

Lohakit Metal Public Company Limited
and its subsidiaries
Review report and interim consolidated
financial statements
For the three-month period ended 30 June 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lohakit Metal Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lohakit Metal Public Company Limited and its subsidiaries as at 30 June 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Lohakit Metal Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 14 August 2018

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 March 2018	30 June 2018	31 March 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	522,371	488,973	235,091	175,751
Current investments	5	4,358	4,852	-	-
Trade and other receivables	6	772,955	706,035	375,870	336,040
Inventories	7	739,288	663,318	440,401	379,367
Other current assets		8,408	3,240	5,755	1,954
Total current assets		2,047,380	1,866,418	1,057,117	893,112
Non-current assets					
Restricted bank deposits	8	46,180	46,180	6,080	6,080
Investment in associate	9	7,944	12,427	4,900	4,900
Investments in subsidiaries	10	-	-	407,737	407,737
Long-term investments	11	2,842	2,765	-	-
Property, plant and equipment	12	399,805	412,069	255,975	264,263
Intangible assets		516	565	373	408
Deferred tax assets	15	17,339	17,897	11,814	12,022
Other non-current assets		3,710	3,712	2,585	2,588
Total non-current assets		478,336	495,615	689,464	697,998
Total assets		2,525,716	2,362,033	1,746,581	1,591,110

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

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 March 2018	30 June 2018	31 March 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	13	119,359	35,842	36,421	-
Trade and other payables	14	602,660	563,801	383,851	337,589
Income tax payable		44,267	30,950	12,203	8,817
Other current liabilities		6,693	10,328	869	5,173
Total current liabilities		772,979	640,921	433,344	351,579
Non-current liabilities					
Provision for long-term employee benefits		37,554	36,504	23,245	22,601
Other non-current liabilities		1	1	-	-
Total non-current liabilities		37,555	36,505	23,245	22,601
Total liabilities		810,534	677,426	456,589	374,180

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

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 March 2018	30 June 2018	31 March 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
383,000,000 ordinary shares of Baht 1 each		383,000	383,000	383,000	383,000
Issued and fully paid-up					
383,000,000 ordinary shares of Baht 1 each		383,000	383,000	383,000	383,000
Share premium		519,673	519,673	519,673	519,673
Retained earnings					
Appropriated - statutory reserve		74,100	74,100	38,300	38,300
Unappropriated		536,519	493,205	349,019	275,957
Other components of shareholders' equity	11	400	323	-	-
Equity attributable to owners of the Company		1,513,692	1,470,301	1,289,992	1,216,930
Non-controlling interests of the subsidiary		201,490	214,306	-	-
Total shareholders' equity		1,715,182	1,684,607	1,289,992	1,216,930
Total liabilities and shareholders' equity		2,525,716	2,362,033	1,746,581	1,591,110
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries**Statement of income****For the three-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales and service income		853,769	810,469	421,102	414,389
Dividend income	9.2, 10.2	41	43	57,150	51,230
Other income		6,255	6,425	8,121	7,537
Total revenues		860,065	816,937	486,373	473,156
Expenses					
Cost of sales and services		743,247	700,820	380,931	368,328
Selling expenses		16,101	14,833	11,035	10,399
Administrative expenses		28,794	25,742	16,936	14,951
Total expenses		788,142	741,395	408,902	393,678
Profit before share of profit from investment					
in associate, finance cost and income tax expenses		71,923	75,542	77,471	79,478
Share of profit from investment in associate	9.2	417	253	-	-
Income before finance cost and income tax expenses		72,340	75,795	77,471	79,478
Finance cost		(1,329)	(1,644)	(581)	(1,136)
Profit before income tax expenses		71,011	74,151	76,890	78,342
Income tax expenses	15	(14,113)	(14,832)	(3,828)	(5,416)
Profit for the period		56,898	59,319	73,062	72,926
Profit attributable to:					
Equity holders of the Company		43,314	46,718	73,062	72,926
Non-controlling interests of the subsidiary		13,584	12,601		
		56,898	59,319		
Earnings per share					
17					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.11	0.12	0.19	0.19
Weighted average number of ordinary shares (shares)		383,000,000	383,000,000	383,000,000	383,000,000

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the period	<u>56,898</u>	<u>59,319</u>	<u>73,062</u>	<u>72,926</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on changes in value of available-for-sale investments	<u>77</u>	<u>(126)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>77</u>	<u>(126)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>56,975</u></u>	<u><u>59,193</u></u>	<u><u>73,062</u></u>	<u><u>72,926</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>43,391</u>	<u>46,592</u>	<u><u>73,062</u></u>	<u><u>72,926</u></u>
Non-controlling interests of the subsidiary	<u>13,584</u>	<u>12,601</u>		
Total comprehensive income for the period	<u><u>56,975</u></u>	<u><u>59,193</u></u>		

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	71,011	74,151	76,890	78,342
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	15,057	18,920	9,808	10,728
Amortisation	49	49	35	35
Allowance for doubtful accounts (reversal)	(570)	(1,007)	(188)	(202)
Reduction of inventories to net realisable value (reversal)	(3,129)	(529)	(1,682)	(1,020)
Gain from sales of current investments	(3)	(54)	-	-
Unrealised loss (gain) on change in current investments	(3)	2	-	-
Gain on sales of equipment	(411)	(1,150)	-	(495)
Provision for long-term employee benefits	1,050	978	644	609
Unrealised loss on foreign exchange	1,278	594	1,249	597
Share of profit from investment in associate	(417)	(253)	-	-
Dividend income	(41)	(43)	(57,150)	(51,230)
Interest income	(157)	(191)	(4)	(4)
Interest expenses	936	1,266	369	896
Income from operating activities before changes in operating assets and liabilities	84,650	92,733	29,971	38,256
Decrease (increase) in operating assets				
Trade and other receivables	(66,231)	(47,234)	(39,633)	(31,326)
Inventories	(72,841)	2,515	(59,352)	15,267
Other current assets	(5,168)	512	(3,801)	(289)
Other non-current assets	2	(50)	3	(50)
Increase (decrease) in operating liabilities				
Trade and other payables	37,440	(47,376)	44,873	(52,379)
Other current liabilities	(3,635)	873	(4,304)	(272)
Cash flows from operating activities	(25,783)	1,973	(32,243)	(30,793)
Cash paid for interest expenses	(898)	(1,269)	(331)	(900)
Cash paid for income tax	(238)	(249)	(234)	(248)
Net cash from (used in) operating activities	(26,919)	455	(32,808)	(31,941)

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash paid for purchasing current investments	-	(3,900)	-	-
Cash paid for acquisition of equipment	(2,793)	(8,859)	(1,520)	(5,358)
Cash received from interest income	48	181	4	4
Proceeds from sales of current investments	500	21,573	-	-
Cash received from dividends	4,941	43	57,150	51,230
Proceeds from sales of equipment	411	1,150	-	495
Net cash from investing activities	3,107	10,188	55,634	46,371
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	83,517	10,780	36,421	(2,636)
Repayment of financial lease payables	-	(131)	-	(131)
Dividend paid	(26,400)	(21,120)	-	-
Net cash from (used in) financing activities	57,117	(10,471)	36,421	(2,767)
Effect of exchange rate to cash and cash equivalents	93	(87)	93	(87)
Net increase in cash and cash equivalents	33,398	85	59,340	11,576
Cash and cash equivalents at beginning of period	488,973	237,452	175,751	20,104
Cash and cash equivalents at end of period (Note 4)	522,371	237,537	235,091	31,680
	-		-	
Supplemental cash flows information				
Non-cash items:				
Increase (decrease) in revaluation surplus in investments in available-for-sale investment	77	(126)	-	-

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
				Other components of equity					
				Other comprehensive income					
				Surplus (deficit) on changes in value of available-for-sale investments	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity		
		Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated				
Balance as at 1 April 2017		383,000	519,673	72,600	440,805	(455)	1,415,623	200,419	1,616,042
Profit for the period		-	-	-	46,718	-	46,718	12,601	59,319
Other comprehensive income for the period		-	-	-	-	(126)	(126)	-	(126)
Total comprehensive income for the period		-	-	-	46,718	(126)	46,592	12,601	59,193
Dividends paid of subsidiary		-	-	-	-	-	-	(21,120)	(21,120)
Balance as at 30 June 2017		<u>383,000</u>	<u>519,673</u>	<u>72,600</u>	<u>487,523</u>	<u>(581)</u>	<u>1,462,215</u>	<u>191,900</u>	<u>1,654,115</u>
Balance as at 1 April 2018		383,000	519,673	74,100	493,205	323	1,470,301	214,306	1,684,607
Profit for the period		-	-	-	43,314	-	43,314	13,584	56,898
Other comprehensive income for the period		-	-	-	-	77	77	-	77
Total comprehensive income for the period		-	-	-	43,314	77	43,391	13,584	56,975
Dividends paid of subsidiary		-	-	-	-	-	-	(26,400)	(26,400)
Balance as at 30 June 2018		<u>383,000</u>	<u>519,673</u>	<u>74,100</u>	<u>536,519</u>	<u>400</u>	<u>1,513,692</u>	<u>201,490</u>	<u>1,715,182</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 April 2017	383,000	519,673	38,300	240,188	1,181,161
Total comprehensive income for the period	-	-	-	72,926	72,926
Balance as at 30 June 2017	<u>383,000</u>	<u>519,673</u>	<u>38,300</u>	<u>313,114</u>	<u>1,254,087</u>
Balance as at 1 April 2018	383,000	519,673	38,300	275,957	1,216,930
Total comprehensive income for the period	-	-	-	73,062	73,062
Balance as at 30 June 2018	<u>383,000</u>	<u>519,673</u>	<u>38,300</u>	<u>349,019</u>	<u>1,289,992</u>
	-	-	-	-	-
	-	-	-	-	-

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

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 30 June 2018

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 processing, distribution and shearing of stainless steel, steel and metal products. The registered office of the Company is at 66/1 Moo 6 Suksawad Road, Bangjak, Prapradaeng, Samutprakarn.

1.2 Basis of 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, income statement, 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 2018. During the current period, there was no change in the structure of the Group.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. 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 recognized 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.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to 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 March 2018.

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 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	13,227	17,138	Sale of goods: Market price less discount 2% and cost plus a margin at rate of 5% Service income: Closed to the market price
Rental income	-	-	432	432	Contract price close to the market price
Other service income	-	-	3,750	3,750	Accordance with the negotiation price
Dividend income	-	-	52,250	51,230	As approved by shareholders' meeting
Purchases of goods	-	-	-	1,307	Market price
<u>Transactions with related companies</u>					
Others service income	60	60	60	60	Fixed fee per month
Commission expenses	1,849	1,714	-	-	Not over 2% of sales
Dividend income	-	-	4,900	-	As approved by shareholders' meeting

(Unaudited but reviewed)

As at 30 June 2018 and 31 March 2018, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
<u>Trade accounts receivable - related parties (Note 6)</u>				
Subsidiaries	-	-	2,357	2,572
<u>Other payables - related parties (Note 14)</u>				
Associate	1,869	1,985	-	-

Directors and management's benefits

For the three-month periods ended 30 June 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	11,612	10,221	6,896	6,701
Post-employment benefits	558	607	310	359
Total	12,170	10,828	7,206	7,060

4. **Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
Cash	105	105	45	45
Bank deposits	522,266	488,868	235,046	175,706
Total	522,371	488,973	235,091	175,751

(Unaudited but reviewed)

As at 30 June 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.37 and 0.90 percent per annum (31 March 2018: between 0.37 and 0.90 percent per annum).

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2018		31 March 2018	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	4,331	4,358	4,828	4,852
Total trading securities	4,331	4,358	4,828	4,852
Add: Changes in fair value	27		24	
Total trading securities	4,358		4,852	

As at 30 June 2018 and 31 March 2018, a subsidiary has investment in Siam Commercial (SCBSFF) Fixed Income Fund which is a debt mutual fund. The fund focuses on investing in debentures issued or guaranteed by the government or corporate.

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
<u>Trade accounts receivable - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	-	-	672	1,447
Past due				
Not over 3 months	-	-	1,685	1,125
Total trade receivables - related parties	-	-	2,357	2,572

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	592,221	559,700	291,272	270,739
Past due				
Not over 3 months	179,706	143,766	82,241	61,663
Over 3 months but less than 12 months	1,191	2,088	-	1,065
Over 12 months	8,773	9,922	5,740	5,928
Total	781,891	715,476	379,253	339,395
Less: Allowance for doubtful accounts	(9,125)	(10,127)	(5,740)	(5,927)
Total trade receivables - unrelated parties, net	772,766	705,349	373,513	333,468
Total trade receivables - net	772,766	705,349	375,870	336,040
<u>Other receivables</u>				
Other receivables	129	637	-	-
Interest receivable	60	49	-	-
Total other receivables	189	686	-	-
Total trade and other receivables - net	772,955	706,035	375,870	336,040

7. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
Inventories	782,450	709,609	474,383	415,031
Less: Reduce cost to net realisable value	(43,162)	(46,291)	(33,982)	(35,664)
Inventories - net	739,288	663,318	440,401	379,367

During the current period, the Company and its subsidiaries reversed the reduction of cost of inventories by Baht 3 million (Separate financial statements: reversed the reduction of Baht 2 million), to reflect the net realisable value. This was presented as cost of sales.

8. Restricted bank deposits

As at 30 June 2018, the Company and its subsidiary have deposits with banks of Baht 46 million (31 March 2018: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 19.5 to the financial statements.

9. Investment in associate**9.1 Details of associate**

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding		Separate financial statements		Consolidated financial statements	
			percentage		Cost method		Carrying amount based on equity method	
			30 June 2018	31 March 2018	30 June 2018	31 March 2018	30 June 2018	31 March 2018
			(Percent)	(Percent)				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	7,944	12,427

9.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2018	2017	2018	2017
Mory Lohakit (Thailand) Co., Ltd.	417	253	4,900	-

Mory Lohakit (Thailand) Co., Ltd.

On 20 June 2018, the Annual General Meeting of the shareholders of Mory Lohakit (Thailand) Company Limited passed a resolution to approve the payment of a dividend of Baht 100 per share from the operating profit of the year ended 31 March 2018 and retained earnings as at 31 March 2017. The dividend was paid on 27 June 2018.

9.3 Summarised financial information about material associate

Summarised information about financial position

	(Unit: Million Baht)	
	30 June	31 March
	2018	2018
Current assets	17.7	26.3
Non-current assets	0.1	0.1
Current liabilities	(1.2)	(0.6)
Non-current liabilities	(0.4)	(0.4)
Net assets	16.2	25.4
Shareholding percentage (%)	49.0	49.0
Share of net assets	7.9	12.4
Carrying amounts of associate based on equity method	7.9	12.4

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the three-month periods ended 30 June	
	2018	2017
Revenue	1.9	1.7
Profit	0.9	0.5
Total comprehensive income	0.9	0.5

10. Investments in subsidiaries

10.1 Details of subsidiaries

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 June	31 March	30 June	31 March	30 June	31 March
	2018	2018	2018	2018	2018	2018
	(Million Baht)	(Million Baht)	(Percent)	(Percent)		
Auto Metal Company Limited	240	240	60	60	144,000	144,000
Alternative EnMat Company Limited	6	6	100	100	5,499	5,499
NSC Metal Company Limited	230	230	100	100	258,238	258,238
Total					407,737	407,737

10.2 Dividend income

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June	
	2018	2017
Auto Metal Company Limited	39,600	31,680
NSC Metal Company Limited	12,650	19,550
Total	52,250	51,230

Auto Metal Company Limited

On 20 June 2018, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 54 per share from the operating profit of the year ended 31 March 2018, the subsidiary had paid out the interim dividend of Baht 26.50 per share. The remaining dividend was Baht 27.50 per share and was paid on 27 June 2018.

NSC Metal Company Limited

On 20 June 2018, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 11 per share from the operating profit of the year ended 31 March 2018, the subsidiary had paid out the interim dividend of Baht 5.50 per share. The remaining dividend was Baht 5.50 per share and was paid on 27 June 2018.

11. Long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2018		31 March 2018	
	Cost	Fair value	Cost	Fair value
<u>Investment in marketable unit classified as available-for-sale securities</u>				
Unit trust in freehold and leasehold real estate	2,442	2,842	2,442	2,765
Total available-for-sale securities	2,442	2,842	2,442	2,765
Add: Change in fair value	400		323	
Total available-for-sale securities	2,842		2,765	

12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 April 2018	412,069	264,263
Acquisitions during period - at cost	2,793	1,519
Depreciation for the period	(15,057)	(9,807)
Net book value as at 30 June 2018	399,805	255,975

The Company has mortgaged a part of its land with structures thereon and pledged a part of machinery with banks, and a subsidiary has mortgaged all of its land with structures thereon and pledged a part of machinery 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 19.5 to the financial statements.

(Unaudited but reviewed)

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 June	31 March	30 June	31 March
	2018	2018	2018	2018
Cost	282	282	173	173
Net book value	-	-	-	-

13. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 June	31 March	30 June	31 March	30 June	31 March
	2018	2018	2018	2018	2018	2018
Bank overdrafts	1.80 - 2.75	1.9	4,430	1,121	-	-
Trust receipts	3.50 - 3.78	3.5	114,929	34,721	36,421	-
Total			119,359	35,842	36,421	-

Bank overdrafts, short-term loans from banks and trust receipts facilities are secured by the Company and its subsidiaries' land with structures thereon, unit of condominium, machineries and fixed deposit accounts and guarantees provided by the Company as described in Note 19.5 to the financial statements.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
Trade payables - unrelated parties	572,641	546,832	370,252	329,579
Other payables - unrelated parties	15,599	13,441	7,525	7,152
Other payables - related party (Note 3)	1,869	1,985	-	-
Accrued commission expenses - unrelated parties	75	42	75	42
Accrued expenses	12,476	1,501	5,999	816
Total	602,660	563,801	383,851	337,589

15. Corporate income tax

Income tax expenses for the three-month periods ended 30 June 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	13,555	14,640	3,620	5,331
Deferred tax:				
Relating to origination and reversal of temporary differences	558	192	208	85
Income tax expense reported in the statements of comprehensive income	<u>14,113</u>	<u>14,832</u>	<u>3,828</u>	<u>5,416</u>

As at 30 June 2018 and 31 March 2018, the components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
Deferred tax assets				
Allowance for doubtful accounts	1,046	1,209	369	369
Allowance for loss on diminution in value of inventories	8,632	9,258	6,796	7,133
Provision for long-term employee benefits	7,511	7,301	4,649	4,520
Unused tax losses	150	129	-	-
Total	<u>17,339</u>	<u>17,897</u>	<u>11,814</u>	<u>12,022</u>

16. Forward foreign exchange contracts

The Company and its subsidiaries have the 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 June	31 March	30 June	31 March	30 June	31 March
	2018	2018	2018	2018	2018	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.1	0.1	0.7	1.7	33.13	31.19
Japanese Yen	0.5	0.5	3.6	-	0.2995	0.2893
SG Dollar	-	-	0.1	0.1	24.56	24.10

The Company and its subsidiaries have outstanding balance of forward foreign exchange contracts in order to reduce the exchange rate risk arising from their financial liabilities dominated in foreign currency, which mature within one year. The details 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 June 2018</u>				
US Dollar	1.0	-	31.87 - 32.90	-
<u>As at 31 March 2018</u>				
US Dollar	2.1	-	31.20 - 32.17	-

17. 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.

18. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 30 June 2018 and 2017, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2018				
	Production and distribution	Procurement and distribution	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue					
Revenue from external customers	655	199	854	-	854
Inter-segment revenue	13	-	13	(13)	-
Total revenues	668	199	867	(13)	854
Operating results					
Segment profit	93	18	111	-	111
Other income					6
Selling expenses					(16)
Administrative expenses					(29)
Finance cost					(1)
Profit before income tax expenses					71
Income tax expenses					(14)
Profit for the period					57

(Unit: Million Baht)

	For the three-month period ended 30 June 2017				
	Production and distribution	Procurement and distribution	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue					
Revenue from external customers	625	185	810	-	810
Inter-segment revenue	17	1	18	(18)	-
Total revenues	642	186	828	(18)	810
Operating results					
Segment profit	92	18	110	-	110
Other income					7
Selling expenses					(15)
Administrative expenses					(26)
Finance cost					(2)
Profit before income tax expenses					74
Income tax expenses					(15)
Profit for the period					59

19. Commitments and contingent liabilities**19.1 Operating lease commitments**

The Company and its subsidiaries have entered into lease agreements in respect of the office building space. The terms of the agreements are generally 3 years.

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

	(Unit: Million Baht)	
	30 June 2018	31 March 2018
Payable:		
In up to 1 year	3	3
In over 1 and up to 5 years	1	1

19.2 Other service commitments

As at 30 June 2018, the Company and a subsidiary had commitments of approximately Baht 5 million relating to a technical assistance service agreement and other agreements (31 March 2018: Baht 6 million).

19.3 Other commitments

As at 30 June 2018, the Company had outstanding commitments of Baht 4.5 million (31 March 2018: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

19.4 Guarantees

As at 30 June 2018, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (31 March 2018: Baht 350 million).

19.5 Credit facilities

As at 30 June 2018, the Company and its subsidiaries have been granted credit facilities by various banks for which they have placed collaterals as follows:-

The Company

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461 million, of which totaling Baht 65 million (31 March 2018: Baht 59 million) of utilised amount 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 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machineries and the fixed deposits.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 12 million (31 March 2018: Baht 50 million) of utilised amount are outstanding. These credit facilities 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 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.
- Overdraft facilities of Baht 10 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon.
- Forward foreign exchange contract facilities of Baht 200 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.

A subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 79 million (31 March 2018: Baht 35 million) of utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which is the subsidiary's office, fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million, of which Baht 4 million (31 March 2018: Baht 1 million) of utilised amount are outstanding. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 389 million) and Baht 115 million, or a total approximately Baht 504 million, of which USD 0.6 million (equivalent to Baht 19 million) (31 March 2018: USD 0.5 million (equivalent to Baht 17 million)) of utilised amount are outstanding.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the Company.
- Overdraft facilities of Baht 5 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the Company.
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (31 March 2018: Nil). These credit facilities are secured by the Company.

20. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

The Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements as at 30 June 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	4.4	-	4.4
Investment in marketable unit classified as available-for-sale investment	2.8	-	-	2.8
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts	-	32.2	-	32.2

(Unit: Million Baht)

	Consolidated Financial Statements as at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	4.9	-	4.9
Investment in marketable unit classified as available-for-sale investment	2.8	-	-	2.8
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts	-	65.7	-	65.7

(Unaudited but reviewed)

(Unit: Million Baht)

Separate Financial Statements as at 30 June 2018				
Level 1	Level 2	Level 3	Total	
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts	-	12.9	-	12.9

(Unit: Million Baht)

Separate Financial Statements as at 31 March 2018				
Level 1	Level 2	Level 3	Total	
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts	-	48.9	-	48.9

21. Events after the reporting period

21.1 On 5 July 2018, Auto Metal Company Limited (a subsidiary) entered into a sale and purchase agreement of land and building amounting to Baht 125 million for factory expansion purposes and paid for the deposit of Baht 12.5 million on the agreement date. Subsequently, on 2 August 2018 a subsidiary already paid the remaining amount and obtained the transfer of the title to the land and building.

21.2 On 26 July 2018, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment of Baht 0.45 per share from its net operating profit for the year ended 31 March 2018. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2017 held on 7 November 2017, the Company had paid out the interim dividend of Baht 0.20 per share, for 383 million ordinary shares, to the Company's shareholders totaling Baht 76.6 million on 6 December 2017. The remaining dividend is Baht 0.25 per share, or totaling Baht 95.75 million. The dividend paid on 10 August 2018.

22. Approval of interim consolidated financial statements

These interim consolidated financial statements were authorised for issue by the Company's Board of Directors on 14 August 2018.