

Lohakit Metal Public Company Limited
and its subsidiaries
Review report and interim consolidated
financial statements
For the three-month period ended 30 June 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lohakit Metal Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lohakit Metal Public Company Limited and its subsidiaries as at 30 June 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Lohakit Metal Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 14 August 2019

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries**Statement of income****For the three-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales and service income		719,813	853,769	350,667	421,102
Dividend income	9.2, 10.2	43	41	46,360	57,150
Other income		5,524	6,255	7,553	8,121
Total revenues		725,380	860,065	404,580	486,373
Expenses					
Cost of sales and services		638,349	743,247	328,105	380,931
Selling and distribution expenses		15,509	16,101	10,352	11,035
Administrative expenses	15	36,595	28,794	20,463	16,936
Total expenses		690,453	788,142	358,920	408,902
Profit before share of profit from investment in associate, finance cost and tax income (income tax expenses)					
Share of profit from investment in associate	9.2	523	417	-	-
Income before finance cost and tax income (income tax expenses)		35,450	72,340	45,660	77,471
Finance cost		(1,156)	(1,329)	(424)	(581)
Profit before tax income (income tax expenses)		34,294	71,011	45,236	76,890
Tax income (income tax expenses)	16	(6,581)	(14,113)	370	(3,828)
Profit for the period		27,713	56,898	45,606	73,062
Profit attributable to:					
Equity holders of the Company		17,529	43,314	45,606	73,062
Non-controlling interests of the subsidiary		10,184	13,584		
		27,713	56,898		
Earnings per share					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.05	0.11	0.12	0.19
Weighted average number of ordinary shares (shares)		383,000,000	383,000,000	383,000,000	383,000,000

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

(Unaudited but reviewed)

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the period		<u>27,713</u>	<u>56,898</u>	<u>45,606</u>	<u>73,062</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	11, 16	410	77	-	-
Other comprehensive income for the period		<u>410</u>	<u>77</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>28,123</u>	<u>56,975</u>	<u>45,606</u>	<u>73,062</u>
Total comprehensive income attributable to:					
Equity holders of the Company		17,939	43,391	<u>45,606</u>	<u>73,062</u>
Non-controlling interests of the subsidiary		<u>10,184</u>	<u>13,584</u>		
Total comprehensive income for the period		<u>28,123</u>	<u>56,975</u>		

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

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 30 June 2019

1. General information

1.1 Corporate information

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

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Lohakit Metal Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2019. During the current period, there was no change in the structure of the Group.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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

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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

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 using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2019.

3. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	12,083	13,227	Sale of goods: Market price and cost plus a margin at rate of 5% Service income: Closed to the market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
Rental income	-	-	432	432	Contract price close to the market price
Other service income	-	-	3,900	3,750	Accordance with the negotiation price
Dividend income	-	-	46,360	52,250	As approved by shareholders' meeting
<u>Transactions with related companies</u>					
Others service income	-	60	-	60	Fixed fee per month
Commission fee	1,722	1,849	-	-	Not over 2% of sales
Dividend income	-	-	-	4,900	As approved by shareholders' meeting

As at 30 June 2019 and 31 March 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
<u>Trade receivable - related parties (Note 6)</u>				
Subsidiaries	-	-	2,938	5,517
<u>Other payables - related party (Note 14)</u>				
Associate	2,349	1,843	-	-

Directors and management's benefits

For the three-month periods ended 30 June 2019 and 2018, 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	
	2019	2018	2019	2018
Short-term employee benefits	13,695	11,612	8,254	6,896
Post-employment benefits	4,280	558	3,345	310
Total	<u>17,975</u>	<u>12,170</u>	<u>11,599</u>	<u>7,206</u>

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
Cash	140	140	70	70
Bank deposits	302,161	314,179	122,718	91,682
Total	<u>302,301</u>	<u>314,319</u>	<u>122,788</u>	<u>91,752</u>

As at 30 June 2019, bank deposits in saving accounts and fixed deposits carried interests between 0.37 and 0.90 percent per annum (31 March 2019: between 0.37 and 0.90 percent per annum).

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2019		31 March 2019	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	3,739	3,790	4,331	4,380
Total trading securities	3,739	<u>3,790</u>	4,331	<u>4,380</u>
Add: Changes in fair value	51		49	
Total trading securities	<u>3,790</u>		<u>4,380</u>	

As at 30 June 2019 and 31 March 2019, a subsidiary has investment in Siam Commercial (SCBSFF) Fixed Income Fund which is a debt mutual fund. The fund focuses on investing in debentures issued or guaranteed by the government or corporate.

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	-	-	1,502	3,377
Past due				
Not over 3 months	-	-	1,436	2,140
Total trade receivables - related parties	-	-	2,938	5,517
<u>Trade receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	481,894	529,472	248,884	266,048
Past due				
Not over 3 months	166,123	140,650	76,578	52,462
Over 3 months but less than 12 months	1,025	2,119	-	738
Over 12 months	4,255	4,751	3,488	3,488
Total	653,297	676,992	328,950	322,736
Less: Allowance for doubtful accounts	(4,501)	(5,064)	(3,488)	(3,488)
Total trade receivables - unrelated parties, net	648,796	671,928	325,462	319,248
Total trade receivables - net	648,796	671,928	328,400	324,765
<u>Other receivables</u>				
Other receivables	1,907	1,074	1,696	1,065
Interest receivable	60	49	-	-
Total other receivables	1,967	1,123	1,696	1,065
Total trade and other receivables - net	650,763	673,051	330,096	325,830

7. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
Inventories	725,530	751,222	415,029	414,832
Less: Reduce cost to net realisable value	(36,542)	(34,848)	(25,108)	(24,164)
Inventories - net	688,988	716,374	389,921	390,668

During the current period, the Company and its subsidiaries recorded the reduction of cost of inventories by Baht 2 million (Separate financial statements: recorded the reduction of Baht 1 million), to reflect the net realisable value. This was presented as cost of sales.

8. Restricted bank deposits

As at 30 June 2019, the Company and its subsidiary have deposits with banks of Baht 46 million (31 March 2019: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 20.5 to the financial statements.

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

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			30 June 2019	31 March 2019	Cost method		Carrying amount based on equity method	
			(Percent)	(Percent)	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	10,193	9,670

9.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2019	2018	2019	2018
Mory Lohakit (Thailand) Co., Ltd.	523	417	-	4,900

9.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	30 June	31 March
	2019	2019
Current assets	21.7	20.4
Non-current assets	-	-
Current liabilities	(0.7)	(0.5)
Non-current liabilities	(0.2)	(0.1)
Net assets	20.8	19.8
Shareholding percentage (%)	49.0	49.0
Share of net assets	10.2	9.7
Carrying amounts of associate based on equity method	10.2	9.7

Summarised information about comprehensive income

(Unit: Million Baht)

For the three-month
periods ended 30 June

	2019	2018
Revenue	1.7	1.9
Profit	1.1	0.9
Other comprehensive income	-	-
Total comprehensive income	1.1	0.9

10. Investments in subsidiaries

10.1 Details of subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost method		Allowance for impairment of investment		Carrying amount based on cost method	
	30 June	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June	31 March
	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
	(Million Baht)	(Million Baht)	(Percent)	(Percent)						
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	(997)	(930)	4,502	4,569
NSC Metal Company Limited	230	230	100	100	258,238	258,238	-	-	258,238	258,238
Total					407,737	407,737	(997)	(930)	406,740	406,807

10.2 Dividend income

(Unit: Thousand Baht)

For the three-month periods ended 30 June

Company's name	2019	2018
Auto Metal Company Limited	41,760	39,600
NSC Metal Company Limited	4,600	12,650
Total	46,360	52,250

Auto Metal Company Limited

On 20 June 2019, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 54.00 per share from the operating profit for the year ended 31 March 2019, the subsidiary had paid out the interim dividend of Baht 25.00 per share. The remaining dividend was Baht 29.00 per share and was paid on 26 June 2019.

NSC Metal Company Limited

On 20 June 2019, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 6.50 per share from the operating profit for the year ended 31 March 2019, the subsidiary had paid out the interim dividend of Baht 4.50 per share. The remaining dividend was Baht 2.00 per share and was paid on 26 June 2019.

11. Long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2019		31 March 2019	
	Cost	Fair value	Cost	Fair value
<u>Investment in marketable unit</u> <u>classified as available-for-sale</u> <u>securities</u>				
Industrial freehold and leasehold real estate investment trust	2,441	4,020	2,442	3,508
Less: Capital recovery of investment unit	-	-	(1)	-
Total available-for-sale securities	2,441	4,020	2,441	3,508
Add: Change in fair value	1,579		1,067	
Total available-for-sale securities	4,020		3,508	

12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 April 2019	544,274	262,801
Acquisitions during period - at cost	7,815	4,425
Disposal during period- net book value as at disposal date	(538)	(538)
Depreciation for the period	(13,128)	(8,307)
Net book value as at 30 June 2019	538,423	258,381

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 Company and its subsidiaries by the banks as described in Note 20.5 to the financial statements.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Cost	284	284	174	174
Net book value	-	-	-	-

13. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Bank overdrafts	1.90	1.80	1,653	3,889	-	-
Promissory notes	-	3.65	-	10,000	-	-
Trust receipts	3.60 - 3.98	3.50 - 3.98	71,115	78,357	14,859	13,327
Total			<u>72,768</u>	<u>92,246</u>	<u>14,859</u>	<u>13,327</u>

Bank overdrafts, short-term loans from banks and trust receipts facilities are secured by the Company and its subsidiaries' land with structures thereon, unit of condominium, machineries and fixed deposit accounts and guarantees provided by the Company as described in Note 20.5 to the financial statements.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Trade payable - unrelated parties	422,915	483,219	244,674	269,904
Other payables - unrelated parties	13,105	30,195	5,385	7,204
Other payables - related party (Note 3)	2,349	1,843	-	-
Accrued commission expenses - unrelated parties	20	37	20	37
Accrued expenses	12,899	1,526	5,229	883
Total	451,288	516,820	255,308	278,028

15. Provision for long-term employee benefits

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 8 million (The Company only: Baht 5 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the first quarter of the year ending 31 March 2020.

16. Corporate income tax

Income tax expenses (tax income) for the three-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	8,640	13,555	1,102	3,620
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,059)	558	(1,472)	208
Income tax expenses (tax income) reported in the statements of comprehensive income	6,581	14,113	(370)	3,828

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax on gain from the change in value of available-for-sale investments	(102)	-	-	-
	(102)	-	-	-

As at 30 June 2019 and 31 March 2019, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
Deferred tax assets				
Allowance for impairment of investment in subsidiary	-	-	199	186
Allowance for doubtful accounts	202	315	-	-
Allowance for diminution in value of inventories	7,308	6,969	5,022	4,833
Provision for long-term employee benefit	10,091	8,273	6,330	5,060
Unused tax losses	230	215	-	-
Total	17,831	15,772	11,551	10,079
Deferred tax liabilities				
Unrealised gain from the change in value of available-for-sale investments	(315)	(213)	-	-
Total	(315)	(213)	-	-
Deferred tax assets - net	17,516	15,559	11,551	10,079

17. Forward foreign exchange contracts

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

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	30 June	31 March	30 June	31 March	30 June	31 March
	2019	2019	2019	2019	2019	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	0.1	0.8	0.1	30.70	31.77
Japanese Yen	0.5	0.5	-	0.5	0.2808	0.2867

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

(Unaudited but reviewed)

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought (Baht per 1 foreign currency unit)	Sold
<u>As at 30 June 2019</u>				
US Dollar	0.55	-	31.38 - 31.97	-
<u>As at 31 March 2019</u>				
US Dollar	0.14	-	31.33 - 32.85	-

18. Earnings per share

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

19. Segment information

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 30 June 2019 and 2018, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2019				
	Production and distribution	Procurement and distribution	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue					
Revenue from external customers	568	152	720	-	720
Inter-segment revenue	12	-	12	(12)	-
Total revenues	580	152	732	(12)	720
Operating results					
Segment profit	68	14	82	-	82
Other income					6
Selling and distribution expenses					(15)
Administrative expenses					(37)
Finance cost					(1)
Profit before income tax expenses					35
Income tax expenses					(7)
Profit for the period					28

(Unaudited but reviewed)

(Unit: Million Baht)

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

20. Commitments and contingent liabilities

20.1 Operating lease commitments

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

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

(Unit: Million Baht)

	30 June 2019	31 March 2019
Payable:		
In up to 1 year	1	1

20.2 Other service commitments

As at 30 June 2019, the Company and a subsidiary had commitments of approximately Baht 6 million relating to a technical assistance service agreement and other agreements (31 March 2019: Baht 7 million).

20.3 Other commitments

As at 30 June 2019, the Company had outstanding commitments of Baht 4.5 million (31 March 2019: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

20.4 Guarantees

As at 30 June 2019, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (31 March 2019: Baht 350 million).

20.5 Credit facilities

As at 30 June 2019, the Company and its subsidiaries have been granted credit facilities by various banks for which they have placed collaterals as follows:-

The Company

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461 million, of which totaling Baht 42 million (31 March 2019: Baht 24 million) of 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 2019: 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.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 14 million (31 March 2019: Baht 3 million) of utilised amount are outstanding. These credit facilities are 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, have not yet been utilised (31 March 2019: 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 2019: 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 2019: 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

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 77 million (31 March 2019: Baht 100 million) of utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which is the subsidiary's office, fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million, of which Baht 2 million (31 March 2019: Baht 4 million) of utilised amount are outstanding. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 361 million) and Baht 115 million, or a total approximately Baht 476 million, of which USD 0.1 million (equivalent to Baht 3 million) (31 March 2019: USD 50,000 (equivalent to Baht 2 million)) of utilised amount are outstanding.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (31 March 2019: have not yet been utilised). These credit facilities are secured by the Company.
- Overdraft facilities of Baht 5 million, have not yet been utilised (31 March 2019: have not yet been utilised). These credit facilities are secured by the Company.
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (31 March 2019: have not yet been utilised). These credit facilities are secured by the Company.

20.6 Capital commitment

As at 30 June 2019, the Company and its subsidiary have commitments of approximately Baht 5.2 and USD 1 million, relating to the contract for construction, design and installation of solar cells on the roof, and the purchase of machinery (31 March 2019: Baht 7.5 million and USD 1 million).

21. Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

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

	(Unit: Million Baht)			
	<u>Consolidated Financial Statements as at 30 June 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Current investments	-	3.8	-	3.8
Investment in marketable unit classified as available-for-sale				
Investment	4.0	-	-	4.0
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.55 million, as described in Note 17)	-	16.9	-	16.9

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated Financial Statements as at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	4.4	-	4.4
Investment in marketable unit classified as available-for-sale investment	3.5	-	-	3.5
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.14 million, as described in Note 17)	-	4.3	-	4.3

(Unit: Million Baht)

	Separate Financial Statements as at 30 June 2019			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.45 million, as described in Note 17)	-	13.7	-	13.7

(Unit: Million Baht)

	Separate Financial Statements as at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.09 million, as described in Note 17)	-	2.7	-	2.7

22. Event after the reporting period

On 25 July 2019, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment of Baht 0.37 per share from its net operating profit for the year ended 31 March 2019. However, by the resolution of the meeting of the Company's Board of Directors No. 5/2018 held on 9 November 2018, the Company had paid out the interim dividend of Baht 0.19 per share, for 383 million ordinary shares, to the Company's shareholders totaling Baht 72.77 million on 7 December 2018. The remaining dividend is Baht 0.18 per share, or totaling Baht 68.94 million. The dividend paid on 9 August 2019.

23 Approval of interim consolidated financial statements

These interim consolidated financial statements were authorised for issue by the Company's Board of Directors on 14 August 2019.