

Thantawan Industry Public Company Limited
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thantawan Industry Public Company Limited

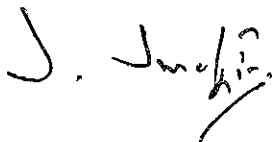
I have reviewed the accompanying statement of financial position of Thantawan Industry Public Company Limited as at 30 June 2019, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in shareholders' equity and cash flows 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 No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards 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 No. 34 Interim Financial Reporting.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 14 August 2019

Thantawan Industry Public Company Limited

Statement of financial position

(Unit: Thousand Baht)

	Note	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets			
Current assets			
Cash and cash equivalents	4	211,909	179,061
Current investments	5	235,747	269,914
Trade and other receivables	6	319,517	290,126
Inventories	7	401,313	441,196
Other current assets		18,199	11,278
Total current assets		1,186,685	1,191,575
Non-current assets			
Investment property		43,140	43,140
Property, plant and equipment	8	838,153	783,958
Intangible assets	9	26,057	26,503
Deferred tax assets		7,535	5,782
Other non-current assets		12,807	13,351
Total non-current assets		927,692	872,734
Total assets		2,114,377	2,064,309

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

Thantawan Industry Public Company Limited

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	10	353,998	273,583
Accrued expenses		39,553	56,329
Current portion of liabilities under finance lease agreements	11	2,625	2,159
Accrued income tax		8,309	13,570
Other current liabilities		5,865	8,944
Total current liabilities		410,350	354,585
Non-current liabilities			
Liabilities under finance lease agreements -			
net of current portion	11	4,897	2,708
Provision for long-term employee benefits	12	51,524	42,107
Total non-current liabilities		56,421	44,815
Total liabilities		466,771	399,400
Shareholders' equity			
Share capital			
Registered			
80,000,000 ordinary shares of Baht 1 each		80,000	80,000
Issued and fully paid up			
80,000,000 ordinary shares of Baht 1 each		80,000	80,000
Share premium		136,800	136,800
Retained earnings			
Appropriated - statutory reserve		10,000	10,000
Unappropriated		1,420,806	1,438,109
Total shareholders' equity		1,647,606	1,664,909
Total liabilities and shareholders' equity		2,114,377	2,064,309

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

Directors

(Unaudited but reviewed)

Thantawan Industry 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)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Profit or loss:			
Revenues			
Revenues from contracts with customers	16	709,875	826,242
Other income		7,588	958
Total revenues		717,463	827,200
Expenses			
Cost of sales		580,932	665,570
Selling and distribution expenses		24,968	18,757
Administrative expenses		67,788	58,045
Total expenses		673,688	742,372
Profit before finance cost and income tax expenses		43,775	84,828
Finance cost		(509)	(378)
Profit before income tax expenses		43,266	84,450
Income tax expenses	13	(3,830)	(10,691)
Profit for the period		39,436	73,759
Other comprehensive income :			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		39,436	73,759
Earnings per share (Baht)	14		
Basic earnings per share			
Profit		0.49	0.92

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

(Unaudited but reviewed)

Thantawan Industry Public Company Limited
Statement of comprehensive income (continued)
For the six-month period ended 30 June 2019

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

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Profit or loss:			
Revenues			
Revenues from contracts with customers	16	1,424,629	1,587,554
Other income		14,994	15,920
Total revenues		1,439,623	1,603,474
Expenses			
Cost of sales		1,162,231	1,277,889
Selling and distribution expenses		45,800	41,764
Administrative expenses		137,419	114,438
Total expenses		1,345,450	1,434,091
Profit before finance cost and income tax expenses		94,173	169,383
Finance cost		(908)	(759)
Profit before income tax expenses		93,265	168,624
Income tax expenses	13	(10,568)	(21,375)
Profit for the period		82,697	147,249
Other comprehensive income :			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		82,697	147,249
Earnings per share (Baht)	14		
Basic earnings per share			
Profit		1.03	1.84

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

(Unaudited but reviewed)

Thantawan Industry Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018	80,000	136,800	10,000	1,280,219	1,507,019
Profit for the period	-	-	-	147,249	147,249
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	147,249	147,249
Dividend paid (Note 15)	-	-	-	(100,000)	(100,000)
Balance as at 30 June 2018	<u>80,000</u>	<u>136,800</u>	<u>10,000</u>	<u>1,327,468</u>	<u>1,554,268</u>
Balance as at 1 January 2019	80,000	136,800	10,000	1,438,109	1,664,909
Profit for the period	-	-	-	82,697	82,697
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	82,697	82,697
Dividend paid (Note 15)	-	-	-	(100,000)	(100,000)
Balance as at 30 June 2019	<u>80,000</u>	<u>136,800</u>	<u>10,000</u>	<u>1,420,806</u>	<u>1,647,606</u>

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

(Unaudited but reviewed)

Thantawan Industry Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Profit before tax		93,265	168,624
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	8, 9	46,312	35,741
Decrease in allowance for doubtful accounts		-	(6)
Decrease in reduction of cost of inventories to net realisable value	7	(643)	(214)
Amortisation of discounts on current investments		(346)	-
Loss on disposals and write-off of building and equipment	8	915	962
Unrealised (gain) loss on exchange		(4,911)	3,982
Provision for long-term employee benefits	12	14,221	2,433
Interest income		(2,875)	(4,113)
Interest expenses		96	128
Profit from operating activities before changes in operating assets and liabilities		146,034	207,537
Operating assets (increase) decrease:			
Trade and other receivables		(89,999)	(138,744)
Inventories		40,526	19,154
Other current assets		(6,921)	(7,493)
Other non-current assets		543	447
Operating liabilities increase (decrease):			
Trade and other payables		97,975	(49,937)
Accrued expenses		(16,776)	(13,872)
Other current liabilities		(3,080)	1,928
Other non-current liabilities		-	9
Cash flows from operating activities		168,302	19,029
Cash paid for employee benefits	12	(4,804)	-
Cash paid for income tax		(16,588)	(28,184)
Cash received from VAT refundable		57,821	82,837
Net cash flows from operating activities		204,731	73,682

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

(Unaudited but reviewed)

Thantawan Industry Public Company Limited

Statement of cash flows (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	2019	2018
Cash flows from investing activities			
Cash received from interest income		3,197	4,598
Increase in current investments		(285,487)	(400,000)
Proceed from disposals of current investments		320,000	400,000
Cash paid for acquisitions of building and equipment	8	(107,457)	(106,714)
Cash paid for acquisitions of intangible assets	9	(1,469)	(5,000)
Proceeds from disposals of equipment	8	588	325
Net cash flows used in investing activities		(70,628)	(106,791)
Cash flows from financing activities			
Cash paid to settle liabilities under finance lease agreements		(1,349)	(1,462)
Cash paid for interest expenses		(96)	(128)
Dividend paid		(100,006)	(99,320)
Net cash flows used in financing activities		(101,451)	(100,910)
Net increase (decrease) in cash and cash equivalents		32,652	(134,019)
Cash and cash equivalents at beginning of period		179,061	354,117
Effect of change in foreign exchange rate on cash at bank balances		196	-
Cash and cash equivalents at end of period	4	211,909	220,098

Supplemental disclosures of cash flows information:

Non-cash related transactions

Increase (decrease) in accounts payable for

acquisitions of building and equipment

8	(11,366)	1,602
---	----------	-------

Increase in assets under finance lease agreements

8	4,004	-
---	-------	---

Dividend payables

4,806	5,460
-------	-------

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

Thantawan Industry Public Company Limited
Notes to interim financial statements
For the six-month period ended 30 June 2019

1. General information

1.1 The Company's general information

Thantawan Industry Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is the Sunflower Company Limited, which was incorporated in Thailand. The ultimate parent company of the group is Thantawan Group, which was incorporated in Thailand. The Company is principally engaged in the manufacture and sales of plastic products e.g. drinking straws and general plastic bags. Its registered address of the Company is at 143-144, Moo 8, Soi Kangwal 2, Phetkasem Road, Omyai, Sampran, Nakornpratom.

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 interim financial statements.

1.3 New financial reporting standards

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

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are 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.

This standard does not have any significant impact on the Company's financial statements.

(b) 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

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.

2. 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 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

Revenue recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

3. Transactions with related parties

During the periods, the Company had no business transaction with individuals or related parties.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company had employee benefit expense payable to their directors and management as below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	12,141	11,470	24,122	22,360
Post-employment benefits	782	476	1,241	935
Total	12,923	11,946	25,363	23,295

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	30 June	31 December
	2019	2018
Cash	120	120
Bank deposits	211,789	178,941
Total	211,909	179,061

As of 30 June 2019, bank deposits in saving accounts carried interest at the rate between 0.15 and 1.20 percent per annum (31 December 2018: between 0.15 and 1.20 percent per annum).

5. Current investments

	(Unit: Thousand Baht)			
	Interest rate (% per annum)		30 June	31 December
	30 June	31 December		
	2019	2018	2019	2018
Fixed deposits	1.85	1.70 - 2.00	35,000	150,000
Government bonds	1.70 - 1.77	1.47	178,897	19,914
Debentures	1.98	-	21,850	-
Structured notes	-	1.30 - 1.34	-	100,000
Total			235,747	269,914

(Unaudited but reviewed)

6. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Trade accounts receivable - unrelated parties		
Aged on the basis of due dates		
Not yet due	254,599	220,132
Past due		
Up to 3 months	49,292	51,763
3 - 6 months	810	480
6 - 12 months	-	62
Total trade accounts receivable - unrelated parties	304,701	272,437
Other receivables		
Other receivables - Revenue Department	14,181	14,342
Advances	434	1,110
Other receivables - unrelated parties	31	16
Accrued revenue - unrelated parties	-	1,729
Interest receivables	170	492
Total other receivables	14,816	17,689
Total trade and other receivables	319,517	290,126

7. Reduction cost of inventories to net realisable value

Movements in the reduction cost of inventories to net realisable value account during the six-month period ended 30 June 2019 were summarised below:

	(Unit: Thousand Baht)
Balance as at 31 December 2018	4,978
Less: Decrease in reduction cost of inventories during the period	(643)
Balance as at 30 June 2019	4,335

8. Property, plant and equipment

Movements of property, plant and equipment account during the six-month period ended 30 June 2019 were summarised below:

	(Unit: Thousand Baht)
Net book value as at 31 December 2018	783,958
Acquisitions during the period - at cost	
Decrease in accounts payables for acquisition of equipment during the period	(11,366)
Increase in assets under finance lease agreements	4,004
Cash paid for acquisitions of building and equipment	107,457
Total	100,095
Disposals during the period - net book value at disposal date	
Proceeds from disposals of equipment	(588)
Loss on disposals and write-off of building and equipment	(915)
Total	(1,503)
Depreciation for the period	(44,397)
Net book value as at 30 June 2019	<u>838,153</u>

9. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2019 were summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2018	26,503
Cash paid for acquisitions of computer software	1,469
Amortisation for the period	(1,915)
Net book value as at 30 June 2019	<u>26,057</u>

10. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Trade accounts payable - unrelated parties	308,836	223,095
Other payables - unrelated parties	45,162	50,488
Total trade and other payables	<u>353,998</u>	<u>273,583</u>

(Unaudited but reviewed)

11. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Liabilities under finance lease agreements	8,002	5,124
Less: Deferred interest expenses	(480)	(257)
Total	7,522	4,867
Less: Current portion	(2,625)	(2,159)
Liabilities under finance lease agreements - net of current portion	4,897	2,708

Future minimum lease payments required under the finance lease agreements of the Company were as follows:

	(Unit: Thousand Baht)		
	30 June 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum finance lease payments	2,874	5,128	8,002
Deferred interest expenses	(249)	(231)	(480)
Present value of future minimum finance lease payments	2,625	4,897	7,522

	(Unit: Thousand Baht)		
	31 December 2018		
	Less than 1 year	1 - 5 years	Total
Future minimum finance lease payments	2,308	2,816	5,124
Deferred interest expenses	(149)	(108)	(257)
Present value of future minimum finance lease payments	2,159	2,708	4,867

12. Provision for long-term employee benefits

Movement of the provision for long-term employee benefits during the six-month period ended 30 June 2019 were summarised below:

	(Unit: Thousand Baht)
Defined benefit obligations as at 31 December 2018	42,107
Included in profit or loss:	
Current service cost	4,102
Interest cost	812
Past service costs	9,307
Benefits paid during the period	(4,804)
Defined benefit obligations as at 30 June 2019	<u>51,524</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 9.3 million as a result. The Company has reflected the effect of the change by recognising past service costs as expenses in the comprehensive income statement for the current period.

13. 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 30 June 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	5,038	10,091	12,321	21,548
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,208)	600	(1,753)	(173)
Income tax expenses reported in the statements of comprehensive income	<u>3,830</u>	<u>10,691</u>	<u>10,568</u>	<u>21,375</u>

14. 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.

15. Dividends

Dividend declared for the six-month periods ended 30 June 2019 and 2018 consist of the following:

	Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Paid on
<u>2019</u>				
Final dividend on 2018 income	The Annual General Meeting of the shareholders on 24 April 2019	100.00	1.25	22 May 2019
Total dividend paid for the six-month period ended 30 June 2019		100.00		
<u>2018</u>				
Final dividend on 2017 income	The Annual General Meeting of the shareholders on 24 April 2018	100.00	1.25	22 May 2018
Total dividend paid for the six-month period ended 30 June 2018		100.00		

16. Revenue from contracts with customers

Revenue from contracts with customers for the three-month and six-month periods ended 30 June 2019 and 2018 were summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales	707,844	824,505	1,420,253	1,583,706
Service income	2,031	1,737	4,376	3,848
Total revenue from contracts with customers - recognised at a point in time	709,875	826,242	1,424,629	1,587,554

17. Business segment information

The Company is organised into business units based on its products. During the current period, the Company has not changed the organisation of its reportable segments.

The following table presents revenue and profit information regarding the Company's operating segments for the three-month and six-month periods ended 30 June 2019 and 2018.

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	Straw		Bag		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from contracts with customers								
Revenue from external								
- Oversea	36.4	71.4	530.6	616.6	27.7	23.6	594.7	711.6
- Local	38.5	28.7	63.2	68.4	13.4	17.5	115.1	114.6
Total revenue from contracts with customers	74.9	100.1	593.8	685.0	41.1	41.1	709.8	826.2
Gross profit	11.3	16.6	107.2	137.3	10.4	6.8	128.9	160.7
Other income							7.6	0.9
Selling and distribution expenses							(25.0)	(18.7)
Administrative expenses							(67.8)	(58.0)
Finance cost							(0.5)	(0.4)
Income tax expenses							(3.8)	(10.7)
Profit for the period							39.4	73.8

(Unit: Million Baht)

	For the six-month periods ended 30 June							
	Straw		Bag		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from contracts with customers								
Revenue from external								
- Oversea	87.0	128.0	1,060.4	1,186.0	51.5	47.0	1,198.9	1,361.0
- Local	72.2	57.6	123.8	132.8	29.7	36.2	225.7	226.6
Total revenue from contracts with customers	159.2	185.6	1,184.2	1,318.8	81.2	83.2	1,424.6	1,587.6
Gross profit	29.0	33.6	212.5	261.8	20.9	14.3	262.4	309.7
Other income							15.0	15.9
Selling and distribution expenses							(45.8)	(41.8)
Administrative expenses							(137.4)	(114.4)
Finance cost							(0.9)	(0.8)
Income tax expenses							(10.6)	(21.4)
Profit for the period							82.7	147.2

18. Commitment and contingent liabilities

The Company has commitments and contingent liabilities other than those disclosed in other notes as follows:

18.1 Capital commitments

As at 30 June 2019, the Company had capital commitments of approximately Baht 5.0 million (31 December 2018: Baht 56.4 million), relating to the acquisition of building and building improvement.

18.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, office building space and motor vehicles. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these operating leases contracts were summarised below:

	(Unit: Million Baht)	
	30 June 2019	31 December 2018
Payable:		
In up to 1 year	34.0	26.3
In over 1 and up to 5 years	26.0	11.1
In over 5 years	2.5	3.0
	<u>62.5</u>	<u>40.4</u>

18.3 Bank Guarantees

As at 30 June 2019, the Company had outstanding bank guarantees of approximately Baht 19.5 million (31 December 2018: Baht 20.9 million) issued by banks on behalf of the Company, in respect of guarantee electricity use, purchase of raw materials and performance guarantees as required in the normal course of business.

19. Foreign currency risk

The Company exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The Company has significant foreign currency assets and liabilities as summarised below.

Currency	30 June 2019 (Million)	31 December 2018 (Million)	Exchange rate as at	
			30 June 2019	31 December 2018
			(Baht per unit of foreign currency)	
Assets				
US dollars	3.10	2.82	30.4848	32.1924
Euro	0.10	0.11	34.4821	36.6577
Liabilities				
US dollars	5.88	3.87	30.9152	32.6148
Japanese yen	1.00	2.30	0.2892	0.2970
Euro	0.02	-	35.3056	-
Swedish Korna	0.20	-	3.3501	-

The majority of the liabilities are due within one year.

As at 30 June 2019 and 31 December 2018, foreign exchange contracts outstanding are summarised below.

Foreign currency	Bought amount		Contractual exchange rate for amount bought		Contractual maturity date	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Million)	(Million)	(Baht per unit of foreign currency)			
US dollars	0.8	0.5	31.1130 -	32.6600 -	13 August 2019	2 January 2019
			31.7300	32.8000	- 20 December 2019	- 6 June 2019

20. Approval of interim financial statements

The interim financial statements have been approved by the Company's Board of Directors on 14 August 2019.