

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 2015

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 address 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 (revised 2014) *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 2015. During the current period, there was no change in the structure of the Group.

1.4 New financial reporting standards

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period as discussed in Note 3 to the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

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

(b) Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

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 2015, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in note 1.4 to the financial statements.

3. Change in accounting policy

During the period, the Company and its subsidiaries changed their accounting policy for employee benefits with respect to the recognition of actuarial gains and losses for post-employment benefits plans, from direct recognition in profit or loss to immediate recognition in other comprehensive income. There is no impact to the provision for long-term employee benefit liabilities and the brought forward of retained earnings of previous period.

4. 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
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	22,937	30,995	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	144	Contract price that closed to the market price
Others service income	-	-	3,750	2,050	Accordance with the negotiation price
Fixed assets acquisition	-	-	-	3,545	Accordance with the negotiation price
Purchases of goods	-	-	61	-	Market price
Commission expenses	-	-	-	18	Not over 2% of sales
<u>Transactions with related parties</u>					
Others service income	75	75	75	75	Fixed fee per month
Commission expenses	1,420	1,380	-	-	Not over 2% of sales
Motor vehicles rental expenses	-	108	-	-	Contract price
<u>Transactions with related persons</u>					
Building rental expenses	-	496	-	-	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
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	48,256	61,740	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	-	-	864	144	Contract price that closed to the market price
Others service income	-	-	7,500	3,250	Accordance with the negotiation price
Dividend income	-	-	59,570	19,584	As approved by shareholders' meeting
Purchases of goods	-	-	421	-	Market price
Fixed assets acquisition	-	-	-	3,545	Accordance with the negotiation price
Commission expenses	-	-	5	42	Not over 2% of sales
<u>Transactions with related parties</u>					
Others service income	150	150	150	150	Fixed fee per month
Commission expenses	2,854	2,628	-	-	Not over 2% of sales
Motor vehicles rental expenses	-	216	-	-	Contract price
<u>Transactions with related persons</u>					
Building rental expenses	-	1,240	-	-	Contract price that closed to the market price

(Unaudited but reviewed)

As at 30 September 2015 and 31 March 2015, 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 September 2015	31 March 2015	30 September 2015	31 March 2015
<u>Trade receivables - related parties (Note 6)</u>				
Subsidiaries	-	-	7,123	14,632
<u>Other payables - related parties (Note 14)</u>				
Associated company	1,448	1,552	-	-
Subsidiary	-	-	-	13
Total other payables - related parties	1,448	1,552	-	13

Directors and management's benefits

For the three-month and six-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Short-term employee benefits	9,756	8,815	5,924	4,819
Increase in post-employment benefits	530	630	280	605
Total	10,286	9,445	6,204	5,424

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Short-term employee benefits	19,431	17,392	11,758	9,398
Increase in post-employment benefits	1,060	1,061	559	600
Total	20,491	18,453	12,317	9,998

5. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
Cash	130	130	70	70
Bank deposits	107,111	134,677	36,236	25,844
Total	107,241	134,807	36,306	25,914

As at 30 September 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.37 and 1.70 percent per annum (31 March 2015: between 0.38 and 1.70 percent per annum).

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
<u>Trade receivables - related parties (Note 4)</u>				
Aged on the basis of due dates				
Not yet due	-	-	5,653	6,035
Past due				
Up to 3 months	-	-	1,470	8,597
Total trade receivables - related parties	-	-	7,123	14,632
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	517,836	580,573	259,514	324,194
Past due				
Up to 3 months	175,220	195,416	102,835	130,292
Over 3 months but less than 12 months	16,551	2,230	5,115	2,031
Over 12 months	22,100	21,205	18,175	17,426
Total	731,707	799,424	385,639	473,943
Less: Allowance for doubtful accounts	(24,251)	(21,292)	(18,003)	(17,426)
Total trade receivables - unrelated parties, net	707,456	788,132	367,636	456,517
Total trade receivable - net	707,456	788,132	374,759	471,149

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
<u>Other receivables</u>				
Other receivables	2,191	320	733	56
Interest receivable	54	71	-	-
Total other receivables	2,245	391	733	56
Total trade and other receivables - net	709,701	778,523	375,492	471,205

7. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
Inventories	911,950	878,324	550,981	517,512
Less: Reduce cost to net realisable value	(68,122)	(54,525)	(53,918)	(41,769)
Inventories - net	843,828	823,799	497,063	475,743

During the current period, the Company and its subsidiaries recorded the reduction of cost of inventories by Baht 14 million (Separate financial statements: recorded the reduction of Baht 12 million) to reflect the net realisable value. This was presented as cost of sales.

8. Restricted bank deposits

As at 30 September 2015, the Company and its subsidiary have deposits with banks of Baht 46 million (31 March 2015: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 21.4 to the financial statements.

9. Investments in subsidiaries

9.1 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 September 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	(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
NSC Metal Company Limited	230	230	100	100	258,238	258,238
Total					403,237	403,237

9.2 Dividend income

(Unit: Thousand Baht)

For the six-month
periods ended
30 September

Company's name	2015	2014
Auto Metal Company Limited	33,120	19,584

On 19 June 2015, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 23.00 per share from the operating results of the year ended 31 March 2015. The dividend was paid on 29 June 2015.

(Unit: Thousand Baht)

For the six-month
periods ended
30 September

Company's name	2015	2014
NSC Metal Company Limited	26,450	-

On 19 June 2015, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 11.50 per share from the operating results of the year ended 31 March 2015. The dividend was paid on 29 June 2015.

10. Investment in associated company**10.1 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
			2015	2015	2015	2015	2015	2015
			(Percent)	(Percent)				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	8,659	8,132

10.2 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 investment in associate		Dividend received	
	2015	2014	2015	2014
Mory Lohakit (Thailand) Co., Ltd.	255	141	-	-

(Unit: Thousand Baht)

Company's name	For the six-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2015	2014	2015	2014
Mory Lohakit (Thailand) Co., Ltd.	527	264	-	-

10.3 Summarised financial information of associate

Financial informations of the associated company are summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the six-month periods ended		Profit for the six-month periods ended	
	30 September		30 September		30 September		30 September		30 September	
	31 March		31 March		31 March					
	2015	2015	2015	2015	2015	2015	2015	2014	2015	2014
Mory Lohakit (Thailand)										
Co., Ltd.	10	10	18	17	-	-	3	3	1	1

11. Long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2015		31 March 2015	
	Cost	Fair value	Cost	Fair value
<u>Available-for-sale securities</u>				
Investment units in property fund	3,185	3,084	3,185	3,084
Total available-for-sale securities	3,185	3,084	3,185	3,084
Add: Changed in fair value	(101)		(101)	
Total available-for-sale securities	3,084		3,084	

12. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 April 2015	545,456	319,757
Acquisitions during period - at cost	31,341	22,753
Disposal during period - net book value as at disposal date	(63)	-
Depreciation for the period	(45,986)	(18,612)
Net book value as at 30 September 2015	530,748	323,898

(Unaudited but reviewed)

As at 30 September 2015, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 9 million (31 March 2015: Baht 10 million) (Separate financial statements: Baht 8 million (31 March 2015: Baht 9 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 21.4 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	31 March	30 September	31 March
	2015	2015	2015	2015
Cost	306	306	197	197
Net book value	7	11	-	-

13. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 September	31 March	30 September	31 March	30 September	31 March
	2015	2015	2015	2015	2015	2015
Bank overdrafts	1.80 - 2.21	-	1,200	-	-	-
Short-term loans from banks	3.72 - 3.75	4.25 - 4.35	147,000	100,000	147,000	100,000
Trust receipts	3.50 - 4.20	3.70 - 4.65	190,922	278,845	124,918	235,157
			<u>339,122</u>	<u>378,845</u>	<u>271,918</u>	<u>335,157</u>

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

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 21.4 to the financial statements.

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2015	2015	2015	2015
Trade payables - unrelated parties	335,623	407,118	211,008	238,014
Other payables - unrelated parties	15,099	20,856	8,471	12,142
Other payables - related party (Note 4)	1,448	1,552	-	13
Accrued commission expenses - unrelated parties	74	76	74	76
Accrued expenses	13,289	6,209	6,410	5,412
Total trade and other payables	365,533	435,811	225,963	255,657

15. Statutory reserve

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve at least 5 percent of its net income each time the subsidiaries pay a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

16. Income tax

Income tax expenses for the three-month and six-month periods ended 30 September 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	10,354	12,061	3,877	6,145
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(2,466)	(1,669)	(1,831)	(1,697)
Income tax expense reported in				
the statements of comprehensive income	7,888	10,392	2,046	4,448

(Unaudited but reviewed)

	For the six-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	19,061	21,761	6,427	11,365
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,641)	(2,256)	(2,788)	(2,258)
Income tax expense reported in the statements of comprehensive income	15,420	19,505	3,639	9,107

As of 30 September 2015 and 31 March 2015, the components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
Deferred tax assets				
Allowance for doubtful accounts	1,415	773	165	-
Allowance for loss on diminution in value of inventories	13,624	10,905	10,784	8,353
Provision for long-term employee benefits	4,799	4,532	2,992	2,799
Unused tax losses	2,468	2,455	-	-
Total	22,306	18,665	13,941	11,152

17. Forward foreign exchange contracts

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 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD Dollar	0.1	0.2	0.3	0.2	36.33	32.56
Japanese Yen	0.5	0.5	-	-	0.2996	0.2683
SG Dollar	-	-	-	0.02	-	23.66

The Company and its subsidiaries had outstanding balance of foreign exchange contracts which 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 September 2015</u>				
US Dollar	1.1	-	35.51 - 36.47	-
<u>As at 31 March 2015</u>				
US Dollar	1.6	-	32.61 - 33.34	-
SG Dollar	0.02	-	23.82	-

18. 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.

19. 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.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 September 2015 and 2014, respectively.

	(Unit: Million Baht)									
	For the three-month periods ended 30 September									
	Production and distribution		Procurement and distribution		Total reportable segments		Adjustments and eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue										
Revenue from external customers	587	636	201	192	788	828	-	-	788	828
Inter-segment revenue	23	32	-	-	23	32	(23)	(32)	-	-
Total revenue	610	668	201	192	811	860	(23)	(32)	788	828
Operating results										
Segment profit	56	64	20	21	76	85	-	-	76	85
Other income									9	14
Finance cost									(3)	(4)
Selling expenses									(19)	(20)
Administrative expenses									(24)	(25)
Interest in the profit of associate accounted for by the equity method									-	-
Income before income tax expenses									39	50
Income tax expenses									(7)	(10)
Profit for the period									32	40

(Unit: Million Baht)

	For the six-month periods ended 30 September									
	Production and distribution		Procurement and distribution		Total reportable segments		Adjustments and eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue										
Revenue from external customers	1,181	1,203	393	396	1,574	1,599	-	-	1,574	1,599
Inter-segment revenue	51	62	-	-	51	62	(51)	(62)	-	-
Total revenue	1,232	1,265	393	396	1,625	1,661	(51)	(62)	1,574	1,599
Operating results										
Segment profit	109	127	41	40	150	167	-	-	150	167
Other income									20	23
Finance cost									(8)	(8)
Selling expenses									(38)	(38)
Administrative expenses									(48)	(49)
Interest in the profit of associate accounted for by the equity method									-	-
Income before income tax expenses									76	95
Income tax expenses									(15)	(19)
Profit for the period									61	76

20. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Payment date
Final dividends for 2015	Annual General Meeting of the shareholders on 28 July 2015	38.30	0.10	11 August 2015
Interim dividends for 2015	The Board of Directors Meeting on 2 November 2014	42.13	0.11	12 December 2014
Total dividends for 2014		80.43	0.21	
Final dividends for 2014	Annual General Meeting of the shareholders on 28 July 2014	38.30	0.10	8 August 2014
Interim dividends for 2014	The Board of Directors Meeting on 13 November 2013	45.96	0.12	12 December 2013
Total dividends for 2013		84.26	0.22	

21. Commitments and contingent liabilities

21.1 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 September 2015	31 March 2015
Payable:		
In up to 1 year	3	3
In over 1 and up to 5 years	-	1

21.2 Other service commitments

As at 30 September 2015, the Company and a subsidiary had commitments of approximately Baht 3 million relating to a technical assistance service agreement and other agreements (31 March 2015: Baht 6 million).

21.3 Guarantees

As at 30 September 2015, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 320 million (31 March 2015: Baht 320 million).

21.4 Credit facilities

As at 30 September 2015, 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 312 million (31 March 2015: Baht 390 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. The facilities have not yet been utilised (31 March 2015: Nil). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machineries and the fixed deposit.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 22 million (31 March 2015: Baht 13 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, of which Baht 2 million (31 March 2015: Baht 6 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 million. The facilities have not yet been utilised (31 March 2015: 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, the facilities have not yet been utilised (31 March 2015: Nil). 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 506 million, of which Baht 64 million (31 March 2015: Baht 42 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 the Company.
- Overdraft facilities of Baht 60 million, of which Baht 1 million (31 March 2015: Nil) 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 426 million) and Baht 6 million, or a total approximately Baht 432 million, of which USD 0.5 million (equivalent to Baht 1.8 million) (31 March 2015: USD 1.2 million (equivalent to Baht 39 million)) of utilised amount are outstanding. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the Company.

22. 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

As of 30 September 2015, the subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments	3,084	-	-	3,084

23. Event after the reporting period

23.1. On 16 November 2015, the Company's Board of Directors Meeting approved the payment of an interim dividend of Baht 0.10 per share to the Company's ordinary shareholders for the Company's operations from 1 April 2015 to 30 September 2015. This constitutes a total dividend of Baht 38.3 million.

- 23.2 On 16 November 2015, a meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 7 per share to the Company's ordinary shareholders for the Company's operations from 1 April 2015 to 30 September 2015. This constitutes a total dividend of Baht 16.8 million.
- 23.3 On 16 November 2015, a meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 3.25 per share to the Company's ordinary shareholders for the Company's operations from 1 April 2015 to 30 September 2015. This constitutes a total dividend of Baht 7.48 million.
- 23.4 On 27 October 2015, a meeting of Board of Directors of Alternative Stainless Company Limited (a subsidiary) passed a resolution to propose for approval by the Extraordinary General Meeting of its shareholders, an increase in the registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 10 million (100,000 ordinary shares of Baht 100 each) by issuing an additional 90,000 shares with a par value of Baht 100.

24. Approval of consolidated interim financial statements

These consolidated interim financial statements were authorised for issue by the Company's Board of Directors on 16 November 2015.