

# **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION**

## **To the Board of Directors and the Shareholders of 2S Metal Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of 2S Metal Public Company Limited and subsidiaries as at 30 June 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2020, the consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period then ended, and condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 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 on the interim financial information.

**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 No. 34, "Interim Financial Reporting".

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Grant Thornton Limited

Bangkok

13 August 2020

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		177,639	131,850	107,016	91,549
Trade and other accounts receivable - net	5, 6	383,452	349,077	512,993	444,777
Inventories - net	7	590,469	557,246	516,133	490,734
Deposits for purchase of goods	5	115,701	141,092	115,701	141,092
Short-term loans and accrued interest receivable - subsidiary	5	-	-	22,416	17,416
Refundable value added tax		488	257	488	-
Refundable income tax		2,350	2,350	298	298
Other current assets		7,690	5,673	3,055	2,204
<b>Total Current Assets</b>		<b>1,277,789</b>	<b>1,187,545</b>	<b>1,278,100</b>	<b>1,188,070</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposits with banks		1,052	1,052	1,052	1,052
Investments in subsidiaries	8	-	-	216,770	216,770
Long-term loans receivable - subsidiary	5	-	-	15,386	15,386
Property, plant and equipment - net	9	582,858	552,032	260,221	256,336
Rights-of-use assets - net	3, 5, 10	14,694	-	41,311	-
Investment property - net		1,778	1,946	-	-
Prepaid land rental expense - net	3	-	4,003	-	824
Leasehold rights - net	3	-	2,254	-	-
Intangible assets - net		1,380	1,647	1,262	1,454
Goodwill		15,086	15,086	-	-
Other non-current assets		941	941	938	938
<b>Total Non-Current Assets</b>		<b>617,789</b>	<b>578,961</b>	<b>536,940</b>	<b>492,760</b>
<b>TOTAL ASSETS</b>		<b>1,895,578</b>	<b>1,766,506</b>	<b>1,815,040</b>	<b>1,680,830</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	11	168,501	282,234	168,501	282,234
Short-term loans and accrued interest payable - subsidiary	5	-	-	-	5,000
Trade and other accounts payable	5	39,861	28,605	44,881	34,772
Current portion of long - term lease liabilities	5, 14	1,386	-	3,176	-
Accrued income tax		33,093	-	33,053	-
Value added tax payable		2,402	2,481	-	1,149
Accrued expenses	12	24,248	30,156	19,936	24,674
Deposit received in advance from customer	5	21,228	-	21,228	-
Other current liabilities		6,266	6,904	3,491	5,921
<b>Total Current Liabilities</b>		<b>296,985</b>	<b>350,380</b>	<b>294,266</b>	<b>353,750</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation	13	21,592	20,625	17,752	16,925
Long - term lease liabilities - net	5, 14	7,494	-	37,638	-
Deferred tax liabilities - net	15	14,267	17,836	4,510	6,013
<b>Total Non-Current Liabilities</b>		<b>43,353</b>	<b>38,461</b>	<b>59,900</b>	<b>22,938</b>
<b>TOTAL LIABILITIES</b>		<b>340,338</b>	<b>388,841</b>	<b>354,166</b>	<b>376,688</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 June 2020 (Unaudited but Reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but Reviewed)	31 December 2019 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - common share at Baht 1 par value				
- Registered 549,999,244 shares	550,000	550,000	550,000	550,000
- Issued and paid - up 449,999,095 shares	449,999	449,999	449,999	449,999
Premium on share capital	121,762	121,762	121,762	121,762
Retained earnings				
- Appropriated for legal reserve	45,000	45,000	45,000	45,000
- Unappropriated	912,066	735,949	799,731	642,999
Other components of shareholder's equity	28,181	26,840	44,382	44,382
<b>Shareholders' equity of the Company</b>	<b>1,557,008</b>	<b>1,379,550</b>	<b>1,460,874</b>	<b>1,304,142</b>
Non-controlling interests in subsidiaries	(1,768)	(1,885)	-	-
<b>NET SHAREHOLDERS' EQUITY</b>	<b>1,555,240</b>	<b>1,377,665</b>	<b>1,460,874</b>	<b>1,304,142</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,895,578</b>	<b>1,766,506</b>	<b>1,815,040</b>	<b>1,680,830</b>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
<b>REVENUES</b>					
Revenue from sales		1,478,683	1,342,306	1,470,351	1,370,537
Revenue from sales of by-product		28,713	30,525	27,902	29,308
<b>Total revenues</b>	5, 17	<u>1,507,396</u>	<u>1,372,831</u>	<u>1,498,253</u>	<u>1,399,845</u>
<b>COSTS OF SALES</b>					
Costs of sales	5, 17	<u>(1,342,154)</u>	<u>(1,212,770)</u>	<u>(1,348,703)</u>	<u>(1,248,748)</u>
<b>Gross profit</b>		<u>165,242</u>	<u>160,061</u>	<u>149,550</u>	<u>151,097</u>
Interest income	5, 17	569	370	898	687
Other income	5	6,475	3,170	6,165	4,238
<b>Profit before expenses</b>		<u>172,286</u>	<u>163,601</u>	<u>156,613</u>	<u>156,022</u>
Selling expenses	5, 17	(36,136)	(36,796)	(37,958)	(37,300)
Administrative expenses	5, 17	(30,400)	(28,116)	(25,707)	(22,387)
Loss on exchange rate		(13,531)	(3,579)	(9,022)	(2,473)
<b>Total expenses</b>		<u>(80,067)</u>	<u>(68,491)</u>	<u>(72,687)</u>	<u>(62,160)</u>
<b>Profit before finance costs</b>		<u>92,219</u>	<u>95,110</u>	<u>83,926</u>	<u>93,862</u>
Finance costs	5, 17	(2,561)	(2,389)	(2,952)	(2,449)
<b>Profit before income tax</b>		<u>89,658</u>	<u>92,721</u>	<u>80,974</u>	<u>91,413</u>
Income tax expense	15	(11,601)	(18,195)	(10,919)	(18,448)
<b>Profit for the period</b>		<u>78,057</u>	<u>74,526</u>	<u>70,055</u>	<u>72,965</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items to be not reclassified subsequently to profit or loss</b>					
Actuarial loss - net of tax		-	(4,053)	-	(2,741)
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements - net of tax		3,783	780	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>81,840</u>	<u>71,253</u>	<u>70,055</u>	<u>70,224</u>
<b>ALLOCATION OF PROFIT (LOSS) FOR THE PERIOD</b>					
Portion of the Company's shareholders		78,094	74,499	70,055	72,965
Portion of non-controlling interests		(37)	27	-	-
		<u>78,057</u>	<u>74,526</u>	<u>70,055</u>	<u>72,965</u>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		81,769	71,204	70,055	70,224
Portion of non-controlling interests		71	49	-	-
		<u>81,840</u>	<u>71,253</u>	<u>70,055</u>	<u>70,224</u>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)		0.173	0.166	0.156	0.162
Weighted average number of common shares (Unit : Thousand Shares)		449,999	449,999	449,999	449,999

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
<b>REVENUES</b>					
Revenue from sales		2,931,888	2,774,212	2,928,953	2,761,942
Revenue from sales of by-product		59,374	62,333	57,269	59,489
<b>Total revenues</b>	5, 17	<u>2,991,262</u>	<u>2,836,545</u>	<u>2,986,222</u>	<u>2,821,431</u>
<b>COSTS OF SALES</b>					
Costs of sales	5, 17	<u>(2,626,393)</u>	<u>(2,559,316)</u>	<u>(2,651,264)</u>	<u>(2,564,332)</u>
<b>Gross profit</b>		<u>364,869</u>	<u>277,229</u>	<u>334,958</u>	<u>257,099</u>
Interest income	5, 17	980	617	1,625	1,285
Gain on exchange rate		-	-	2,054	-
Other income	5	11,316	7,388	11,441	8,272
<b>Profit before expenses</b>		<u>377,165</u>	<u>285,234</u>	<u>350,078</u>	<u>266,656</u>
Selling expenses	5, 17	(76,382)	(71,569)	(80,030)	(73,494)
Administrative expenses	5, 17	(54,231)	(51,200)	(44,654)	(40,815)
Loss on exchange rate		(3,439)	(6,006)	-	(4,515)
<b>Total expenses</b>		<u>(134,052)</u>	<u>(128,775)</u>	<u>(124,684)</u>	<u>(118,824)</u>
<b>Profit before finance costs</b>		<u>243,113</u>	<u>156,459</u>	<u>225,394</u>	<u>147,832</u>
Finance costs	5, 17	(4,784)	(5,675)	(5,595)	(5,794)
<b>Profit before income tax</b>		<u>238,329</u>	<u>150,784</u>	<u>219,799</u>	<u>142,038</u>
Income tax expense	15	(30,635)	(26,579)	(31,567)	(26,903)
<b>Profit for the period</b>		<u>207,694</u>	<u>124,205</u>	<u>188,232</u>	<u>115,135</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items to be not reclassified subsequently to profit or loss</b>					
Actuarial loss - net of tax		-	(4,053)	-	(2,741)
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements - net of tax		1,381	(2,380)	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>209,075</u>	<u>117,772</u>	<u>188,232</u>	<u>112,394</u>
<b>ALLOCATION OF PROFIT (LOSS) FOR THE PERIOD</b>					
Portion of the Company's shareholders		207,617	124,232	188,232	115,135
Portion of non-controlling interests		77	(27)	-	-
		<u>207,694</u>	<u>124,205</u>	<u>188,232</u>	<u>115,135</u>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		208,958	117,868	188,232	112,394
Portion of non-controlling interests		117	(96)	-	-
		<u>209,075</u>	<u>117,772</u>	<u>188,232</u>	<u>112,394</u>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)		0.462	0.276	0.418	0.256
Weighted average number of common shares (Unit : Thousand Shares)		449,999	449,999	449,999	449,999

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Thousand Baht)

Note	Shareholders' equity of the Company											
	Other components of equity									Shareholders' equity of the Company	Non-controlling interests	Total
	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other comprehensive income			Total other components of equity				
			Legal Reserve	Unappropriated	Surplus on revaluation of land	Translation adjustment for foreign currency financial statement	Discount on dilution of investment in subsidiaries company					
<b>Consolidated F/S</b>												
<b>Balance as at 1 January 2019</b>	449,999	121,761	45,000	669,620	59,322	-	(29,817)	29,505	1,315,885	(1,699)	1,314,186	
Warrant conversion to common share	-	1	-	-	-	-	-	-	1	-	1	
Cash dividend paid	-	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
<b>Total transactions with shareholders</b>	-	1	-	(31,500)	-	-	-	-	(31,499)	-	(31,499)	
Comprehensive income for the period	-	-	-	120,179	-	(2,311)	-	(2,311)	117,868	(96)	117,772	
<b>Total comprehensive income for the period</b>	-	-	-	120,179	-	(2,311)	-	(2,311)	117,868	(96)	117,772	
<b>Balance as at 30 June 2019</b>	449,999	121,762	45,000	758,299	59,322	(2,311)	(29,817)	27,194	1,402,254	(1,795)	1,400,459	
<b>Balance as at 1 January 2020</b>	449,999	121,762	45,000	735,949	59,322	(2,665)	(29,817)	26,840	1,379,550	(1,885)	1,377,665	
Cash dividend paid	-	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
<b>Total transactions with shareholders</b>	-	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
Comprehensive income for the period	-	-	-	207,617	-	1,341	-	1,341	208,958	117	209,075	
<b>Total comprehensive income for the period</b>	-	-	-	207,617	-	1,341	-	1,341	208,958	117	209,075	
<b>Balance as at 30 June 2020</b>	449,999	121,762	45,000	912,066	59,322	(1,324)	(29,817)	28,181	1,557,008	(1,768)	1,555,240	

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Note	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other components of equity	Total
				Legal Reserve	Unappropriated	Other comprehensive income Surplus on reveluation of land	
<b>Separate F/S</b>							
<b>Balance as at 1 January 2019</b>		449,999	121,761	45,000	590,621	44,382	1,251,763
Warrant conversion to common share		-	1	-	-	-	1
Cash dividend paid		-	-	-	(31,500)	-	(31,500)
<b>Total transactions with shareholders</b>		-	1	-	(31,500)	-	(31,499)
Comprehensive income for the period		-	-	-	112,394	-	112,394
<b>Total comprehensive income for the period</b>		-	-	-	112,394	-	112,394
<b>Balance as at 30 June 2019</b>		449,999	121,762	45,000	671,515	44,382	1,332,658
<b>Balance as at 1 January 2020</b>		449,999	121,762	45,000	642,999	44,382	1,304,142
Cash dividend paid	16	-	-	-	(31,500)	-	(31,500)
<b>Total transactions with shareholders</b>		-	-	-	(31,500)	-	(31,500)
Comprehensive income for the period		-	-	-	188,232	-	188,232
<b>Total comprehensive income for the period</b>		-	-	-	188,232	-	188,232
<b>Balance as at 30 June 2020</b>		449,999	121,762	45,000	799,731	44,382	1,460,874

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED 30 JUNE**

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before income tax	238,329	150,784	219,799	142,038
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Provision (reversal of allowance) for doubtful debts	6,692	(1,554)	6,691	(493)
Reversal of allowance for decline value of inventories	(2,528)	(9,130)	(2,528)	(9,130)
Depreciation □	22,740	20,986	9,692	7,739
Loss (gain) on disposal and written off of fixed assets	-	(479)	-	21
Amortization	462	1,099	219	592
Interest income	(980)	(617)	(1,625)	(1,285)
Interest expense	4,784	5,675	5,595	5,794
Provision for post-employment benefits obligation	967	4,605	827	3,754
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>	<b>270,466</b>	<b>171,369</b>	<b>238,670</b>	<b>149,030</b>
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	(41,069)	(25,175)	(74,907)	(27,826)
Inventories	(30,695)	(18,306)	(22,871)	(25,264)
Deposits for purchase of goods	25,391	201,646	25,391	201,646
Refundable value added tax	(231)	4,779	(488)	4,385
Other current assets	(1,658)	(288)	(851)	(575)
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	11,256	19,767	10,109	21,030
Accrued expenses	(5,132)	(3,419)	(3,962)	(2,094)
Value added tax payable	(79)	2,948	(1,149)	3,072
Deposit received in advance from customer	21,228	6,904	21,228	6,904
Other current liabilities	(638)	766	(2,430)	1,377
<b>Cash received from operating activities</b>	<b>248,839</b>	<b>360,991</b>	<b>188,740</b>	<b>331,685</b>
Interest payment	(5,559)	(5,812)	(6,371)	(5,931)
Income tax paid	(1,469)	(2,994)	(17)	(1,737)
<b>Net cash provided from operating activities</b>	<b>241,811</b>	<b>352,185</b>	<b>182,352</b>	<b>324,017</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Interest income	980	565	1,625	1,233
Acquisition of building and equipment	(52,234)	(24,746)	(11,465)	(5,120)
Sale of equipment	-	536	-	36
Addition to intangible assets	(27)	(754)	(27)	(726)
Collection of loans to subsidiary	-	-	-	2,690
Short-term loan to subsidiary	-	-	(5,000)	-
<b>Net cash used in investing activities</b>	<b>(51,281)</b>	<b>(24,399)</b>	<b>(14,867)</b>	<b>(1,887)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(113,733)	(261,770)	(113,733)	(261,770)
Repayment of short-term loans from subsidiary	-	-	(5,000)	(2,001)
Repayment for liabilities under lease agreement	(889)	(7)	(1,785)	(7)
Proceed from conversion of warrants to common shares	-	1	-	1
Cash dividend payment	(31,500)	(31,500)	(31,500)	(31,500)
<b>Net cash used in financing activities</b>	<b>(146,122)</b>	<b>(293,276)</b>	<b>(152,018)</b>	<b>(295,277)</b>
Translation adjustment for foreign currency financial statements	1,381	(2,380)	-	-
<b>Net increase in cash and cash equivalents - net</b>	<b>45,789</b>	<b>32,130</b>	<b>15,467</b>	<b>26,853</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>131,850</b>	<b>64,827</b>	<b>91,549</b>	<b>48,123</b>
<b>Cash and cash equivalents at end of period</b>	<b>177,639</b>	<b>96,957</b>	<b>107,016</b>	<b>74,976</b>
<b>Supplemental disclosure for cash flows information</b>				
Non - cash transactions :				
Recognition of rights-of-use assets and long-term lease liabilities	9,769	-	42,599	-

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019**  
**(Unaudited but reviewed)**

**1. NATURE OF OPERATIONS**

*The Company*

2S Metal Public Company Limited is engaged in the manufacturing of steel pipes, steel plates, light lip channel and steel wire mesh, and trading of steel products. The Company has following 3 subsidiaries that are engaged in its supporting businesses.

*Its subsidiaries*

- Neastern Steel Co., Ltd., registered in Thailand and is engaged in the manufacturing of steel pipes, steel plates, light lip channels and steel wire mesh.
- Mega Trans and Logis Co., Ltd., registered in Thailand and is engaged in providing transportation services.
- Grand Steel Pipe Industry Co., Ltd., registered in Lao People's Democratic Republic and is engaged in the manufacturing of steel pipes, steel plates and light lip channel, and trading of steel products.

**2. GENERAL INFORMATION AND BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION**

2.1 General information of the company

2S Metal Public Company Limited is a public limited company incorporated and domiciled in Thailand. The Company's registered business address office is 8/5 Moo 14, Tambon Thachang, Amphur Bangklam, Songkhla Province. The Company has three warehouses located in Nakhon Ratchasima, Bangkok and Suratthani Provinces.

2.2 Basis for interim financial statements preparation

The consolidated and separate interim financial statements for the three-month and six-month periods ended 30 June 2020 are presented in Thai Baht. They have been prepared in accordance with TAS No. 34 'Interim Financial Reporting' and the financial reporting requirements promulgated by the Securities and Exchange Commission. These do not include all information in the same manner as required in the annual financial statements in accordance with TFRSs. They therefore should be read in conjunction with the financial statements of the Company and subsidiaries for the year ended 31 December 2019.

The interim financial statements are officially prepared in Thai language. The translation of these financial statements into other language should conform to the official Thai version.

These interim financial statements were approved by the Company's Board of Directors on 13 August 2020.

### 2.3 Coronavirus disease 2019 pandemic

The Coronavirus 2019 pandemic has affected economic slowdown and adversely impact most businesses and industries. This situation may bring uncertainties and have an impact on the logistics 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, using the best information obtained up to the date of this report.

## 3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Group for the year ended 31 December 2019, except for the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance effective 1 January 2020.

### 3.1 Thai Financial Reporting Standards related to "Financial instruments"

TFRS 7	Financial instruments: Disclosure
TFRS 9	Financial instruments
TAS 32	Presentation of Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above Thai Financial Reporting Standards define some new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are formerly used.

However, the adoption of these new standards has no significant impact on the interim financial statements of the Group.

### 3.2 Thai Financial Reporting Standard No.16 "Leases" (TFRS 16)

TFRS 16 defines new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 "Leases", and several leases-related Interpretations. Under this new standard, leases are to be recorded in the statement of financial position in the form of "rights-of-use asset" with corresponding "lease liabilities", except for short-term leases agreement with covering period of less than 12 months or with low value of asset, and provides additional guidance in many areas.

Under the Thai Financial Reporting Standard No. 16 “Leases”, there is no significant changes to the accounting for lessors.

With the Group recognition of the rights-of-use assets and lease liabilities, the nature of expenses relating to leases are accordingly changed whereby depreciation expense on the rights-of-use assets and interest expense on lease liabilities are recognized instead of rental expense from lease agreements as formerly used.

However, lease rental is still use for recording short-term lease or leases of low-value assets on a straight-line basis over the lease term.

The Group chooses to use the modified retrospective approach for the first - time adoption of TFRS 16 to recognize the rights-of-use assets and lease liabilities. This method will have no effect on the retained earnings as at 1 January 2020 and no restatement to the comparative information is required.

The measurement of lease liabilities at 1 January 2020 are as follow:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separated F/S
	_____	_____
Operating lease commitments disclosed as at 31 December 2019	3,798	2,400
<u>Add:</u> Right of purchase or extension options reasonably certain to be exercised	7,200	54,240
	_____	_____
	10,998	56,640
<u>Less:</u> Deferred interest expenses	(1,229)	(14,041)
Lease liabilities from TFRS 16 adoption	9,769	42,599
Finance lease liabilities as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	_____	_____
	9,769	42,599
Classification of lease liabilities;		
- Current portion of long-term lease liabilities	1,467	3,102
- Long-term lease liabilities - net	8,302	39,497
	_____	_____
Total	9,769	42,599
	_____	_____

### 3.3 Impact on the financial information

The adoption of Thai Financial Reporting Standards No. 16 has impacts to the Group's statements of financial position as of 1 January 2020 as follows:

	(Unit: Thousand Baht)		
	Consolidated F/S		
	Based on former accounting policies	Adjustments	As Restated
<b>Statement of financial position</b>			
Rights-of-use assets	-	16,026	16,026
Prepaid land rental expense	4,003	(4,003)	-
Leasehold rights	2,254	(2,254)	-
Long-term lease liabilities	-	9,769	9,769

	(Unit: Thousand Baht)		
	Separate F/S		
	Based on former accounting policies	Adjustments	As Restated
<b>Statement of financial position</b>			
Rights-of-use assets	-	43,423	43,423
Prepaid land rental expense	824	(824)	-
Long-term lease liabilities	-	42,599	42,599

## 4. ESTIMATES

When preparing the interim financial statements, management undertakes judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, are the same as those applied in the annual financial statements for the year ended 31 December 2019.

## 5. RELATED PARTY TRANSACTIONS

The Group has significant transactions with related parties that are related through common shareholding and/or directorship. Thus, the consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Group and its related parties, which might be different from the basis used for transactions with unrelated parties.

### Pricing policies

Transactions	Pricing policies
Sales, purchase of goods, and transportation service	Agreed-upon basis based on market price
Rent of assets, other service income, and expense	Mutually agreed
Interest income and expense	As specified in agreement
Manufacturing cost	Cost plus margin at 22% - 23%

Significant balances with related parties as at 30 June 2020 and 31 December 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	139,187	103,382
Related company	43,027	41,570	43,027	41,570
<b>Total</b>	<b>43,027</b>	<b>41,570</b>	<b>182,214</b>	<b>144,952</b>
<b>Deposits for purchase of goods</b>				
Related company	476	-	476	-
<b>Short-term loans and interest receivable</b>				
Subsidiaries company	-	-	22,416	17,416
<b>Long-term loans receivable</b>				
Subsidiary company	-	-	15,386	15,386
<b>Total loans and interest receivable</b>	<b>-</b>	<b>-</b>	<b>37,802</b>	<b>32,802</b>

Significant movements in loans to subsidiary and accrued interest income for the six-month period ended 30 June 2020 are as follows:

	(Unit: Thousand Baht)			
	1 January	During the period		30 June
	2020	Increase	Decrease	2020
Subsidiary company	32,802	8,000	(3,000)	37,802

Short-term loans to subsidiary in Thailand had been granted without collateral, bear interest at MRR per annum and are repayable on demand.

Long term loans to subsidiary in Thailand had been granted without collateral and bear interest at 4.00 percent per annum, which is payable monthly, while the principal is due at the end of year 2021.

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<b>Short-term loans and accrued interest payable</b>				
Subsidiary company	-	-	-	5,000
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	11,736	10,121
Related companies	10,156	11,510	10,156	11,510
Total	10,156	11,510	21,892	21,631
<b>Long-term lease liabilities</b>				
Subsidiary companies	-	-	33,262	-
Related company	5,835	-	5,835	-
Total	5,835	-	39,097	-
<b>Deposit received in advance from customer</b>				
Related company	21,228	-	21,228	-
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	13,152	12,656	10,377	9,973

Significant movements in loans and accrued interest payable from subsidiary for the six-month period ended 30 June 2020 are as follows:

	(Unit: Thousand Baht)			
	1 January	During the period		30 June
	2020	Increase	Decrease	2020
Subsidiary company	5,000	2,001	(7,001)	-

Loans from subsidiary in Thailand are uncollateralized and bear interest at 3.40 percent per annum, which approximate market rates in Thailand. The principal amounts are repayable on demand.

Significant transactions with related parties for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
<b>Sales</b>				
Related companies	172,287	129,092	172,287	129,092
Subsidiary companies	-	-	50,641	94,539
Total	172,287	129,092	222,928	223,631
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	65	65
<b>Interest income</b>				
Subsidiary company	-	-	335	331
<b>Purchase of goods and service</b>				
Related companies	131,893	169,944	131,893	169,944
<b>Manufacturing costs</b>				
Subsidiary company	-	-	25,925	22,725
<b>Transportation service</b>				
Subsidiary company	-	-	16,877	15,798

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
<b>Assets rental and other service expense</b>				
Related company	300	300	300	300
Related person	-	26	-	-
Subsidiary company	-	-	1,259	1,325
Total	300	326	1,559	1,625
<b>Interest expense</b>				
Subsidiary company	-	-	-	60
<b>Key management personnel compensation</b>				
Short-term employee benefits	5,625	5,610	4,251	4,196
Post-employment benefits	248	2,502	202	1,885
Total	5,873	8,112	4,453	6,081

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month period ended 30 June			
	2020	2019	2020	2019
<b>Sales</b>				
Related companies	288,841	197,312	288,841	197,312
Subsidiary companies	-	-	117,961	129,616
Total	288,841	197,312	406,802	326,928
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	180	130
<b>Interest income</b>				
Subsidiary company	-	-	651	681
<b>Purchase of goods and service</b>				
Related companies	317,826	289,540	317,879	289,540
<b>Manufacturing costs</b>				
Subsidiary company	-	-	51,879	44,375
<b>Transportation service</b>				
Subsidiary company	-	-	35,821	33,099

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month period ended 30 June			
	2020	2019	2020	2019
<b>Asset rental and other service expense</b>				
Related company	600	600	600	600
Related person	-	51	-	-
Subsidiary company	-	-	2,590	2,662
Total	600	651	3,190	3,262
<b>Interest expense</b>				
Subsidiary company	-	-	26	119
<b>Key management personnel compensation</b>				
Short-term employee benefits	11,251	11,111	8,503	8,341
Post-employment benefits	496	2,656	404	2,022
Total	11,747	13,767	8,907	10,363

As at 30 June 2020, a subsidiary company jointly guaranteed the Company's credit facilities granted by a financial institution totaling Baht 37.98 million by mortgaging land valuing Baht 6 million as a secondary guarantee.

## 6. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade accounts receivable – general customers	340,416	307,497	330,779	299,825
Trade accounts receivable – related companies	43,027	41,570	182,212	144,952
Total	383,443	349,067	512,991	444,777
Other accounts receivable – general customers	9	10	-	-
Other accounts receivable – subsidiaries company	-	-	2	-
Total	9	10	2	-
Total trade and other accounts receivable	383,452	349,077	512,993	444,777

Aging analysis of the trade accounts receivable - general customers and related companies as at 30 June 2020 and 31 December 2019 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	344,944	278,005	399,720	335,026
Past due:				
Less than 3 months	34,549	63,204	92,996	101,893
3 - 6 months	3,212	6,135	10,459	6,135
6 - 12 months	6,402	678	15,481	678
Over 12 months	9,651	9,668	9,513	9,532
Total	<u>398,758</u>	<u>357,690</u>	<u>528,169</u>	<u>453,264</u>
<u>Less</u> Allowance for doubtful accounts	<u>(15,315)</u>	<u>(8,623)</u>	<u>(15,178)</u>	<u>(8,487)</u>
Trade accounts receivable - general customers and related companies – net	<u>383,443</u>	<u>349,067</u>	<u>512,991</u>	<u>444,777</u>

During the period, the movements in allowance for doubtful accounts are as follows:

	(Unit: Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2020	(8,623)	(8,487)
<u>Add</u> Allowance for doubtful accounts	(7,004)	(6,996)
<u>Less</u> Reversal of allowance for doubtful accounts	312	305
Balance as at 30 June 2020	<u>(15,315)</u>	<u>(15,178)</u>

## 7. INVENTORIES – NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Raw materials	242,464	162,749	222,399	155,105
Work in process	57,882	62,749	48,087	56,983
Finished goods	282,658	326,562	241,454	276,657
Materials and goods in transit	3,496	3,844	3,496	3,844
Factory supplies	4,757	4,658	1,485	1,461
Total	591,257	560,562	516,921	494,050
<u>Less</u> Allowance for decline value of inventories	(788)	(3,316)	(788)	(3,316)
Net	590,469	557,246	516,133	490,734

During the period, the movements in allowance for decline value of inventories are as follows:

	(Unit: Thousand Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2020	(3,316)
<u>Add</u> Additional allowance during the period	(3,474)
<u>Less</u> Reversal of allowance during the period	6,002
Balance as at 30 June 2020	(788)

## 8. INVESTMENTS IN SUBSIDIARIES

	(Unit : Thousand Baht)							
	Paid-up capital		Percentage of shareholding		Separate F/S			
					30 June 2020		31 December 2019	
	2020	2019	2020	2019	Investment		Investment	
				At cost	Dividend income	At cost	Dividend income	
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	99,000	-	99,000	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	30,000	-	30,000	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	-	87,770	-
Total					216,770	-	216,770	-



## 11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Thousand Baht)

	Consolidated and Separate F/S	
	30 June 2020	31 December 2019
Promissory notes	85,000	150,000
Liabilities under trust receipt agreements	83,501	132,234
Total	<u>168,501</u>	<u>282,234</u>

Short-term loans from financial institutions bear interest at MIT, MLR – 3% to MRR per annum.

These are collateralized by the pledge of the fixed deposits, the mortgages of land and construction thereon and machinery as mentioned in Note 9, the transfer of the right to receive insurance claims, and cross guarantees among all related companies totaling Baht 840 million.

## 12. ACCRUED EXPENSES

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Accrued transportation	9,805	8,186	9,805	8,186
Accrued bonuses	6,887	13,209	5,330	10,660
Accrued salary and other employees benefits	2,955	3,776	2,440	3,013
Accrued utilities	3,006	2,943	1,273	1,365
Accrued other expenses	1,582	1,254	1,075	662
Accrued interest	13	788	13	788
Total	<u>24,248</u>	<u>30,156</u>	<u>19,936</u>	<u>24,674</u>

### 13. EMPLOYEE BENEFITS OBLIGATION

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Beginning balance	20,625	10,447	16,925	9,287
Provision expense recorded in the profit or loss				
- Current service costs	704	665	603	601
- Past service costs	-	4,097	-	3,296
- Finance costs	263	350	224	315
Loss from actuarial estimates charged to other comprehensive income	-	5,066	-	3,426
Ending balance	21,592	20,625	17,752	16,925

### 14. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as at 30 June 2020	9,898	53,860
<u>Less</u> Deferred interest	(1,018)	(13,046)
Present value of liabilities under lease agreements	8,880	40,814
<u>Less</u> Current portion	(1,386)	(3,176)
Long-term lease liabilities	7,494	37,638

## 15. DEFERRED TAX AND INCOME TAX

### *Income tax*

Income tax recognized in the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax	13,297	19,333	12,370	19,153
Deferred tax from temporary differences	(1,696)	(1,138)	(1,451)	(705)
<b>Total income tax expenses</b>	<b>11,601</b>	<b>18,195</b>	<b>10,919</b>	<b>18,448</b>

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax	34,204	27,835	33,070	27,654
Deferred tax from temporary differences	(3,569)	(1,256)	(1,503)	(751)
<b>Total income tax expenses</b>	<b>30,635</b>	<b>26,579</b>	<b>31,567</b>	<b>26,903</b>

### *Deferred income tax asset and liability*

The movements in deferred income tax assets/liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2020	Statement of income	Other comprehensive income	30 June 2020
<b>Deferred tax assets from:</b>				
Provision for employee benefits obligation	4,125	193	-	4,318
Allowance for doubtful of accounts receivable	1,697	1,338	-	3,035
<b>Deferred tax liabilities from:</b>				
Surplus from fair value of land, buildings, and equipment	(23,658)	2,038	-	(21,620)
<b>Deferred tax liabilities, net</b>	<b>(17,836)</b>	<b>3,569</b>	<b>-</b>	<b>(14,267)</b>

(Unit : Thousand Baht)

	Separate F/S			30 June 2020
	Recognised as income (expense)		Other comprehensive income	
	1 January 2020	Statement of income		
<b>Deferred tax assets from:</b>				
Provision for employee benefits obligation	3,385	165	-	3,550
Allowance for doubtful of accounts receivable	1,697	1,338	-	3,035
<b>Deferred tax liabilities from:</b>				
Surplus from fair value of land	(11,095)	-	-	(11,095)
<b>Deferred tax liabilities, net</b>	<b>(6,013)</b>	<b>1,503</b>	<b>-</b>	<b>(4,510)</b>

As at 30 June 2020, the Company and subsidiaries have not recognized deferred tax assets as follows:

- In the consolidated financial statements, the subsidiary's taxable loss carried forward of Baht 11.55 million (31 December 2019: Baht 14.53 million) since the subsidiary believe that future taxable profits may not be sufficient to utilize unused tax losses.
- In the consolidated financial statements and separate financial statements – the effect on allowance for decline value of inventories of Baht 0.79 million (31 December 2019: Baht 3.32 million) since the Company is in the process to determine the effect in the future.

On 15 July 2019, the Company was granted for corporate income tax exemption privilege under the promotion for investment in solar rooftop from the Board of Investment on profit derived from the promoted cold-formed structural steel sections activities not more than 50 percent of the investment totalling Baht 26.60 million for a period of three years commencing the start of revenue recognition on 4 September 2019.

## 16. DIVIDEND PAYMENT

At the Board of Director Meeting No. 2/2020 held on 25 March 2020, the board of directors passed a resolution to approve the payment of interim dividend from non-promoted profit and retained earnings as at 31 December 2019 of Baht 0.07 per share for 450 million common shares totaling Baht 31.50 million. The interim dividend was paid on 21 April 2020.

## 17. SEGMENT REPORTING

Segment reporting for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 30 June							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	479.63	427.00	1,027.77	945.83	-	-	1,507.40	1,372.83
Revenues from inter-segments	49.04	92.80	26.92	22.73	(75.96)	(115.53)	-	-
<b>Total revenues</b>	<b>528.67</b>	<b>519.80</b>	<b>1,054.69</b>	<b>968.56</b>	<b>(75.96)</b>	<b>(115.53)</b>	<b>1,507.40</b>	<b>1,372.83</b>
Interest income	0.29	0.24	0.61	0.52	(0.33)	(0.39)	0.57	0.37
Interest expense	(1.05)	(0.86)	(2.24)	(1.92)	0.73	0.39	(2.56)	(2.39)
Depreciation and amortization expenses	-	-	(12.10)	(11.11)	0.49	0.03	(11.61)	(11.08)
<b>Segment profits</b>	<b>10.58</b>	<b>9.02</b>	<b>65.06</b>	<b>67.85</b>	<b>2.42</b>	<b>(2.35)</b>	<b>78.06</b>	<b>74.52</b>
Segment assets	632.92	608.42	1,262.66	1,133.68	-	-	1,895.58	1,742.10
Increase in segment non-current assets	-	-	38.83	3.36	-	-	38.83	3.36
Segment liabilities	-	-	340.34	341.64	-	-	340.34	341.64

(Unit : Million Baht)

	Consolidated F/S							
	For the six-month periods ended 30 June							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	907.03	838.08	2,084.23	1,998.46	-	-	2,991.26	2,836.54
Revenues from inter-segments	107.34	126.83	60.66	44.37	(168.00)	(171.20)	-	-
<b>Total revenues</b>	<b>1,014.37</b>	<b>964.91</b>	<b>2,144.89</b>	<b>2,042.83</b>	<b>(168.00)</b>	<b>(171.20)</b>	<b>2,991.26</b>	<b>2,836.54</b>
Interest income	0.50	0.42	1.16	1.00	(0.68)	(0.80)	0.98	0.62
Interest expense	(1.89)	(1.91)	(4.35)	(4.56)	1.46	0.80	(4.78)	(5.67)
Depreciation and amortization expenses	-	-	(24.38)	(22.15)	1.18	0.06	(23.20)	(22.09)
<b>Segment profits</b>	<b>27.22</b>	<b>17.87</b>	<b>178.32</b>	<b>105.41</b>	<b>2.15</b>	<b>0.93</b>	<b>207.69</b>	<b>124.21</b>
Segment assets	608.63	558.88	1,286.95	1,183.22	-	-	1,895.58	1,742.10
Increase in segment non-current assets	-	-	38.83	3.36	-	-	38.83	3.36
Segment liabilities	-	-	340.40	341.64	-	-	340.40	341.64

The Group discloses the revenue disaggregate by primary geographical area as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 30 June							
	Trading (include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Local	528.40	519.80	995.78	902.78	(75.96)	(115.53)	1,448.22	1,307.05
Lao People's Democratic Republic	0.27	-	58.91	65.78	-	-	59.18	65.78
<b>Total</b>	<b>528.67</b>	<b>519.80</b>	<b>1,054.69</b>	<b>968.56</b>	<b>(75.96)</b>	<b>(115.53)</b>	<b>1,507.40</b>	<b>1,372.83</b>

(Unit : Million Baht)

	Consolidated F/S							
	For the six-month periods ended 30 June							
	Trading (include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Local	1,013.77	964.91	2,024.33	1,900.89	(167.49)	(171.20)	2,870.61	2,694.60
Lao People's Democratic Republic	0.60	-	120.56	141.94	(0.51)	-	120.65	141.94
<b>Total</b>	<b>1,014.37</b>	<b>964.91</b>	<b>2,144.89</b>	<b>2,042.83</b>	<b>(168.00)</b>	<b>(171.20)</b>	<b>2,991.26</b>	<b>2,836.54</b>

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2020, the Company has commitments and contingent liabilities as follows:

- 18.1 The Company has two agreements dated 19 November 2007 and 5 January 2019 with other persons for the rent of land where two warehouses located in Surat Thani province for 15 years and 7 years, respectively. The rent for this land is Baht 0.50 million per annum. When the land-lease agreements expire, the ownership of the warehouses will become the properties of the lessor, except for the building's equipment that should be returned to the Company.
- 18.2 A subsidiary has two land-lease agreements dated 2 August 2011 and 1 August 2015 with other persons for the right to use land located in Vientiane for 15 and 30 years, respectively. The rent for this land is Baht 0.46 million per annum. When the land-lease agreements expire, the ownership of the warehouses which are located on leased land will become the properties of the lessor.
- 18.3 The Company has agreements dated 1 January 2020 with related company for the rent of land where warehouse is located in Sumut Prakan province for 3 years. The rent for this land is Baht 1.20 million per annum.

18.4 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 670.78 million and Baht 117.60 million, respectively, in the consolidated and separate financial statements.

18.5 As at 30 June 2020 and 31 December 2019, the letter of guarantee and credit facilities of the Company and subsidiary are as follows:

(Unit: Million Baht)

		Consolidated F/S					
		30 June 2020			31 December 2019		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	2.61	2.61	-	2.61	2.61	-
Bank overdrafts	Baht	15.00	-	15.00	15.00	-	15.00
Promissory note and trust receipt agreement	Baht	990.00	168.50	821.50	990.00	282.23	707.77

(Unit : Million Baht)

		Separate F/S					
		30 June 2020			31 December 2019		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	1.05	1.05	-	1.05	1.05	-
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	168.50	821.50	990.00	282.23	707.77

The above obligations are collateralized by same assets as for the credit facilities received from the financial institution as mentioned in Note 9.

## 19. FAIR VALUE MEASUREMENT

Fair value is the price that would be received from sell of asset or paid for liability for ordinary transactions between market participants at the measurement date.

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair values are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability were categorized in different levels of the fair value hierarchy, the fair value measurement is categorized entirely in the lowest hierarchy of the input that is significant to the entire measurement.

The carrying value of financial assets and liabilities of the Group are considered to approximate their fair value.

Non-financial assets measured at fair value as at 30 June 2020 are as follow;

		(Unit : Thousand Baht)			
		Consolidated F/S			
		Level 1	Level 2	Level 3	Total
<b>Non-financial assets</b>					
	Land at re-appraised value	-	151,921	-	151,921

		(Unit : Thousand Baht)			
		Separate F/S			
		Level 1	Level 2	Level 3	Total
<b>Non-financial assets</b>					
	Land at re-appraised value	-	104,157	-	104,157

The Group re-measured the land in 2015 using the Market Approach. The fair value is calculated using the market approach based on the comparable land price, then adjusted with factors which impact both the land and the comparable land. The Weighted Quality Score (WQS) is then used to define the land fair value.

As at 30 June 2020 and 31 December 2019, the Company has forward exchange contract with a commercial bank to hedge the receipt and payment of foreign currencies. The Company has not recorded the forward exchange amount in the financial statements. The maturity dates of open forward exchange contracts which are not over 1 year are detailed as follow:

Contract Value		Contract Value	
Million USD currency		Million BAHT currency	
CONSOLIDATED and SEPARATE F/S		CONSOLIDATED and SEPARATE F/S	
2020	2019	2020	2019
4.00	6.00	126.11	181.55

The fair value, (level 2), of the derivatives with an open status at years ended are as follow:

	(Unit : Million Baht)	
	Consolidated and Separate F/S	
	2020	2019
Fair value of forward foreign currency contract	2.54	0.98