

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and six-month periods ended 30 September 2013

1. General information

1.1 Corporate information

Lohakit Metal Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution and shearing of iron and metal products. The registered office of the Company is at 66/1 Moo 6 Suksawad Road, Bangjak, Prapadaeng, Samutprakarn.

1.2 Basis of preparation

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "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 Basis of consolidation

These consolidated financial statements include the financial statements of Lohakit Metal Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2013. During the current period, there was no change in the structure of the Group.

1.4 Application of new accounting standards during the period

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting period

Accounting standards:

TAS 12 Income Taxes

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure
 of Government Assistance

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8 Operating Segments

Accounting Standard Interpretations:

TSIC 10 Government Assistance - No Specific Relation to
 Operating Activities

TSIC 21 Income Taxes - Recovery of Revalued Non-
 Depreciable Assets

TSIC 25 Income Taxes - Changes in the Tax Status of an
 Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 2 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TAS 12 (revised 2012), for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

1.5 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 March 2013, except for the change in the accounting policy due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while it recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	30 September	31 March	1 April	30 September	31 March	1 April
	2013	2013	2012	2013	2013	2012
Statements of financial position						
Increase in deferred tax assets	22,472	26,985	18,384	10,175	10,442	7,175
Increase in unappropriated retained earnings	22,472	26,985	18,384	10,175	10,442	7,175

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax	2,836	(761)	(227)	(685)
Increase (decrease) in profit attributable to equity holders of the Company	(1,739)	731	227	685
Increase (decrease) in basic earnings per share (Baht)	(0.0045)	0.0023	0.0006	0.0021

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax	4,513	(740)	267	(725)
Increase (decrease) in profit attributable to equity				
holders of the Company	(3,090)	734	(267)	725
Increase (decrease) in basic earnings per share (Baht)	(0.0081)	0.0023	(0.0007)	0.0023

3. Related party transactions

During the period, the Company and its subsidiaries 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: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	40,457	57,539	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5% Service income: Closed to the market price
Service income	-	-	1,200	1,200	Accordance with the negotiation price

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
Purchase of land	-	-	20,163	-	Accordance with the negotiation price
Commission expenses	-	-	25	-	Not over 2% of sales contract price
<u>Transactions with related parties</u>					
Sales of goods and service income	-	12,896	-	11,413	Sales of goods: Closed to the net selling price that is sold to major customers Service income: Closed to the market price
Rental income	75	75	75	75	Fixed fee per month
Commission expenses	1,509	2,558	-	82	Not over 2% of sales
Car rental expenses	108	-	-	-	Contract price
<u>Transactions with related parties</u>					
Building rental expenses	743	-	-	-	Contract price that closed to the market price

(Unit: Thousand Baht)

	For the six-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	95,873	125,824	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5% Service income: Closed to the market price
Service income	-	-	2,400	2,400	Accordance with the negotiation price
Dividend income	-	-	26,640	7,718	As approved by shareholder's meeting
Purchase of goods	-	-	422	-	Market price
Purchase of land	-	-	20,163	-	Accordance with the negotiation price
Commission expense	-	-	59	-	Not over 2% of sales contract price

(Unit: Thousand Baht)

	For the six-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
<u>Transactions with related parties</u>					
Sales of goods and service income	-	26,040	-	22,366	Sales of goods: Closed to the net selling price that is sold to major customers Service income: Closed to the market price
Rental income	150	150	150	150	Fixed fee per month
Dividend income	-	-	4,900	-	As approved by shareholders' meeting
Commission expenses	3,170	5,762	-	132	Not over 2% of sales
Car rental expenses	216	-	-	-	Contract price
<u>Transactions with related parties</u>					
Building rental expenses	1,487	-	-	-	Contract price that closed to the market price

As at 30 September 2013 and 31 March 2013, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 March 2013	30 September 2013	31 March 2013
<u>Trade receivables - related parties (Note 6)</u>				
Subsidiaries	-	-	28,300	45,594
Total trade receivables - related parties	-	-	28,300	45,594
<u>Trade and other payables - related parties (Note 13)</u>				
Subsidiaries	-	-	55	450
Associated company	1,971	3,145	-	-
Total trade and other payables - related parties	1,971	3,145	55	450

Directors and management's benefits

For the three-month and six-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	8,513	7,227	4,847	4,421
Increase (decrease) in post-employment benefits	74	(109)	1,181	29
Total	8,587	7,118	6,028	4,450

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	17,387	13,910	9,325	8,802
Increase (decrease) in post-employment benefits	(690)	240	812	(59)
Total	16,697	14,150	10,137	8,743

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2013	2013	2013	2013
Cash	125	125	55	55
Bank deposits	65,418	87,156	50,512	52,613
Total	65,543	87,281	50,567	52,668

As at 30 September 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.625 and 1.45 percent per annum (31 March 2013: between 0.625 and 1.70 percent per annum).

5. Investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2013		31 March 2013	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	-	-	70,221	70,513
Total trading securities	-	-	70,221	70,513
Add: Changes in fair value	-		292	
Total trading securities	-		70,513	
<u>Available-for-sale securities</u>				
Investment units in property fund	3,185	2,982	3,185	3,210
Total available-for-sale securities	3,185	2,982	3,185	3,210
Add: Changes in fair value	(203)		25	
Total available-for-sale securities	2,982		3,210	

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 March 2013	30 September 2013	31 March 2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	17,284	34,653
Past due				
Up to 3 months	-	-	11,016	10,941
Total trade receivables - related parties	-	-	28,300	45,594
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	576,251	652,003	281,703	309,109
Past due				
Up to 3 months	230,447	203,213	118,774	103,707
Over 12 months	24,167	25,947	17,426	17,426
Total	830,865	881,163	417,903	430,242
Less: Allowance for doubtful accounts	(24,167)	(25,947)	(17,426)	(17,426)
Total trade receivables - unrelated parties, net	806,698	855,216	400,477	412,816
Total trade receivable - net	806,698	855,216	428,777	458,410
<u>Other receivables</u>				
Other receivable	28	67	28	45
Interest receivable	107	110	-	-
Total other receivables	135	177	28	45
Trade and other receivables - net	806,833	855,393	428,805	458,455

7. Restricted bank deposits

These represent fixed deposits of the Company and a subsidiary which pledged with the banks to secure credit facilities as described in Note 19.4 to the financial statements.

8. Investments in subsidiaries**8.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:**

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost method	
	30 September	31 March	30 September	31 March	30 September	31 March
	2013	2013	2013	2013	2013	2013
	Million Baht	Million Baht	Percent	Percent		
Auto Metal Company Limited	240	240	60	60	144,000	144,000
Alternative Stainless Company Limited	1	1	100	100	999	999
Ngeck Seng Chiang Metal Company Limited	230	230	100	100	258,238	258,238
Total					403,237	403,237

8.2 Dividend income

(Unit: Thousand Baht)

For the six-month periods ended 30 September

Company's name	2013	2012
Auto Metal Company Limited	26,640	7,718

On 19 June 2013, the Annual General Meeting of the shareholders of Auto Metal Co., Ltd. passed a resolution to approve the payment of a dividend of Baht 18.50 per share from the operating results of the year ended 31 March 2013. The dividend was paid on 27 June 2013.

9. Investment in associated company

9.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
					Cost method		Carrying amount based on equity method	
			30 September	31 March	30 September	31 March	30 September	31 March
			2013	2013	2013	2013	2013	2013
			%	%				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	7,011	11,251

9.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	for the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates		Dividend received	
	2013	2012	2013	2012
Mory Lohakit (Thailand) Co., Ltd.	339	458	-	-

(Unit: Thousand Baht)

Company's name	for the six-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates		Dividend received	
	2013	2012	2013	2012
Mory Lohakit (Thailand) Co., Ltd.	660	1,207	4,900	-

On 19 June 2013, the Annual General Meeting of the shareholders of Mory Lohakit (Thailand) Co., Ltd. passed a resolution to approve the payment of a dividend of Baht 100.00 per share from the operating results of the year ended 31 March 2013. The dividend was paid on 27 June 2013.

9.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)									
Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the six-month periods ended		Profit for the six-month periods ended
	as at		as at		as at		30 September		30 September
	30 September	31 March	30 September	31 March	30 September	31 March	2013	2012	2013
	2013	2013	2013	2013	2013	2013			2012
Mory Lohakit (Thailand)									
Co., Ltd.	10	10	15	24	1	1	3.6	5.6	1.3
									2.5

10. Other long-term investment

This represents other long-term investment of a subsidiary of Baht 5 million in the 5-year debentures of a bank in Thailand, bearing interest at a rate of 4.9% per annum and maturing on 12 November 2014.

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 April 2013	447,901	152,436
Acquisitions during period - at cost	84,920	64,633
Disposal during period - net book value	(2)	-
Depreciation for the period	(39,373)	(10,548)
Net book value as at 30 September 2013	<u>493,446</u>	<u>206,521</u>

As at 30 September 2013, motor vehicles have been pledged as collateral against liabilities under finance lease agreements, amounting to Baht 15.8 million (31 March 2013: Baht 12.9 million) (Separate financial statements: Baht 11.1 million (31 March 2013: Baht 6.7 million)).

The Company and a subsidiary have mortgaged all of their land with structures thereon and pledged machineries with banks, and another subsidiary has mortgaged unit of condominium with bank, to secure loans and other credit facilities granted to the Company and its subsidiaries by the banks as described in Note 19.4 to the financial statements.

The book value of machineries of the Company and a subsidiary pledged with banks are summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 March 2013	30 September 2013	31 March 2013
Cost	306	306	197	197
Net book value	26	31	-	-

12. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 September 2013	31 March 2013	30 September 2013	31 March 2013	30 September 2013	31 March 2013
Short-term loans from						
banks	4.00 - 4.55	4.25 - 4.60	182,227	215,000	30,000	10,000
Trust receipts	1.95 - 4.45	1.90 - 5.35	144,179	254,896	88,067	132,800
			<u>326,406</u>	<u>469,896</u>	<u>118,067</u>	<u>142,800</u>

Short-term loans from banks represent promissory notes maturing within 1 month.

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Company's land with structures thereon, machineries and fixed deposit accounts, its subsidiary's land with structures thereon and machineries, unit of condominium and fixed deposit accounts of another subsidiary and guarantees provided by the Company and directors of subsidiary as described in Note 19.4 to the financial statements.

13. Trade and other payables

	Consolidated financial		Separate financial	
	statements		statements	
	30 September	31 March	30 September	31 March
	2013	2013	2013	2013
Trade payables - unrelated parties	458,482	501,243	321,997	345,478
Trade payables - related parties	-	-	-	425
Other payables - unrelated parties	30,396	24,263	13,689	8,756
Other payables - related parties	1,971	3,145	55	25
Accrued commission expenses - unrelated parties	123	273	87	250
Accrued expenses	14,084	2,575	6,258	965
Total trade and other payables	505,056	531,499	342,086	355,899

14. Income tax

Corporate income tax of the Company and its subsidiaries were calculated on net income for the period multiply with the estimated average annual effective income tax rate.

Corporate income tax of another subsidiary which operates the promoted operations (as described in Note 15 to the financial statement) were calculated on net income of the subsidiary from non-promoted activities multiply with the estimated average annual effective income tax rate.

Income tax expenses for the three-month and six-month periods ended 30 September 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	10,629	5,980	5,801	5,980
Deferred tax:				
Relating to origination and reversal of temporary differences	2,836	(761)	(227)	(685)
Income tax expense reported in the statements of comprehensive income	13,465	5,219	5,574	5,295

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	18,354	11,773	10,609	11,773
Deferred tax:				
Relating to origination and reversal of temporary differences	4,513	(740)	267	(725)
Income tax expense reported in the statements of comprehensive income	22,867	11,033	10,876	11,048

15. Promotional Privileges

The Company has received promotional privileges from the Board of Investment for the shearing and converting of flat metal, pursuant to the promotion certificate No. 3007/Wo./2550 issued on 25 May 2007. Subject to certain imposed conditions, the privileges include an exemption from import duty on articles and essential raw materials imported for use in manufacturing for export sales and an exemption from import duty on items imported for re-export, for a period of one year commencing as from the first importation date.

A subsidiary has received promotional privileges from the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 1407(2)/2548 issued on 23 March 2005. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 7 years from the date the promoted activity commenced generating revenues, and any losses incurred during the corporate income tax exemption period may be carried forward to be utilised by the subsidiary as a deduction against net income of future years, for up to 5 years after the expiry of the tax exemption period. In addition, the privileges include an exemption from income tax on dividends received from promoted operations which have been granted corporate income tax exemption, throughout the period for which the tax exemption privilege is granted.

The Company's operating revenues for the six-month periods ended 30 September 2013 and 2012 are below shown divided according to promoted and non-promoted operations.

(Unaudited but reviewed)

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Sales and						
service income	<u>140,093</u>	<u>461,037</u>	<u>280,346*</u>	<u>143</u>	<u>420,439</u>	<u>461,180</u>

*Promotional privileges from the Board of Investment of the subsidiary ended in June 2013, therefore subsequent sales are the sale for non-promoted operations.

16. Basic 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.

17. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services. The Company and its subsidiaries operate 2 segments comprising (1) production and distribution and (2) procurement and distribution. The Company and its subsidiaries carry on operations in the single geographic area of Thailand. However, the Company and its subsidiaries gained revenue from export sales and domestic sales.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Inter-segment revenues are eliminated on consolidation.

Financial information by segment of the Company and its subsidiaries for the three-month and six-month periods ended 30 September 2013 and 2012 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September					
	Production and distribution		Procurement and distribution		Consolidated	
	2013	2012	2013	2012	2013	2012
Revenue from:						
Sales and services	638	688	236	-	874	688
Segment profit	71	79	25	-	96	79
Operating profit	51	56	13	-	64	56

(Unit: Million Baht)

	For the six-month periods ended 30 September					
	Production and distribution		Procurement and distribution		Consolidated	
	2013	2012	2013	2012	2013	2012
Revenue from:						
Sales and services	1,275	1,294	432	-	1,707	1,294
Segment profit	152	149	47	-	199	149
Operating profit	104	105	26	-	130	105

Transfer price between operating segments are set out in Note 3 to the financial statements.

The following table presents segment assets and liabilities of the Company and its subsidiaries' operating segment as at 30 September 2013 and 31 March 2013.

(Unit: Million Baht)

	Production and distribution		Procurement and distribution		Consolidated	
	30 September	31 March	30 September	31 March	30 September	31 March
	2013	2013	2013	2013	2013	2013
Segment assets	1,880	1,945	436	515	2,316	2,460
Segment liabilities	744	831	151	241	895	1,072

18. Dividends

	Approved by	Total dividends (Million Baht)	Dividend Per share (Baht)	Payment date
Final dividends for 2013	Annual General Meeting of the shareholders on 26 July 2013	<u>45.96</u>	<u>0.12</u>	9 August 2013
Final dividends for 2012	Annual General Meeting of the shareholders on 26 July 2012	<u>44.80</u>	<u>0.14</u>	10 August 2012

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 30 September 2013, the Company and a subsidiary had capital commitment of Baht 30.0 million in respect of the construction of factory and purchases of machine (31 March 2013: Nil).

19.2 Operating lease commitments

The Company and its subsidiaries have entered into a lease agreement in respect of the office building space, building and vehicles. The terms of the agreements are generally 1 - 20 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	30 September 2013	31 March 2013
Payable:		
In up to 1 year	3.9	3.7
In over 1 and up to 5 years	6.3	0.8
In over 5 years	1.7	1.8

19.3 Other service commitment

As at 30 September 2013, the Company and a subsidiary had commitments of approximately Baht 3.3 million relating to technical assistant agreement and other service agreement (31 March 2013: Baht 5.9 million).

19.4 Credit facilities

As at 30 September 2013, the Company and its subsidiaries have been granted credit facilities by various financial institutions for which it has placed collaterals, as follows:-

The Company

- Letter of credit, trust receipts, guarantee and short-term loan facilities totaling Baht 1,460.5 million, of which totaling Baht 159.1 million (31 March 2013: Baht 249.9 million) of the utilised amounts are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machineries.
- Overdraft facilities of Baht 30.0 million. The facilities have not yet been utilised (31 March 2013: Nil) These credit facilities are secured by the mortgage of the Company's land with structures thereon, machineries and the pledge of fixed deposit of the Company.
- Forward exchange contract facilities of Baht 1,000.0 million, of which Baht 10.3 million (31 March 2013: Baht 29.3 million) of utilised amounts are outstanding. These credit facility are secured by the mortgage of the Company's land with structures thereon and machineries.

A subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300.0 million, of which Baht 113.5 million (31 March 2013: Baht 142.8 million) of utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.
- Overdraft facilities of Baht 10.0 million. The facilities have not yet been utilised (31 March 2013: Nil). These credit facility are secured by the mortgage of the subsidiary's land with structures thereon.

- Forward exchange contract facilities of Baht 200.0 million of which Baht 1.5 million (31 March 2013: Nil) of utilised amounts are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.

Another subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 516.1 million, of which Baht 105.7 million (31 March 2013: Baht 213.0 million) of utilised amounts are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which be the subsidiary's office, fixed deposit accounts and guarantee provided by directors of the subsidiary.
- Overdraft facilities of Baht 65.0 million, of which Baht 7.2 million (31 March 2013: Nil) of utilized amounts are outstanding. These credit facilities are secured by fixed deposit accounts and a guarantee provided by a director the subsidiary.
- Forward exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 368.9 million) and Baht 6.0 million, or a total approximately Baht 374.9 million, of which USD 0.9 million (equivalent to Baht 26.8 million) (31 March 2013: Nil) of utilised amounts are outstanding, are secured by fixed deposit accounts and guarantee provided by directors of the subsidiary.

20. Forward foreign exchange contract

The Company and its subsidiaries had the significant balances of financial assets and liabilities denominated in foreign currencies as summarised below.

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	30 September	31 March	30 September	31 March	30 September	31 March
	2013	2013	2013	2013	2013	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.1	0.2	2.1	5.9	31.34	29.31
Japanese Yen	0.5	1.6	8.1	37.6	0.3206	0.3115

The Company and its subsidiaries have foreign exchange contracts outstanding which to reduce the exchange rate risk arising from its financial liabilities dominated in foreign currency, which mature within one year are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>As at 30 September 2013</u>				
US Dollar	1.2	-	31.17 - 31.92	-
Japanese Yen	4.8	-	0.3186 - 0.3195	-
<u>As at 31 March 2013</u>				
US Dollar	1.0	-	29.31 - 29.33	-

21. Event after the reporting period

On 13 November 2013, the Company's Board of Directors Meeting approved the payment of an interim dividend of Baht 0.12 per share to the Company's ordinary shareholders from the Company's operations from 1 April 2013 to 30 September 2013. This constitutes a total dividend of Baht 45.96 million.

22. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 13 November 2013.