

Lohakit Metal Public Company Limited
and its subsidiaries
Report and interim financial information
For the three-month and six-month periods ended
30 September 2020

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 (The Group) as at 30 September 2020, and the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Lohakit Metal Public Company Limited for the same period (collectively "interim financial information"). 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: 12 November 2020

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 March 2020	30 September 2020	31 March 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	270,160	211,323	170,160	69,422
Current investments	5	-	107,032	-	-
Trade and other receivables	6	458,256	542,311	232,897	284,939
Inventories	7	493,230	588,747	276,382	341,285
Other current financial assets	8	83,706	-	-	-
Other current assets		3,840	4,042	2,204	1,318
Total current assets		1,309,192	1,453,455	681,643	696,964
Non-current assets					
Restricted bank deposits	9	46,180	46,180	6,080	6,080
Other non-current financial assets	10	3,662	-	-	-
Investment in associate	11	12,016	11,626	4,900	4,900
Investments in subsidiaries	12	-	-	406,110	406,577
Long-term investments	13	-	3,457	-	-
Property, plant and equipment	14	565,852	581,775	300,222	308,145
Intangible assets		3,479	1,741	1,852	975
Deferred tax assets	19	17,769	16,900	10,496	9,856
Other non-current assets		3,875	3,402	2,526	2,394
Total non-current assets		652,833	665,081	732,186	738,927
Total assets		1,962,025	2,118,536	1,413,829	1,435,891

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

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2020	31 March 2020	30 September 2020	31 March 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	15	26,733	55,717	2,114	31,255
Trade and other payables	16	300,674	368,073	179,773	212,254
Current portion of long-term loan from bank	17	4,500	-	-	-
Current portion of lease liabilities		3,209	-	3,209	-
Income tax payable		5,010	6,640	-	-
Other current liabilities		5,630	9,758	3,540	5,021
Total current liabilities		345,756	440,188	188,636	248,530
Non-current liabilities					
Long-term loan from bank, net of current portion	17	3,500	-	-	-
Lease liabilities, net of current portion		3,035	-	3,035	-
Provision for long-term employee benefits		45,237	43,217	23,630	22,456
Deferred tax liabilities	19	13	-	-	-
Other non-current liabilities		1	1	-	-
Total non-current liabilities		51,786	43,218	26,665	22,456
Total liabilities		397,542	483,406	215,301	270,986

The accompanying notes to the interim consolidated financial statements 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 September 2020 (Unaudited but reviewed)	31 March 2020 (Audited)	30 September 2020 (Unaudited but reviewed)	31 March 2020 (Audited)
Shareholders' equity				
Share capital				
Registered				
	383,000,000 ordinary shares of Baht 1 each	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
	Share premium	519,673	519,673	519,673
Retained earnings				
	Appropriated - statutory reserve	18 75,600	75,250	38,300
	Unappropriated	411,504	438,194	257,555
	Other components of shareholders' equity	-	812	-
	Equity attributable to owners of the Company	1,389,777	1,416,929	1,198,528
	Non-controlling interests of the subsidiary	174,706	218,201	-
	Total shareholders' equity	1,564,483	1,635,130	1,198,528
	Total liabilities and shareholders' equity	1,962,025	2,118,536	1,413,829

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

Directors

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Statement of Income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Sales and service income		518,911	745,693	251,369	366,200
Dividend income		43	42	-	-
Other income		3,235	4,641	6,122	6,629
Total revenues		522,189	750,376	257,491	372,829
Expenses					
Cost of sales and services		454,429	658,940	231,689	342,812
Selling and distribution expenses		12,869	17,893	8,236	11,564
Administrative expenses		28,153	30,028	15,325	15,989
Total expenses		495,451	706,861	255,250	370,365
Profit from operating activities		26,738	43,515	2,241	2,464
Share of profit from investment in associate	11.2	300	549	-	-
Income before finance cost and income tax expenses		27,038	44,064	2,241	2,464
Finance cost		(424)	(869)	(147)	(301)
Profit before income tax expenses		26,614	43,195	2,094	2,163
Income tax expenses	19	(5,312)	(8,348)	(437)	(279)
Profit for the period		21,302	34,847	1,657	1,884
Profit attributable to:					
Equity holders of the Company		15,028	22,602	1,657	1,884
Non-controlling interests of the subsidiary		6,274	12,245		
		21,302	34,847		
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.04	0.06	0.004	0.005
Weighted average number of ordinary shares (shares)		383,000,000	383,000,000	383,000,000	383,000,000

The accompanying notes to the interim consolidated financial statements 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 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the period		<u>21,302</u>	<u>34,847</u>	<u>1,657</u>	<u>1,884</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on change in value of available-for-sale investments - net of income tax	13, 19	-	450	-	-
Other comprehensive income for the period		<u>-</u>	<u>450</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>21,302</u>	<u>35,297</u>	<u>1,657</u>	<u>1,884</u>
Total comprehensive income attributable to:					
Equity holders of the Company		15,028	23,052	<u>1,657</u>	<u>1,884</u>
Non-controlling interests of the subsidiary		<u>6,274</u>	<u>12,245</u>		
Total comprehensive income for the period		<u>21,302</u>	<u>35,297</u>		

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Statement of income

For the six-month period ended 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Sales and service income		930,491	1,465,507	465,203	716,867
Dividend income	12.2	86	85	74,162	46,360
Other income		8,051	9,853	12,921	13,958
Total revenues		938,628	1,475,445	552,286	777,185
Expenses					
Cost of sales and services		837,563	1,297,289	434,023	670,917
Selling and distribution expenses		23,831	33,402	15,687	21,916
Administrative expenses		55,153	66,311	30,439	36,228
Total expenses		916,547	1,397,002	480,149	729,061
Profit from operating activities		22,081	78,443	72,137	48,124
Share of profit from investment in associate	11.2	390	1,072	-	-
Income before finance cost and income tax expenses		22,471	79,515	72,137	48,124
Finance cost		(1,085)	(2,025)	(429)	(725)
Profit before income tax expenses		21,386	77,490	71,708	47,399
Tax income (income tax expenses)	19	(4,484)	(14,929)	555	91
Profit for the period		16,902	62,561	72,263	47,490
Profit attributable to:					
Equity holders of the Company		12,397	40,132	72,263	47,490
Non-controlling interests of the subsidiary		4,505	22,429		
		16,902	62,561		
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.03	0.10	0.19	0.12
Weighted average number of ordinary shares (shares)		383,000,000	383,000,000	383,000,000	383,000,000

The accompanying notes to the interim consolidated financial statements 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 six-month period ended 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the period		16,902	62,561	72,263	47,490
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain on change in value of available-for-sale investments - net of income tax	13, 19	-	860	-	-
Other comprehensive income for the period		-	860	-	-
Total comprehensive income for the period		<u>16,902</u>	<u>63,421</u>	<u>72,263</u>	<u>47,490</u>
Total comprehensive income attributable to:					
Equity holders of the Company		12,397	40,992	<u>72,263</u>	<u>47,490</u>
Non-controlling interests of the subsidiary		4,505	22,429		
Total comprehensive income for the period		<u>16,902</u>	<u>63,421</u>		

The accompanying notes to the interim consolidated financial statements 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 six-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements									
		Equity attributable to owners of the Company					Other components of equity				
		Issued and paid-up share capital	Share premium	Retained earnings		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	Other comprehensive income	
				Appropriated - statutory reserve	Unappropriated					Surplus	Surplus
Note											
	Balance as at 1 April 2019	383,000	519,673	74,900	467,186	853	1,445,612	220,800	1,666,412		
	Profit for the period	-	-	-	40,132	-	40,132	22,429	62,561		
	Other comprehensive income for the period	-	-	-	-	860	860	-	860		
	Total comprehensive income for the period	-	-	-	40,132	860	40,992	22,429	63,421		
22	Dividends paid	-	-	-	(68,940)	-	(68,940)	-	(68,940)		
	Transferred to appropriated retained earnings statutory reserve	-	-	170	(170)	-	-	-	-		
	Dividends paid of subsidiary	-	-	-	-	-	-	(27,840)	(27,840)		
	Balance as at 30 September 2019	383,000	519,673	75,070	438,208	1,713	1,417,664	215,389	1,633,053		
	Balance as at 1 April 2020	383,000	519,673	75,250	438,194	812	1,416,929	218,201	1,635,130		
	Cumulative effect of change in accounting policies	-	-	-	(437)	(812)	(1,249)	-	(1,249)		
2	Balance as at 1 April 2020 - as restated	383,000	519,673	75,250	437,757	-	1,415,680	218,201	1,633,881		
	Profit for the period	-	-	-	12,397	-	12,397	4,505	16,902		
	Other comprehensive income for the period	-	-	-	-	-	-	-	-		
	Total comprehensive income for the period	-	-	-	12,397	-	12,397	4,505	16,902		
22	Dividends paid	-	-	-	(38,300)	-	(38,300)	-	(38,300)		
	Transferred to appropriate retained earnings statutory reserve	-	-	350	(350)	-	-	-	-		
18	Dividends paid of subsidiary	-	-	-	-	-	-	(48,000)	(48,000)		
	Balance as at 30 September 2020	383,000	519,673	75,600	411,504	-	1,389,777	174,706	1,564,483		

The accompanying notes to the interim consolidated financial statements 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 six-month period ended 30 September 2020

	Note	Separate financial statements						Total shareholders' equity
		Issued and fully paid-up		Retained earnings		Total		
		share capital	Share premium	Appropriated - statutory reserve	Unappropriated			
Balance as at 1 April 2019		383,000	519,673	38,300	250,247	1,191,220		
Profit for the period		-	-	-	47,490	47,490		
Other comprehensive income for the period		-	-	-	-	-		
Total comprehensive income for the period		-	-	-	47,490	47,490		
Dividend paid	22	-	-	-	(68,940)	(68,940)		
Balance as at 30 September 2019		<u>383,000</u>	<u>519,673</u>	<u>38,300</u>	<u>228,797</u>	<u>1,169,770</u>		
Balance as at 1 April 2020		383,000	519,673	38,300	223,932	1,164,905		
Cumulative effect of change in accounting policies	2	-	-	-	(340)	(340)		
Balance as at 1 April 2020 - as restated		<u>383,000</u>	<u>519,673</u>	<u>38,300</u>	<u>223,592</u>	<u>1,164,565</u>		
Profit for the period		-	-	-	72,263	72,263		
Other comprehensive income for the period		-	-	-	-	-		
Total comprehensive income for the period		-	-	-	72,263	72,263		
Dividend paid	22	-	-	-	(38,300)	(38,300)		
Balance as at 30 September 2020		<u>383,000</u>	<u>519,673</u>	<u>38,300</u>	<u>257,555</u>	<u>1,198,528</u>		

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	21,386	77,490	71,708	47,399
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	27,358	26,332	16,347	16,388
Amortisation	164	120	105	84
Reversal of allowance for doubtful accounts	(330)	(389)	(225)	-
Reduction of inventories to net realisable value (reversal)	(5,732)	4,399	(7,139)	2,146
Allowance for impairment of investment in subsidiary	-	-	467	126
Gain on sales of investments	(108)	(8)	-	-
Unrealised gain from fair value measurement of the other current financial assets	(66)	-	-	-
Unrealised gain from fair value measurement of other non-current financial assets	(205)	(11)	-	-
Gain on sales of equipment	(1,009)	(589)	(28)	(197)
Provision for long-term employee benefits	2,020	10,516	1,174	7,240
Unrealised loss (gain) on foreign exchange	(112)	17	(110)	27
Share of profit from investment in associate	(390)	(1,072)	-	-
Dividend income	(86)	(86)	(74,162)	(46,360)
Interest income	(128)	(289)	(6)	(15)
Interest expenses	581	1,457	211	395
Income from operating activities before changes in operating assets and liabilities	43,343	117,887	8,342	27,233
Decrease (increase) in operating assets				
Trade and other receivables	82,517	19,518	51,571	(21,216)
Inventories	101,249	32,790	72,042	(890)
Other current assets	666	1,870	(422)	1,285
Other non-current assets	(473)	(553)	(132)	(60)
Increase (decrease) in operating liabilities				
Trade and other payables	(67,174)	(21,433)	(32,257)	47,387
Other current liabilities	(4,128)	(2,978)	(1,481)	(774)
Cash flows from operating activities	156,000	147,101	97,663	52,965
Cash paid for interest expenses	(638)	(1,470)	(269)	(408)
Cash paid for income tax	(6,851)	(20,500)	(193)	(2,410)
Net cash from operating activities	148,511	125,131	97,201	50,147

The accompanying notes to the interim consolidated financial statements 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 six-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash paid for acquisition of property, plant and equipment and intangible assets	(5,527)	(22,823)	(1,596)	(18,654)
Cash paid for acquisition of investment in open-end fund	(27,000)	-	-	-
Cash received from sales of investment in open-end fund	50,500	600	-	-
Cash received from dividends	86	86	74,162	46,360
Proceeds from sales of equipment	1,009	1,534	28	734
Cash received from interest income	164	289	6	15
Net cash from (used in) investing activities	19,232	(20,314)	72,600	28,455
Cash flows from financing activities				
Decrease in short-term loans from banks	(28,984)	(31,761)	(29,141)	(13,327)
Cash received from long-term loan from bank	8,000	-	-	-
Cash paid for lease liabilities	(1,566)	-	(1,566)	-
Dividend paid	(86,300)	(96,780)	(38,300)	(68,940)
Net cash used in financing activities	(108,850)	(128,541)	(69,007)	(82,267)
Effect of exchange rate to cash and cash equivalents	(56)	(27)	(56)	(27)
Net increase (decrease) in cash and cash equivalents	58,837	(23,751)	100,738	(3,692)
Cash and cash equivalents at beginning of period	211,323	314,319	69,422	91,752
Cash and cash equivalents at end of period (Note 4)	270,160	290,568	170,160	88,060

Supplemental cash flows information

Non-cash items:

Increase in revaluation surplus in investments in available-for-sale investment	-	1,075	-	-
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The accompanying notes to the interim consolidated financial statements are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 September 2020

1. General information

1.1 General information of the Company

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of the interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, with the Company choosing to present condensed interim financial information. 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.

This interim financial information is 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. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from Thai language interim financial information.

1.4 Basis of consolidation

This interim financial information includes 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 2020. During the current period, there was no change in the structure of the Group.

1.5 New financial reporting standards

a) New financial standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in available-for-sale equity securities
 - The Group's available-for-sale investments in listed equity securities were measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains (or losses) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 April 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 April 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2020 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16 Lease. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 April 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings as at 1 April 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 April 2020
	31 March 2020	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	107,032	(107,032)	-	-
Trade and other receivables	542,311	(1,832)	-	540,479
Other current financial assets	-	107,303	-	107,303
Non-current assets				
Other non-current financial assets	-	3,457	-	3,457
Long-term investments	3,457	(3,457)	-	-
Property, plant and equipment	581,775	-	7,810	589,585
Deferred tax assets	16,900	312	-	17,212
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	3,158	3,158
Non-current liabilities				
Lease liabilities, net of current portion	-	-	4,652	4,652
Shareholders' equity				
Retained earnings - unappropriated	438,194	(437)	-	437,757
Other components of shareholders' equity	812	(812)	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2020	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	284,939	(696)	-	284,243
Other current financial assets	-	271	-	271
Non-current assets				
Property, plant and equipment	308,145	-	7,810	315,955
Deferred tax assets	9,856	85	-	9,941
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	3,158	3,158
Non-current liabilities				
Lease liabilities, net of current portion	-	-	4,652	4,652
Shareholders' equity				
Retained earnings - unappropriated	223,932	(340)	-	223,592

2.1 Financial instruments

Details of the impact on retained earnings as at 1 April 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Classification of available-for-sale investments as financial assets at fair value through profit or loss	812	-
Recognition of an allowance for expected credit losses on financial assets	(1,466)	(557)
Recognition of derivatives at fair value through profit or loss	217	217
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(437)	(340)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 April 2020, and with the carrying amounts under the former basis, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 April 2020				
Cash and cash equivalents	211,323	-	-	211,323
Trade and other receivables	542,311	-	-	540,479
Other current financial assets	107,032	107,303	-	107,303
Restricted bank deposits	46,180	-	-	46,180
Other non-current financial assets	3,457	3,457	-	3,457
Total financial assets	910,303	110,760	-	797,982

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets as at 1 April 2020				
Cash and cash equivalents	69,422	-	-	69,422
Trade and other receivables	284,939	-	-	284,243
Other current financial assets	-	271	-	271
Restricted bank deposits	6,080	-	-	6,080
Total financial assets	360,441	271	-	359,745

As at 1 April 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 April 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 March 2020	8,130	8,130
Less: Deferred interest expenses	(320)	(320)
Lease liabilities as at 1 April 2020	<u>7,810</u>	<u>7,810</u>
Comprise of:		
Current lease liabilities	3,158	3,158
Non-current lease liabilities	4,652	4,652
	<u>7,810</u>	<u>7,810</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 April 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Buildings and buildings improvement fixture	7,810	7,810
Total right-of-use assets	<u>7,810</u>	<u>7,810</u>

3. Related party transactions

During the periods, the Group 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.

	For the three-month periods ended				
	30 September				
	Consolidated		Separate		Transfer Pricing Policy
	<u>financial statements</u>		<u>financial statements</u>		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	6,048	8,306	Sale of goods: Market price and cost plus a margin at rate of 5%
					Service income: Closed to the market price
Rental income	-	-	600	488	Contract price closed to the market price
Others service income	-	-	3,651	3,850	Accordance with the negotiation price
<u>Transactions with related parties</u>					
Commission expenses	1,064	1,764	-	-	Not over 2% of sales

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended				Transfer Pricing Policy
	30 September				
	Consolidated financial statements		Separate financial statements		
2020	2019	2020	2019		
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	12,129	20,389	Sale of goods: Market price and cost plus a margin at rate of 5% Service income: Closed to the market price
Rental income	-	-	1,200	920	Contract price closed to the market price
Others service income	-	-	7,452	7,750	Accordance with the negotiation price
Dividend income	-	-	74,162	46,360	As approved by shareholders' meeting
<u>Transactions with related parties</u>					
Commission expenses	1,564	3,486	-	-	Not over 2% of sales

As at 30 September 2020 and 31 March 2020, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
<u>Trade receivable - related parties (Note 6)</u>				
Subsidiaries	-	-	2,655	798
<u>Other payables - related party (Note 16)</u>				
Associated company	998	1,429	-	-

Directors and management's benefits

During the three-month and six-month periods ended 30 September 2020 and 2019, the Group 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
	2020	2019	2020	2019
Short-term employee benefits	12,958	13,635	7,514	8,244
Post-employment benefits	834	807	558	504
Total	13,792	14,442	8,072	8,748

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Short-term employee benefits	25,352	27,330	14,573	16,498
Post-employment benefits	1,745	5,087	1,192	3,849
Total	27,097	32,417	15,765	20,347

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
Cash	140	140	70	70
Bank deposits	270,020	211,183	170,090	69,352
Total	270,160	211,323	170,160	69,422

As at 30 September 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.70 percent per annum (31 March 2020: 0.05 and 0.70 percent per annum).

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2020	
	Cost	Fair value
<u>Trading securities</u>		
Investment units in open-end fund	106,794	107,032
Total trading securities	106,794	107,032
Add: Changes in fair value	238	
Total trading securities	107,032	

As at 31 March 2020, its subsidiaries had investments in open-end fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

As described in Note 2 and 8 to the interim financial statements, on 1 April 2020, current investments has been reclassified and presented as other current financial assets.

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	March	September	March
	2020	2020	2020	2020
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	-	-	2,630	213
Past due				
Not over 3 months	-	-	25	585
Total trade receivables - related parties	-	-	2,655	798
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	350,147	425,084	173,880	227,993
Past due				
Not over 3 months	106,913	116,445	55,641	56,141
Over 3 months but less than 12 months	270	1,481	-	-
Over 12 months	5,722	4,387	3,412	3,422
Total	463,052	547,397	232,933	287,556
Less: Allowance for doubtful accounts	(6,629)	(5,127)	(3,893)	(3,422)
Total trade receivables - unrelated parties - net	456,423	542,270	229,040	284,134
Total trade receivables - net	456,423	542,270	231,695	284,932
<u>Other receivables</u>				
Other receivables	1,821	7	1,202	7
Interest receivables	12	34	-	-
Total other receivables	1,833	41	1,202	7
Total trade and other receivables - net	458,256	542,311	232,897	284,939

7. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
Inventories	526,861	628,110	294,908	366,950
Less: Reduce cost to net realisable value	(33,631)	(39,363)	(18,526)	(25,665)
Inventories - net	<u>493,230</u>	<u>588,747</u>	<u>276,382</u>	<u>341,285</u>

During the current period, the Group recorded reversal the reduction of cost of inventories by Baht 6 million (Separate financial statements: recorded reversal the reduction of Baht 7 million), to reflect the net realisable value. This was presented as cost of sales.

8. Other current financial assets

Other current financial assets as at 30 September 2020 (and the reclassified balance as at 1 April 2020 as described in Note 2 and 5 to the interim financial statements) comprise the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2020	
	Cost	Fair value
<u>Investment in debt instruments designated at fair value through profit or loss</u>		
Investment units in open-end fund	83,402	83,706
Total other current financial assets	83,402	<u>83,706</u>
Add: Changes in fair value	304	
Total other current financial assets	<u>83,706</u>	

As at 30 September 2020, its subsidiaries have investments in open-end fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

9. Restricted bank deposits

As at 30 September 2020, the Group have deposits with banks of Baht 46 million (31 March 2020: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 23.5 to the interim financial statements.

10. Other non-current financial assets

Other non-current financial assets as at 30 September 2020 (the reclassified as described in Note 2 and 13 to the interim financial statements) comprise the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2020	
	Cost	Fair value
<u>Investment in in equity instrument designated at fair value through profit or loss</u>		
Industrial freehold and leasehold real estate investment trust	2,441	3,662
Total other non-current financial assets	2,441	3,662
Add: Changes in fair value	1,221	
Total other non-current financial assets	3,662	

11. Investment in associated company**11.1 Details of associate**

Company's name	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Thousand Baht)				
					Separate financial statements		Consolidated financial statements		
					Cost method		Carrying amount based on equity method		
					30 September 2020	31 March 2020	30 September 2020	31 March 2020	30 September 2020
			(%)	(%)					
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	12,016	11,626	

11.2 Share of profit and dividend received

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2020	2019	2020	2019
Mory Lohakit (Thailand) Co., Ltd.	300	549	-	-

(Unaudited but reviewed)

(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	
	2020	2019	2020	2019
Mory Lohakit (Thailand) Co., Ltd.	390	1,072	-	-

11.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	30 September	31 March
	2020	2020
Current assets	25.0	24.4
Current liabilities	(0.3)	(0.5)
Non-current liabilities	(0.1)	(0.1)
Net assets	24.6	23.8
Shareholding percentage (%)	49.0	49.0
Share of net assets	12.0	11.6
Carrying amounts of associates based on equity method	12.0	11.6

Summarised information of comprehensive income

(Unit: Million Baht)

For the three-month periods
ended 30 September

	2020	2019
	Revenue	1.0
Profit	0.6	1.1
Other comprehensive income	-	-
Total comprehensive income	0.6	1.1

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods
ended 30 September

	2020	2019
Revenue	1.6	3.5
Profit	0.8	2.2
Other comprehensive income	-	-
Total comprehensive income	0.8	2.2

12. Investments in subsidiaries

12.1 Details of subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost method		Allowance for impairment of investment		Carrying amount based on cost method	
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	(Million Baht)	(Million Baht)	(%)	(%)						
Auto Metal Company Limited	240	240	60	60	144,000	144,000	-	-	144,000	144,000
Alternative EnMat Company Limited	6	6	100	100	5,499	5,499	(1,627)	(1,160)	3,872	4,339
NSC Metal Company Limited	230	230	100	100	258,238	258,238	-	-	258,238	258,238
Total					407,737	407,737	(1,627)	(1,160)	406,110	406,577

12.2 Dividend income

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September		For the six-month periods ended 30 September	
	2020	2019	2020	2019
Auto Metal Company Limited	-	-	72,000	41,760
NSC Metal Company Limited	-	-	2,162	4,600
Total	-	-	74,162	46,360

Auto Metal Company Limited

On 15 June 2020, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 73.00 per share from retained earnings as at 31 March 2020, the subsidiary had paid out the interim dividend of Baht 23.00 per share. The remaining dividend was Baht 50.00 per share and was paid on 26 June 2020.

NSC Metal Company Limited

On 15 June 2020, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 2.66 per share from the operating profit for the period ended 31 March 2020, the subsidiary had paid out the interim dividend of Baht 1.72 per share. The remaining dividend was Baht 0.94 per share and was paid on 26 June 2020.

13. Long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March 2020	
	Cost	Fair value
<u>Investment in marketable unit classified as available-for-sale securities</u>		
Industrial freehold and leasehold real estate investment trust	2,441	3,457
Total available-for-sale securities	2,441	3,457
Add: Changes in fair value	1,016	
Total available-for-sale securities	3,457	

As described in Note 2 and 10 to the interim financial statements, on 1 April 2020, long-term investments - available-for-sale securities has been reclassified and presented as other non-current financial assets.

14. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 April 2020	581,775	308,145
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 2)	7,810	7,810
Acquisitions during period - at cost	3,625	614
Depreciation for the period	(27,358)	(16,347)
Net book value as at 30 September 2020	<u>565,852</u>	<u>300,222</u>

The Company and a subsidiary have mortgaged a part of their 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 Group by the banks as described in Note 23.5 to the interim 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 2020	31 March 2020	30 September 2020	31 March 2020
Cost	253	253	153	153
Net book value	-	-	-	-

15. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020	30 September 2020	31 March 2020
Trust receipts	2.80 - 3.10	3.25 - 3.70	26,733	55,717	2,114	31,255
Total			26,733	55,717	2,114	31,255

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Group's land with structures thereon, unit of condominium, machinery and fixed deposit accounts and guarantees provided by the Company as described in Note 23.5 to the interim financial statements.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
Trade payable - unrelated parties	270,524	344,215	165,419	199,614
Other payables - unrelated parties	16,040	21,072	8,505	11,865
Other payables - related party (Note 3)	998	1,429	-	-
Accrued commission expenses - unrelated parties	18	17	18	17
Accrued expenses	13,094	1,340	5,831	758
Total	300,674	368,073	179,773	212,254

17. Long-term loan

(Unit: Thousand Baht)

	Consolidated financial statement 30 September 2020
Long-term loan	8,000
Less: Current portion	(4,500)
Long-term loan, net of current portion	3,500

As at 30 September 2020, a subsidiary has long-term of Baht 8 million, with interest rate at 2% per annum, repayable in 24 monthly installments. The first installment is paid on the last day of the month from the 7th month. The long-term loan is guaranteed by fixed deposit account of the subsidiary.

18. Statutory reserve of its subsidiaries

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.

19. Income tax

Income tax expenses (income) for the three-month and six-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	4,145	9,224	-	710
Deferred tax:				
Relating to origination and reversal of temporary differences	1,167	(876)	437	(431)
Income tax expenses reported in profit or loss	5,312	8,348	437	279

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	5,028	17,864	-	1,812
Deferred tax:				
Relating to origination and reversal of temporary differences	(544)	(2,935)	(555)	(1,903)
Income tax expenses (income) reported in profit or loss	4,484	14,929	(555)	(91)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on gain from the change in value of available-for-sale investments	-	113	-	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on gain from the change in value of available-for-sale investments	-	215	-	-

As at 30 September 2020 and 31 March 2020, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
Deferred tax assets				
Allowance for impairment of investment in subsidiary	-	-	325	232
Allowance for doubtful accounts	643	341	96	-
Allowance for diminution in value of inventories	6,726	7,873	3,705	5,133
Provision for long-term employee benefits	9,047	8,643	4,726	4,491
Unused tax losses	1,633	294	1,633	-
Lease liabilities	11	-	11	-
	<u>18,060</u>	<u>17,151</u>	<u>10,496</u>	<u>9,856</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
Deferred tax liabilities				
Unrealised gain from fair value measurement of other current financial assets	(60)	(48)	-	-
Unrealised gain from fair value measurement of other non-current financial assets	(244)	(203)	-	-
	(304)	(251)	-	-
Deferred tax assets - net	17,769	16,900	10,496	9,856
Deferred tax liabilities	13	-	-	-

20. 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.

21. Segment information

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

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the three-month and six-month periods ended 30 September 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Revenue from external customers	387	594	132	152	519	746	-	-	519	746
Inter-segment revenue	6	8	-	-	6	8	(6)	(8)	-	-
Total revenue	393	602	132	152	525	754	(6)	(8)	519	746
Operating results										
Segment profit	50	74	14	12	64	86	-	-	64	86
Other income									3	5
Selling and distribution expenses									(13)	(18)
Administrative expenses									(28)	(29)
Finance cost									-	(1)
Profit before income tax expenses									26	43
Income tax expenses									(5)	(8)
Profit for the period									21	35

(Unit: Million Baht)

	For the six-month periods ended 30 September									
	Production and distribution		Procurement and distribution		Total reportable segments		Adjustments and eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Revenue from external customers	661	1,162	269	304	930	1,466	-	-	930	1,466
Inter-segment revenue	12	20	-	-	12	20	(12)	(20)	-	-
Total revenues	673	1,182	269	304	942	1,486	(12)	(20)	930	1,466
Operating results										
Segment profit	67	142	26	26	93	168	-	-	93	168
Other income									8	10
Selling and distribution expenses									(24)	(33)
Administrative expenses									(55)	(66)
Investment in associate accounted for by the equity method									-	1
Finance cost									(1)	(2)
Profit before income tax expenses									21	78
Income tax expenses									(4)	(15)
Profit for the period									17	63

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for the year ended 31 March 2020 (net of interim dividend payment)	Annual General Meeting of the shareholders on 24 July 2020	38.30	0.10
Dividends for the year ended 31 March 2019 (net of interim dividend payment)	Annual General Meeting of the shareholders on 25 July 2019	68.94	0.18

23. Commitments and contingent liabilities**23.1 Operating lease commitments**

The Group have entered into a lease agreement in respect of the office building space. The terms of the agreement are generally 3 years.

Future minimum lease payments required under these non-cancellable operating leases contract was as follows.

	(Unit: Million Baht)	
	30 September 2020	31 March 2020
Payable:		
In up to 1 year	-	3
In over 1 and up to 5 years	-	5

In 2020 the Group adopted the TFRS 16 as at 1 April 2020. Therefore the Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 2 to the interim financial statements.

23.2 Other service commitment

As at 30 September 2020, the Company and a subsidiary had commitments of approximately Baht 2 million relating to a technical assistance service agreement and other agreements (31 March 2020: Baht 7 million).

23.3 Other commitments

As at 30 September 2020, the Company had outstanding commitments of Baht 4.5 million (31 March 2020: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

23.4 Guarantees

As at 30 September 2020, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (31 March 2020: Baht 350 million).

23.5 Credit facilities

As at 30 September 2020, the Group have been granted credit facilities by various banks for which they have placed collaterals, as follows:-

The Company

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461 million, of which totaling Baht 6 million (31 March 2020: Baht 34 million) of the utilised amount 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, have not yet been utilised (31 March 2020: have not yet been utilised). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account.
- Forward foreign exchange contract facilities of Baht 1,000 million, have not yet been utilised (31 March 2020: Baht 5 million). These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, have not yet been utilised (31 March 2020: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facilities of Baht 10 million, have not yet been utilised (31 March 2020: have not yet been utilised). 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 2020: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and loan facilities totaling Baht 506 million, of which Baht 39 million (31 March 2020: Baht 36 million) of the 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, the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million, have not yet been utilised (31 March 2020: have not been utilised). These credit facilities are secured by the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 372 million) and Baht 115 million, or a total approximately Baht 487 million, of which USD 0.02 million (equivalent to Baht 0.6 million) of the utilised amount are outstanding (31 March 2020: have not been utilised).

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (31 March 2020: have not yet been utilised). These credit facilities are secured by a guarantee provided by the Company.
- Overdraft facilities of Baht 5 million have not yet been utilised (31 March 2020: have not yet been utilised). These credit facilities are secured by a guarantee provided by the Company.
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (31 March 2020: have not yet been utilised). These credit facilities are secured by a guarantee provided by the Company.

24. Fair value hierarchy

Since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group endeavors 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

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

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

The Group 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 September 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	83.7	-	83.7
Other non-current financial assets	3.7	-	-	3.7

(Unit: Million Baht)

Consolidated Financial Statements as at 1 April 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in debt securities	-	107.0	-	107.0
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 25)	-	0.3	-	0.3
Investments in marketable units	3.5	-	-	3.5

(Unaudited but reviewed)

(Unit: Million Baht)

Separate Financial Statements as at 1 April 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 25)	-	0.3	-	0.3

During the current period, there were no transfers within the fair value hierarchy.

25. Forward foreign exchange contracts

The Group 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 September 2020	31 March 2020	30 September 2020	31 March 2020	30 September 2020	31 March 2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.05	0.03	0.2	0.2	31.61	32.63
Japanese Yen	0.5	0.5	0.1	3.4	0.2994	0.3006
SG Dollar	-	-	0.01	-	23.4312	-

The Group has outstanding balance of forward foreign exchange contracts which to reduce the exchange rate risk arising from their financial liabilities dominated in foreign currency with the mature within one year. The details are summarised below.

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought (Baht per 1 foreign currency unit)	Sold
As at 30 September 2020				
US Dollar	0.02	-	31.81	-
As at 31 March 2020				
US Dollar	0.15	-	30.81 - 31.23	-

26. Events after the reporting period

- 26.1 On 10 November 2020, a meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 2.68 per share to the subsidiary's ordinary shareholders for the subsidiary's operations from 1 April 2020 to 30 September 2020. This constitutes a total dividend of Baht 6.16 million.
- 26.2 On 11 November 2020, a meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 4.50 per share to the subsidiary's ordinary shareholders for the subsidiary's operations from 1 April 2020 to 30 September 2020. This constitutes a total dividend of Baht 10.80 million.
- 26.3 On 12 November 2020, the Company's Board of Directors Meeting approved the payment of an interim dividend of Baht 0.12 per share to the Company's ordinary shareholders for the Company's operations from 1 April 2020 to 30 September 2020. This constitutes a total dividend of Baht 45.96 million.

27. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 12 November 2020.