

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 March 2013

1. General 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, Prapradaeng, Samutprakarn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Lohakit Metal Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
Auto Metal Company Limited	Production, smelting and assembly for all types of metal	Thailand	60	60
Alternative Stainless Company Limited	Distribution of metal products	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
Ngeck Seng Chiang Metal Company Limited	Distribution of stainless steel, aluminum, brass, copper, zinc and galvanized steel products	Thailand	100	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 On 21 January 2013, the Extraordinary Shareholders' Meeting No. 1/2013 of the Company passed resolutions to:

- acquire ordinary shares of Ngeck Seng Chiang Metal Company Limited ("NSCM") of 2.3 million ordinary shares at Baht 107.37 per share, totaling Baht 246.96 million. As a result of the share acquisition, the Company hold 99.99 percent of ordinary shares of NSCM
- increase its share capital from Baht 320 million (320 million ordinary shares with a par value of Baht 1 each) to Baht 383 million (383 million ordinary shares with a par value of Baht 1 each) by issuing 63 million ordinary shares of Baht 1 each through private placement. The Company allocated 63 million of ordinary shares to NSCM's shareholders for payment of the investment in ordinary shares of NSCM.

The Company and NSCM had completed the above transactions on 31 January 2013 and the Company registered the increase of paid up share capital on 1 February 2013.

Fair value amount of the assets acquired and the liabilities of the Ngeck Seng Chiang Metal Company Limited as at the acquisition date are as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	45,497
Current investment	82,221
Trade and other receivables	195,524
Inventories	146,848
Restricted bank deposits	41,000
Long-term investment	3,185
Other long-term investment	5,000
Property, plant and equipment	51,320
Intangible assets	286
Short-term loans from financial institutions	(210,591)
Trade and other payables	(42,363)
Other assets (other liabilities) - net	<u>(56,330)</u>
Net assets from acquisition of subsidiary company	261,597
Fair value of common share of the Company as of the exchange date	<u>252,000</u>
Gain from purchase of investment	<u>9,597</u>

The total cost of acquisition of Baht 6 million was recorded as expense under the caption of "Administrative expenses" in the consolidated statements of comprehensive income.

Revenue and profit for the period as from 1 February 2013 to 31 March 2013 of Ngeck Seng Chiang Metal Company Limited which included in the consolidated statements of comprehensive income is Baht 133 million and Baht 6 million, respectively,

- 2.4 The separate financial statements, which present investments in subsidiaries and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following accounting standards, financial reporting standards, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

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
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, 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.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (weighted average basis) and net realisable value. Cost includes all production costs and attributable factory overheads.

Finished goods purchased of a subsidiary are valued at the lower of average cost and net realisable value. Such cost consist of the purchase cost and related direct expenses less discounts and sale rebate.

Raw materials and supplies are valued at the lower of cost (weighted average basis) and net realisable value and are charged to production costs whenever consumed.

Allowance for stock obsolescence is made for damaged, slow-moving and obsolete stock.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, which expected to be held to maturity, are recorded at amortised cost.
- d) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The fair value of unit trusts is determined from their net asset value. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant, equipment/Depreciation

Land is stated at cost, buildings and equipment are stated at cost less accumulated depreciation, and less allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings and fixture	-	5 and 20 years
Machinery and equipment	-	5 and 10 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. The Company and its subsidiaries have computer software amortised over the economic useful life of 5 years.

4.9 Income tax

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.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits in the year ended 31 March 2012, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2012.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventories

In determining an allowance for diminution in value of inventories, the management needs to make judgment in estimating the loss that will be incurred on the sale of the inventories, taking into account net realisable value, aging profile of outstanding inventories and the stock conditions, among other factors.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, 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 years ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	232,083	268,646	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5%
Interest income	-	-	-	7,012	Service income: Closed to the market price MLR per annum
Service income	-	-	4,800	600	Accordance with the negotiation price
Dividend income	-	-	7,718	-	As approved by shareholders' meeting
Purchases of goods	-	-	397	-	Market price
Commission expenses	-	-	13	-	Not over 2% of sales
Sales of fixed assets	-	-	-	2,243	Accordance with the negotiation price
<u>Transactions with related companies</u>					
Sales of goods and service income	38,726	56,743	32,081	42,353	Sales of goods: Closed to the net selling price that is sold to major customers
Rental income	300	300	300	300	Service income: Closed to the market price Fixed fee per month
Commission expenses	11,069	9,338	196	202	Not over 2% of sales
Car rental expenses	72	-	-	-	Contract price
<u>Transactions with related parties</u>					
Building rental expenses	496	-	-	-	Contract price that closed to the market price

As at 31 March 2013 and 2012, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	45,594	62,298
Related company (related by common major shareholders)	-	5,063	-	4,761
Total trade and other receivables - related parties	-	5,063	45,594	67,059
<u>Trade and other payables - related parties (Note 18)</u>				
Associated company	3,145	3,514	-	-
Subsidiary	-	-	450	-
Related company (related by common major shareholders)	-	29	-	29
Total trade and other payables - related parties	3,145	3,543	450	29

Directors and management's benefits

For the years ended 31 March 2013 and 2012, 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	38,640	32,218	23,449	21,604
Post-employment benefits	823	512	375	463
Total	39,463	32,730	23,824	22,067

7. **Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash	125	85	55	55
Bank deposits	87,156	53,763	52,613	45,635
Total	87,281	53,848	52,668	45,690

As at 31 March 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.625 and 1.70 percent per annum (2012: between 0.62 and 1.90 percent per annum).

8. Investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2013		2012	
	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	3,210	-	-
Total available-for-sale securities	3,185	3,210	-	-
Add: Changes in fair value	25		-	
Total available-for-sale securities	3,210		-	

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	2,820	34,653	44,438
Past due				
Up to 3 months	-	2,243	10,941	22,621
Total trade receivables - related parties	-	5,063	45,594	67,059
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	652,003	402,311	309,109	242,345
Past due				
Not over 3 months	203,213	134,140	103,707	68,358
Over 12 months	25,947	17,426	17,426	17,426
Total	881,163	553,877	430,242	328,129
Less: Allowance for doubtful accounts	(25,947)	(17,426)	(17,426)	(17,426)
Total trade receivables - unrelated parties, net	855,216	536,451	412,816	310,703
Total trade receivable - net	855,216	541,514	458,410	377,762

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>				
Other receivable	67	28	45	28
Interest receivable	110	-	-	-
Total other receivables	177	28	45	28
Trade and other receivables - net	855,393	541,542	458,455	377,790

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	454,077	244,650	(46,032)	(22,968)	408,045	221,682
Raw materials	422,427	294,014	(5,819)	(3,470)	416,608	290,544
Supplies	7,632	7,578	-	-	7,632	7,578
Goods in transit	63,749	34,146	-	-	63,749	34,146
Total	947,885	580,388	(51,851)	(26,438)	896,034	553,950

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	222,208	172,286	(34,251)	(21,070)	187,957	151,216
Raw materials	282,764	190,891	(5,819)	(3,470)	276,945	187,421
Supplies	6,174	6,818	-	-	6,174	6,818
Goods in transit	47,020	30,006	-	-	47,020	30,006
Total	558,166	400,001	(40,070)	(24,540)	518,096	375,461

11. Restricted bank deposits

These represent fixed deposits of a subsidiary and the Company which pledged with the banks to secure credit facilities as described in Note 30.3.

12. Investments in 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	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	-	100	-	258,238	-
Total					<u>403,237</u>	<u>144,999</u>

12.1 On 19 June 2012, the Annual General Meeting of the shareholders of Auto Metal Co., Ltd. pass a resolution to approve the payment of dividend for 2012. The Company received dividend total of Baht 7.7 million.

12.2 The Company had already purchased common shares of NSCM by increase its share capital and allocate 63 million of ordinary shares to the existing shareholders of NSCM on 31 January 2013 and the Company registered the increase of paid up share capital on 1 February 2013 as described in Note 2.3.

13. Investments in associated company

13.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			<u>2013</u>	<u>2012</u>	Cost method		Carrying amount based on equity method	
			%	%	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	<u>49</u>	<u>49</u>	<u>4,900</u>	<u>4,900</u>	<u>11,251</u>	<u>9,141</u>

13.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates during the year		Dividend received during the year	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Mory Lohakit (Thailand) Co., Ltd.	2,110	1,623	-	-

13.3 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 year ended		Profit for the year ended	
	as at 31 March		as at 31 March		as at 31 March		31 March		31 March	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Mory Lohakit (Thailand) Co., Ltd.	10	10	24	20	1	1	11	9	4	3

14. Other long-term investment

This represents other long-term investment of a subsidiary of Baht 5.0 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.

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Buildings and fixture	Machinery and equipment	Furniture and office equipment	Motor Vehicles	Assets under installation and under construction	Total
Cost							
1 April 2011	101,003	185,983	541,157	15,326	55,959	-	899,428
Acquisitions	-	-	15,968	448	20,867	38,997	76,280
Disposals	-	-	(120)		(13,383)	-	(13,503)
Transfer in (out)	-	-	36,199			(36,199)	-
31 March 2012	101,003	185,983	593,204	15,774	63,443	2,798	962,205
Acquisitions	-	-	21,219	924	11,788	84,918	118,849
Disposals	-	-	(6,593)	(3,235)	(11,209)	-	(21,037)
Transfer in (out)	-	-	55,718	-	-	(55,718)	-
Acquisition of subsidiary during the year	39,443	18,770	2,468	4,666	8,692	-	74,039
31 March 2013	140,446	204,753	666,016	18,129	72,714	31,998	1,134,056
Accumulated depreciation							
1 April 2011	-	98,448	411,141	13,023	44,118	-	566,730
Depreciation for the year	-	8,443	40,201	762	6,633	-	56,039
Depreciation for disposals	-	-	(120)	-	(9,939)	-	(10,059)
31 March 2012	-	106,891	451,222	13,785	40,812	-	612,710
Depreciation for the year	-	8,452	50,038	759	7,394	-	66,643
Depreciation for disposals	-	-	(6,593)	(3,234)	(6,089)	-	(15,916)
Acquisition of subsidiary during the year	-	13,011	2,337	4,078	3,292	-	22,718
31 March 2013	-	128,354	497,004	15,388	45,409	-	686,155
Net book value							
31 March 2012	101,003	79,092	141,982	1,989	22,631	2,798	349,495
31 March 2013	140,446	76,399	169,012	2,741	27,305	31,998	447,901
Depreciation for the year							
2012 (Baht 51.1 million included in manufacturing cost, and the balance in selling and administrative expenses)							56,039
2013 (Baht 61.4 million included in manufacturing cost, and the balance in selling and administrative expenses)							66,643

(Unit: Thousand Baht)

Separate financial statements							
	Land and land improvement	Buildings and fixtures	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
1 April 2011	73,062	107,781	331,794	12,998	45,958	-	571,593
Acquisitions	-	-	2,792	400	14,409	7,048	24,649
Disposals	-	-	(120)	-	(12,676)	-	(12,796)
Transfer in (out)	-	-	5,349	-	-	(5,349)	-
31 March 2012	73,062	107,781	339,815	13,398	47,691	1,699	583,446
Acquisitions	-	-	2,455	475	9,902	32,242	45,074
Disposals	-	-	(6,438)	(3,235)	(8,718)	-	(18,391)
Transfer in (out)	-	-	9,129	-	-	(9,129)	-
31 March 2013	73,062	107,781	344,961	10,638	48,875	24,812	610,129
Accumulated depreciation							
1 April 2011	-	84,947	317,157	11,420	37,702	-	451,226
Depreciation for the year	-	4,523	5,926	545	4,438	-	15,432
Depreciation for disposals	-	-	(120)	-	(9,232)	-	(9,352)
31 March 2012	-	89,470	322,963	11,965	32,908	-	457,306
Depreciation for the year	-	4,390	5,641	493	4,688	-	15,212
Depreciation for disposals	-	-	(6,438)	(3,234)	(5,153)	-	(14,825)
31 March 2013	-	93,860	322,166	9,224	32,443	-	457,693
Net book value							
31 March 2012	73,062	18,311	16,852	1,433	14,783	1,699	126,140
31 March 2013	73,062	13,921	22,795	1,414	16,432	24,812	152,436
Depreciation for the year							
2012 (Baht 11.0 million included in manufacturing cost, and the balance in selling and administrative expenses)							15,432
2013 (Baht 10.7 million included in manufacturing cost, and the balance in selling and administrative expenses)							15,212

As at 31 March 2013, motor vehicles have been pledged as collateral against liabilities under finance lease agreements, amounting to Baht 12.9 million (31 March 2012: Baht 14.9 million) (Separate financial statements: Baht 6.7 million (31 March 2012: Baht 9.8 million)).

As at 31 March 2013, the Company and a subsidiary have certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 425.3 million (31 March 2012: Baht 370.8 million) (Separate financial statements: Baht 377.1 million, (31 March 2012: Baht 359.1 million)).

The Company and a subsidiary have mortgaged all of their land with structures thereon and pledged the following 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 30.3.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cost	306	306	197	197
Net book value	31	41	-	-

16. Intangible assets

The net book value of intangible assets as at 31 March 2013 and 2012 presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
As at 31 March 2013:	14,208	14,208	11,899	11,899
Cost	494	-	-	-
Less: Accumulated amortisation	(14,224)	(13,831)	(11,835)	(11,723)
Net book value	<u>478</u>	<u>377</u>	<u>64</u>	<u>176</u>

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	377	1,852	176	1,255
Acquisitions of subsidiary during the year	286	-	-	-
Amortisation	(185)	(1,475)	(112)	(1,079)
Net book value at end of year	<u>478</u>	<u>377</u>	<u>64</u>	<u>176</u>

17. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term loans from banks	4.25 - 4.60	5.05	215,000	100,000	10,000	10,000
Trust receipts	1.90 - 5.35	5.25 - 5.85	254,896	166,172	132,800	128,671
			<u>469,896</u>	<u>266,172</u>	<u>142,800</u>	<u>138,671</u>

Short-term loans from banks represent promissory notes maturing within 1 - 4 months.

Bank overdrafts, short-term loans and trust receipts facilities are secured by the directors, and by the Company's and its subsidiaries' land with structures thereon, unit of condominium, and machinery, as described in Note 30.3.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - unrelated parties	501,243	200,309	345,478	104,706
Trade payables - related party	-	-	425	-
Other payables - unrelated parties	24,263	14,293	8,756	9,168
Other payables - related party	3,145	3,514	25	-
Accrued commission expenses - unrelated parties	273	41	250	-
Accrued commission expenses - related party	-	29	-	29
Accrued expenses	2,575	4,929	965	2,483
Total trade and other payables	<u>531,499</u>	<u>223,115</u>	<u>355,899</u>	<u>116,386</u>

19. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Liabilities under finance lease agreements	13,466	14,766	7,463	9,252
Less : Deferred interest expenses	(1,084)	(1,564)	(648)	(973)
Total	12,382	13,202	6,815	8,279
Less: Portion due within one year	(4,349)	(3,633)	(2,156)	(2,316)
Liabilities under finance lease agreements - net of current portion	<u>8,033</u>	<u>9,569</u>	<u>4,659</u>	<u>5,963</u>

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 5 years.

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	2013			2012		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	5,157	8,309	13,466	4,678	10,088	14,766
Deferred interest expenses	(808)	(276)	(1,084)	(1,045)	(519)	(1,564)
Present value of future minimum lease payments	<u>4,349</u>	<u>8,033</u>	<u>12,382</u>	<u>3,633</u>	<u>9,569</u>	<u>13,202</u>

(Unit: Thousand Baht)

	Separate financial statements					
	2013			2012		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	2,637	4,825	7,462	2,946	6,306	9,252
Deferred interest expenses	(481)	(166)	(647)	(630)	(343)	(973)
Present value of future minimum lease payments	<u>2,156</u>	<u>4,659</u>	<u>6,815</u>	<u>2,316</u>	<u>5,963</u>	<u>8,279</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Defined benefit obligation at beginning of year	16,076	13,945	11,332
Addition from acquisition of subsidiary during the year	7,459	-	-	-
Current service cost	1,056	1,550	322	1,025
Interest cost	<u>737</u>	<u>581</u>	<u>484</u>	<u>412</u>
Provisions for long-term employee benefits at end of year	<u>25,328</u>	<u>16,076</u>	<u>12,138</u>	<u>11,332</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	1,056	1,550	322	1,025
Interest cost	737	581	484	412
Total expense recognized in profit or loss	1,793	2,131	806	1,437
Line items under which such expenses are included in profit or loss				
Selling and administrative expenses	1,793	2,131	806	1,437

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate		Separate and separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.99 - 4.29%	3.68 - 4.30%	4.27%	4.16%
Future salary increase rate (depending on age)	3.0%	3.0%	3.0%	3.0%

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated	Separate
	financial statements	financial statements
Year 2013	25,328	12,138
Year 2012	16,076	11,332
Year 2011	13,945	9,895

21. Share capital

On 21 January 2013, the Extraordinary Shareholders' Meeting No. 1/2013 of the Company passed resolutions to increase its share capital from Baht 320 million (320 million ordinary shares with a par value of Baht 1 each) to Baht 383 million (383 million ordinary shares with a par value of Baht 1 each) by issuing 63 million ordinary shares at par value of Baht 1 each through private placement. The Company allocated its 63 million ordinary shares to NSCM's shareholders for payment of the investment in ordinary shares of NSCM. The Company and NSCM had completed the above transactions on 31 January 2013 and the Company registered the increase of paid up share capital with ministry of commerce on 1 February 2013, as described in Note 2.3.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 March 2013, the Company has transferred profit amounting to Baht 4.5 million (2012: Baht 2.8 million) to the statutory reserve.

23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and wages and other employee benefits	143,687	107,589	79,658	68,244
Depreciation expenses	66,643	56,039	15,213	15,432
Amortisation expenses	185	1,475	112	1,079
Raw materials used	2,250,209	1,912,886	1,610,503	1,473,779
Consumables used	46,033	33,823	33,330	28,328
Purchase of finished good	103,204	-	-	-
Changes in inventories of finished goods				
and work in progress	(58,435)	(39,050)	(49,922)	(11,083)
Decrease of inventory to net realisable value	17,177	3,131	15,529	1,537

24. Corporate income tax

Corporate income tax of the Company were calculated at the rate of 23 percent (2012: 30 percent) on net income for the years, after adding back certain expenses and deducting income which are not disallowable for the tax computation purposes and deducting tax loss brought forward from previous years (if any).

Corporate income tax of one subsidiary has been calculated based on following rate of taxable income.

Taxable profits (Baht)	Tax rate (%)	
	2013	2012
1 - 150,000	0	0
150,001 - 1,000,000	15	15
1,000,001 - 3,000,000	23	25
Over 3,000,000	23	30

Corporate income tax of another subsidiary which operates the promoted operations (as described in Note 25) were calculated at the rate of 23 percent (2012: 30 percent) on net income of the subsidiary from non-promoted activities, after adding back certain provisions and expenses which are disallowed for tax computation purposes and deducting tax loss brought forward from previous years (if any).

25. 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 1 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 subsidiary's revenue for the year ended 31 March 2013 and 2012 were derived from sales and service of BOI promoted products amounted to Baht 984 million and Baht 625 million, respectively.

26. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

The Company and its subsidiaries operate in the single industry segment of distribution and provision of service related to iron and metal products and their principal operations are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating income and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area. Export sales of the years ended 31 March 2013 and 2012 amounted to Baht 26 million and Baht 52 million, respectively (Separate financial statements: Baht 19 million, (31 March 2012: Baht 28 million)).

28. Provident fund

The Company, its two subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2013, the Company and its subsidiaries contributed Baht 2.5 million (31 March 2012: Baht 1.9 million) (Separate financial statements: Baht 1.7 million, (31 March 2012: Baht 1.4 million)) to the fund.

29. Dividend

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Payment date
Final dividends for 2012	Annual General Meeting of the shareholders on 26 July 2012	44.80	0.14	10 August 2012
Interim dividends for 2013	The Board of Directors Meeting on 14 November 2012	32.00	0.10	13 December 2012
Total dividends for 2013		<u>76.80</u>	<u>0.24</u>	
Final dividends for 2011	Annual General Meeting of the shareholders on 26 July 2011	70.40	0.22	15 August 2011
Total dividends for 2012		<u>70.40</u>	<u>0.22</u>	

30. Commitments and contingent liabilities

30.1 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.

As at 31 March 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 March	
	<u>2013</u>	<u>2012</u>
Payable:		
In up to 1 year	3.7	2.6
In over 1 and up to 5 years	0.8	1.1
In over 5 years	1.8	-

30.2 Other service commitment

On 1 April 2012, the Company and a subsidiary entered into the business agreement with a company which is situated for a period from 1 April 2012 to 31 March 2014. The Company and the subsidiary had commitment to pay service fee of Baht 3.6 million per year.

30.3 Credit facilities

As at 31 March 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 249.9 million (2012: Baht 201.5 million) of the utilised amounts are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.
- Overdraft facilities of Baht 30 million. The facilities have not yet been utilised. (2012: Nil) The credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery and the pledge of fixed deposit of the Company.
- Forward exchange contract facility of Baht 1,000 million, of which Baht 29.3 million (2012: Baht 44.5 million) of utilised amounts is outstanding. This credit facility is secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, of which Baht 142.8 million (2012: Baht 154.2 million) of utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facility of Baht 10 million. The facility has not yet been utilized (2012: Nil). This credit facility is secured by the mortgage of the subsidiary's land with structures thereon.

- Forward exchange contract facility of Baht 200 million, which has not yet been utilized (2012: Baht 42.1 million). This credit facility is secured by the mortgage of the subsidiary's land with structures thereon and machinery.

Another subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 516 million, of which Baht. 213 million of utilised amount is outstanding. These credit facilities are secured by the mortgage of the subsidiary's units of condominium which be the subsidiary's office, fixed deposit accounts and guarantees provided by two directors of the subsidiary.
- Overdraft facilities of Baht 65 million that have not yet been utilized. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the subsidiary's director.
- Forward exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 344 million) and Baht 6 million, or a total approximately Baht 350 million. The facilities, which have not yet been utilized, are secured by fixed deposit accounts and guarantees provided by two directors of the subsidiary.

31. Financial instruments

31.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investment, trade and other receivables, trade and other payables, short-term borrowings and financial lease payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Company's and subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. Most of the Company's and subsidiaries' financial assets and liabilities are short-term, with floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2013						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within					
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.5	-	9.8	75.9	87.2	0.625 - 1.95
Current investment	-	-	-	70.5	70.5	-
Trade and other receivables	-	-	-	855.4	855.4	-
Restricted deposits at banks	46.0	-	-	-	46.0	1.60 - 1.95
Long-term investment	-	-	-	3.2	3.2	-
Other long-term investment	-	-	-	5.0	5.0	4.90
	<u>47.5</u>	<u>-</u>	<u>9.8</u>	<u>1,010.0</u>	<u>1,067.3</u>	
Financial liabilities						
Short-term loans from						
financial institutions	469.9	-	-	-	469.9	1.90 - 5.35
Trade and other payables	-	-	-	531.5	531.5	-
Financial lease payables	4.3	8.1	-	-	12.4	6.37 - 12.17
	<u>474.2</u>	<u>8.1</u>	<u>-</u>	<u>531.5</u>	<u>1,013.8</u>	

(Unit : Million Baht)

Consolidated financial statements as at 31 March 2012

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within					
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.3	-	2.6	49.9	53.8	0.62 - 1.90
Trade and other receivables	-	-	-	541.5	541.5	-
Restricted deposit at bank	5.0	-	-	-	5.0	0.95
	<u>6.3</u>	<u>-</u>	<u>2.6</u>	<u>591.4</u>	<u>600.3</u>	
Financial liabilities						
Short-term loans from financial institutions	266.2	-	-	-	266.2	5.05 - 5.85
Trade and other payables	-	-	-	223.1	223.1	-
Financial lease payables	3.6	9.6	-	-	13.2	6.37 - 12.17
	<u>269.8</u>	<u>9.6</u>	<u>-</u>	<u>223.1</u>	<u>502.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2013

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within					
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.5	-	1.4	49.8	52.7	0.625 - 1.70
Trade and other receivables	-	-	-	458.4	458.4	
Restricted deposit at bank	5.0	-	-	-	5.0	2.35
	<u>6.5</u>	<u>-</u>	<u>1.4</u>	<u>508.2</u>	<u>516.1</u>	
Financial liabilities						
Short-term loans from financial institutions	142.8	-	-	-	142.8	2.15 - 5.35
Trade and other payables	-	-	-	355.9	355.9	
Financial lease payables	2.1	4.7	-	-	6.8	6.37 - 11.54
	<u>144.9</u>	<u>4.7</u>	<u>-</u>	<u>355.9</u>	<u>505.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2012

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within					
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.3	-	2.5	41.9	45.7	0.62 - 1.90
Trade and other receivables	-	-	-	377.8	377.8	-
Restricted deposit at bank	5.0	-	-	-	5.0	0.95
	<u>6.3</u>	<u>-</u>	<u>2.5</u>	<u>419.7</u>	<u>428.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2012

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years				
	Financial liabilities					
Short-term loans from financial institutions	138.7	-	-	-	138.7	5.05 - 5.85
Trade and other payables	-	-	-	116.4	116.4	-
Financial lease payables	2.3	6.0	-	-	8.3	6.37 - 11.54
	<u>141.0</u>	<u>6.0</u>	<u>-</u>	<u>116.4</u>	<u>263.4</u>	

Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from sales and purchase transactions and short-term borrowing that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

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 31 March		Financial liabilities as at 31 March		Average exchange rate as at 31 March	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	0.1	5.9	3.9	29.309	30.843
Japanese yen	1.6	3.0	37.6	-	0.312	0.376

As of 31 March 2013 and 2012, the Company and its subsidiaries have foreign exchange contracts as summarized below.

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	
			Bought	Sold
As at 31 March 2013				
US dollar	1.0	-	29.31 - 29.33	-
As at 31 March 2012				
US dollar	2.5	0.02	30.37 - 31.99	30.81
Japanese yen	18.3	-	0.37 - 0.38	-

31.2 Fair values of financial instruments

Since the majority of the Company's and subsidiaries' financial assets and financial liabilities are short-term in nature, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 March 2013, the Group's total debt-to-equity ratio was 0.79:1 (31 March 2012: 0.54:1) and the Company's total debt-to-equity ratio was 0.51:1 (31 March 2012: 0.36:1).

33. Event after the reporting period

On 27 May 2013, the meeting of the Company's Board of Directors passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the Company's shareholders of Baht 0.22 per share from its net operating profit for the year ended 31 March 2013. However, by the resolution of the meeting of the Company's Board of Directors No 5/2555 held on 14 November 2012, the Company had paid out the interim dividend of Baht 0.10 per share, for 320 million ordinary shares, to the Company's shareholders totaling Baht 32 million on 13 December 2012. The remaining dividend is Baht 0.12 per share, for 383 million ordinary shares, or totaling Baht 45.96 million. The dividend will be paid on 9 August 2013

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 May 2013.