | **8,913** |  | **774,476** |  | **840,954** |
| Elimination of internal revenue | - |  | - |  | (200,210) |  | (250,533) |  | - |  | - |  | (29) |  | (74) |  | (200,239) |  | (250,607) |
| **Consolidated revenue** | **170,470** |  | **178,509** |  | **223,232** |  | **258,220** |  | **169,917** |  | **144,779** |  | **10,618** |  | **8,839** |  | **574,237** |  | **590,347** |
| Cost of sales | (130,719) |  | (137,918) |  | (176,705) |  | (197,041) |  | (138,019) |  | (125,120) |  | (9,349) |  | (6,162) |  | (454,792) |  | (466,241) |
| **Consolidated gross profit** | **39,751** |  | **40,591** |  | **46,527** |  | **61,179** |  | **31,898** |  | **19,659** |  | **1,269** |  | **2,677** |  | **119,445** |  | **124,106** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Nine-month period ended***  ***30 September*** | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| External revenue | 543,509 |  | 526,996 |  | 719,749 |  | 741,626 |  | 479,295 |  | 434,695 |  | 29,019 |  | 23,732 |  | 1,771,572 |  | 1,727,049 |
| Internal revenue | - |  | - |  | 668,015 |  | 703,688 |  | - |  | - |  | 71 |  | 200 |  | 668,086 |  | 703,888 |
| **Total revenue** | **543,509** |  | **526,996** |  | **1,387,764** |  | **1,445,314** |  | **479,295** |  | **434,695** |  | **29,090** |  | **23,932** |  | **2,439,658** |  | **2,430,937** |
| Elimination of internal revenue | - |  | - |  | (668,015) |  | (703,688) |  | - |  | - |  | (71) |  | (200) |  | (668,086) |  | (703,888) |
| **Consolidated revenue** | **543,509** |  | **526,996** |  | **719,749** |  | **741,626** |  | **479,295** |  | **434,695** |  | **29,019** |  | **23,732** |  | **1,771,572** |  | **1,727,049** |
| Cost of sales | (410,032) |  | (408,071) |  | (556,752) |  | (562,320) |  | (389,989) |  | (372,481) |  | (24,071) |  | (16,591) |  | (1,380,844) |  | (1,359,463) |
| **Consolidated gross profit** | **133,477** |  | **118,925** |  | **162,997** |  | **179,306** |  | **89,306** |  | **62,214** |  | **4,948** |  | **7,141** |  | **390,728** |  | **367,586** |

1. **Basic earnings per share**

The calculations of basic earnings per share for the three-month and nine-month periods ended  
30 September 2018 and 2017 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| ***Three-month period ended 30 September*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht / thousand shares)* | | | | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 23,907 |  | 25,396 |  | 22,563 |  | 27,919 |
| Number of ordinary shares outstanding | 107,625 |  | 107,625 |  | 107,625 |  | 107,625 |
|  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** | **0.22** |  | **0.24** |  | **0.21** |  | **0.26** |

|  | Consolidated | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | financial statements | | |
| ***Nine-month period ended 30 September*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht / thousand shares)* | | | | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 86,956 |  | 88,528 |  | 76,605 |  | 92,376 |
| Number of ordinary shares outstanding | 107,625 |  | 107,625 |  | 107,625 |  | 107,625 |
|  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** | **0.81** |  | **0.82** |  | **0.71** |  | **0.86** |

1. **Dividends**

At the annual general meeting of the shareholders of the Company held on 3 April 2018, the shareholders approved the appropriation of dividend of Baht 0.24 per share, amounting to Baht 25.83 million. The dividend was paid to shareholders during May 2018.

At the annual general meeting of the shareholders of the Company held on 6 April 2017, the shareholders approved the appropriation of dividend of Baht 0.19 per share, amounting to Baht 20.45 million. The dividend was paid to shareholders during May 2017.

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

|  | Consolidated | | | |  | Separate | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | | |  | financial statements | | |
|  | 30 September |  | 31 December | |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 | |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| ***Capital commitments*** |  |  | |  |  |  |  |  |
| *Contracted but not provided for* |  |  | |  |  |  |  |  |
| Building and constructions | 18,861 |  | | 3,282 |  | 18,861 |  | 3,282 |
| Machinery and equipment | 3,083 |  | | 2,448 |  | 3,083 |  | 2,448 |
| Office equipment | 1,133 |  | | 630 |  | 1,133 |  | 630 |
| **Total** | **23,077** |  | | **6,360** |  | **23,077** |  | **6,360** |
|  |  |  | |  |  |  |  |  |
|  |  |  | |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | financial statements | | |  | financial statements | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| ***Future minimum lease payment*** |  |  |  |  |  |  |  |
| ***under non-cancellable*** |  |  |  |  |  |  |  |
| ***operating lease agreements*** |  |  |  |  |  |  |  |
| Within one year | 3,278 |  | 4,267 |  | 3,202 |  | 4,066 |
| After one year but within five years | 852 |  | 1,626 |  | 852 |  | 1,612 |
| **Total** | **4,130** |  | **5,893** |  | **4,054** |  | **5,678** |
|  |  |  |  |  |  |  |  |
| ***Other commitments*** |  |  |  |  |  |  |  |
| Bank guarantees | 7,143 |  | 7,169 |  | 7,143 |  | 7,169 |

As at 30 September 2018, the Group had;

(a) operating lease agreements covering warehouse, factory equipment, office equipment and vehicles for the Company and covering office equipment and vehicles for a subsidiary for periods of 1 to 7 years, which will expire in various dates in 2018 to 2021.

(b) letter of guarantees issued by financial institutions in favour of the Company for the use of electricity and for performance bonds guarantee.

(c) purchase order accepted by suppliers of the Company for purchase of raw materials for a total quantity of 2,516 MT *(31 December 2017: 9,074 MT)*, at the prices as determined in purchase order that will be delivered during 2018 *(31 December 2017: during 2018)*.

1. **Contingent liabilities**

As at 30 September 2018, the Company had;

(a) guaranteed unutilised bank overdrafts for subsidiary in amount of Baht 5 million *(31 December 2017: Baht 5 million).*

(b) guaranteed rental agreement for subsidiary for the remaining contract amount.