

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Board of Directors and 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 September 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2020, the consolidated and separate statements of changes in shareholders’ equity and cash flows for the nine-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

11 November 2020

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		91,839	131,850	78,301	91,549
Trade and other accounts receivable - net	5, 6	304,896	349,077	368,524	444,777
Inventories - net	7	793,164	557,246	732,144	490,734
Deposits for purchase of goods	5	108,976	141,092	108,976	141,092
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	27,116	17,416
Refundable value added tax		8,260	257	8,260	-
Refundable income tax		1,676	2,350	298	298
Advance payment for importing materials		12,965	-	12,965	-
Other current assets		7,458	5,673	4,107	2,204
Total Current Assets		1,329,234	1,187,545	1,340,691	1,188,070
NON-CURRENT ASSETS					
Restricted deposits with banks	8	72,357	1,052	72,357	1,052
Investments in subsidiaries	9	-	-	216,770	216,770
Long-term loans receivable - subsidiary	5	-	-	12,686	15,386
Property, plant and equipment - net	10	603,824	552,032	278,742	256,336
Rights-of-use assets - net	3, 5, 11	14,121	-	89,447	-
Investment property - net		1,693	1,946	-	-
Prepaid land rental expense - net	3	-	4,003	-	824
Leasehold rights - net	3	-	2,254	-	-
Intangible assets - net		1,403	1,647	1,155	1,454
Goodwill		15,086	15,086	-	-
Other non-current assets		1,541	941	1,538	938
Total Non-Current Assets		710,025	578,961	672,695	492,760
TOTAL ASSETS		2,039,259	1,766,506	2,013,386	1,680,830

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	12	247,016	282,234	247,016	282,234
Short-term loans and accrued interest payable - subsidiary	5	-	-	-	5,000
Trade and other accounts payable	5	31,719	28,605	39,055	34,772
Current portion of long-term lease liabilities	5, 14	1,401	-	5,066	-
Accrued income tax		27,863	-	27,488	-
Value added tax payable		1,951	2,481	-	1,149
Accrued expenses	13	26,353	30,156	22,096	24,674
Other current liabilities		5,544	6,904	2,787	5,921
Total Current Liabilities		341,847	350,380	343,508	353,750
NON-CURRENT LIABILITIES					
Employee benefits obligation	14	22,075	20,625	18,166	16,925
Long-term lease liabilities - net	5, 15	7,279	-	84,454	-
Deferred tax liabilities - net	16	13,225	17,836	3,753	6,013
Total Non-Current Liabilities		42,579	38,461	106,373	22,938
TOTAL LIABILITIES		384,426	388,841	449,881	376,688

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 September 2020 (Unaudited but Reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but Reviewed)	31 December 2019 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
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	1,013,710	735,949	902,362	642,999
Other components of shareholder's equity	26,395	26,840	44,382	44,382
Shareholders' equity of the Company	1,656,866	1,379,550	1,563,505	1,304,142
Non-controlling interests in subsidiaries	(2,033)	(1,885)	-	-
NET SHAREHOLDERS' EQUITY	1,654,833	1,377,665	1,563,505	1,304,142
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,039,259	1,766,506	2,013,386	1,680,830

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
REVENUES					
Revenue from sales		1,266,307	1,166,914	1,245,838	1,142,657
Revenue from sales of by-product		28,984	28,862	28,111	27,649
Total revenues	5, 18	<u>1,295,291</u>	<u>1,195,776</u>	<u>1,273,949</u>	<u>1,170,306</u>
COSTS OF SALES					
Costs of sales	5	<u>(1,102,596)</u>	<u>(1,141,487)</u>	<u>(1,094,533)</u>	<u>(1,126,943)</u>
Gross profit		<u>192,695</u>	<u>54,289</u>	<u>179,416</u>	<u>43,363</u>
Interest income	5, 18	579	229	930	541
Gain on exchange rate		-	-	3,772	-
Other income	5	4,914	5,708	5,322	6,621
Profit before expenses		<u>198,188</u>	<u>60,226</u>	<u>189,440</u>	<u>50,525</u>
Selling expenses	5	(31,352)	(32,441)	(32,500)	(33,151)
Administrative expenses	5	(29,643)	(23,184)	(25,048)	(18,871)
Loss on exchange rate		(6,817)	(2,178)	-	(308)
Total expenses		<u>(67,812)</u>	<u>(57,803)</u>	<u>(57,548)</u>	<u>(52,330)</u>
Profit (loss) before finance costs		<u>130,376</u>	<u>2,423</u>	<u>131,892</u>	<u>(1,805)</u>
Finance costs	5, 18	(1,732)	(2,690)	(2,516)	(2,750)
Profit (loss) before income tax		<u>128,644</u>	<u>(267)</u>	<u>129,376</u>	<u>(4,555)</u>
Income tax expense	16	(27,212)	(846)	(26,746)	(617)
Profit (loss) for the period		<u>101,432</u>	<u>(1,113)</u>	<u>102,630</u>	<u>(5,172)</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		(1,839)	(553)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>99,593</u>	<u>(1,666)</u>	<u>102,630</u>	<u>(5,172)</u>
ALLOCATION OF PROFIT (LOSS) FOR THE PERIOD					
Portion of the Company's shareholders		101,644	(1,086)	102,630	(5,172)
Portion of non-controlling interests		(212)	(27)	-	-
		<u>101,432</u>	<u>(1,113)</u>	<u>102,630</u>	<u>(5,172)</u>
ALLOCATION OF COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD					
Portion of the Company's shareholders		99,858	(1,623)	102,630	(5,172)
Portion of non-controlling interests		(265)	(43)	-	-
		<u>99,593</u>	<u>(1,666)</u>	<u>102,630</u>	<u>(5,172)</u>
BASIC EARNINGS (LOSS) PER SHARE					
Profit (Loss) of the Company's shareholders (Baht per share)		0.225	(0.002)	0.228	(0.011)
Weighted average number of common shares (Unit : Thousand Shares)		<u>449,999</u>	<u>449,999</u>	<u>449,999</u>	<u>449,999</u>

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
REVENUES					
Revenue from sales		4,198,195	3,941,126	4,174,791	3,904,599
Revenue from sales of by-product		88,358	91,195	85,380	87,138
Total revenues	5, 18	4,286,553	4,032,321	4,260,171	3,991,737
COSTS OF SALES					
Costs of sales	5	(3,728,710)	(3,700,302)	(3,745,797)	(3,691,276)
Gross profit		557,843	332,019	514,374	300,461
Interest income	5, 18	1,559	846	2,555	1,826
Gain on exchange rate		-	-	5,826	-
Other income	5	15,974	13,096	16,763	14,894
Profit before expenses		575,376	345,961	539,518	317,181
Selling expenses	5	(107,757)	(104,511)	(112,530)	(106,644)
Administrative expenses	5	(83,874)	(74,384)	(69,702)	(59,686)
Loss on exchange rate		(10,256)	(8,184)	-	(4,823)
Total expenses		(201,887)	(187,079)	(182,232)	(171,153)
Profit before finance costs		373,489	158,882	357,286	146,028
Finance costs	5, 18	(6,516)	(8,366)	(8,111)	(8,544)
Profit before income tax		366,973	150,516	349,175	137,484
Income tax expense	16	(57,847)	(27,424)	(58,312)	(27,520)
Profit for the period		309,126	123,092	290,863	109,964
OTHER COMPREHENSIVE INCOME (LOSS)					
Items not to be reclassified subsequently to profit or loss					
Actuarial loss - net of tax		-	(4,053)	-	(2,741)
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		(458)	(2,933)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		308,668	116,106	290,863	107,223
ALLOCATION OF PROFIT (LOSS) FOR THE PERIOD					
Portion of the Company's shareholders		309,261	123,147	290,863	109,964
Portion of non-controlling interests		(135)	(55)	-	-
		309,126	123,092	290,863	109,964
ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD					
Portion of the Company's shareholders		308,816	116,245	290,863	107,223
Portion of non-controlling interests		(148)	(139)	-	-
		308,668	116,106	290,863	107,223
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht per share)		0.687	0.274	0.646	0.244
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

(Unit : Thousand Baht)

Note	Shareholders' equity of the Company											
	Other components of equity										Non-controlling interests	Total
	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other comprehensive income			Discount on dilution of investment in subsidiaries company	Total other components of equity	Shareholders' equity of the Company		
			Legal Reserve	Unappropriated	Surplus on revaluation of land	Translation adjustment for foreign currency financial statement	Total					
Consolidated F/S												
Balance as at 1 January 2019	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	-	-	-	(63,000)	-	-	-	-	(63,000)	-	(63,000)	
Total transactions with shareholders	-	1	-	(63,000)	-	-	-	-	(62,999)	-	(62,999)	
Comprehensive income for the period	-	-	-	119,094	-	(2,848)	-	(2,848)	116,246	(139)	116,107	
Total comprehensive income for the period	-	-	-	119,094	-	(2,848)	-	(2,848)	116,246	(139)	116,107	
Balance as at 30 September 2019	449,999	121,762	45,000	725,714	59,322	(2,848)	(29,817)	26,657	1,369,132	(1,838)	1,367,294	
Balance as at 1 January 2020	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)	
Total transactions with shareholders	-	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
Comprehensive income for the period	-	-	-	309,261	-	(445)	-	(445)	308,816	(148)	308,668	
Total comprehensive income for the period	-	-	-	309,261	-	(445)	-	(445)	308,816	(148)	308,668	
Balance as at 30 September 2020	449,999	121,762	45,000	1,013,710	59,322	(3,110)	(29,817)	26,395	1,656,866	(2,033)	1,654,833	

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

(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	
Separate F/S							
Balance as at 1 January 2019		449,999	121,761	45,000	590,621	44,382	1,251,763
Warrant conversion to common share		-	1	-	-	-	1
Cash dividend paid		-	-	-	(63,000)	-	(63,000)
Total transactions with shareholders		-	1	-	(63,000)	-	(62,999)
Comprehensive income for the period		-	-	-	107,223	-	107,223
Total comprehensive income for the period		-	-	-	107,223	-	107,223
Balance as at 30 September 2019		449,999	121,762	45,000	634,844	44,382	1,295,987
Balance as at 1 January 2020		449,999	121,762	45,000	642,999	44,382	1,304,142
Cash dividend paid	17	-	-	-	(31,500)	-	(31,500)
Total transactions with shareholders		-	-	-	(31,500)	-	(31,500)
Comprehensive income for the period		-	-	-	290,863	-	290,863
Total comprehensive income for the period		-	-	-	290,863	-	290,863
Balance as at 30 September 2020		449,999	121,762	45,000	902,362	44,382	1,563,505

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	366,973	150,516	349,175	137,484
Adjustments to reconcile profit before income tax to net cash provided from operating activities:				
Provision (reversal of allowance) for impairment of account receivable	10,061	(2,299)	10,061	(1,230)
Reversal of allowance for decline value of inventories	(1,826)	9,826	(1,826)	9,826
Depreciation □	34,798	31,546	15,068	11,727
Loss (gain) on disposal and fixed assets written off	(109)	(479)	(109)	21
Amortization	445	1,618	326	854
Interest income	(1,559)	(846)	(2,555)	(1,826)
Interest expense	6,516	8,366	8,111	8,544
Provision for employee benefits obligation	1,450	4,859	1,241	3,983
Cash flows provided from operations before changes in operating assets and liabilities	416,749	203,107	379,492	169,383
Decrease (increase) in operating assets:				
Trade and other accounts receivable	34,120	28,036	66,192	41,659
Inventories	(234,092)	(252,948)	(239,584)	(279,693)
Deposits for purchase of goods	32,116	71,067	32,116	71,067
Refundable value added tax	(8,003)	(16,725)	(8,260)	(18,307)
Refundable income tax	674	-	-	-
Advance payment for importing materials	(12,965)	(1,977)	(12,965)	(1,977)
Other current assets	(1,267)	458	(1,903)	125
Other non-current assets	(600)	-	(600)	-
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	3,114	9,279	4,283	10,549
Accrued expenses	(3,032)	(7,393)	(1,807)	(6,648)
Value added tax payable	(530)	(378)	(1,149)	-
Deposit received in advance from customer	-	32,521	-	40,160
Other current liabilities	(1,360)	3,214	(3,134)	3,678
Cash received from operating activities	224,924	68,261	212,681	29,996
Interest payment	(7,287)	(8,250)	(8,882)	(8,432)
Income tax paid	(35,113)	(31,393)	(33,085)	(29,374)
Net cash provided from (used in) operating activities	182,524	28,618	170,714	(7,810)

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

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash flows from investing activities				
Interest income	1,559	882	2,555	1,861
Decrease (increase) in restricted deposits with banks	(71,305)	14,895	(71,305)	14,895
Addition to building and equipment	(84,456)	(40,636)	(33,861)	(6,086)
Sale of equipment	133	536	133	36
Addition to intangible assets	(201)	(754)	(27)	(727)
Collection of loans to subsidiary	-	-	-	2,694
Short-term loan to subsidiary	-	-	(7,000)	(2,400)
Net cash provided from (used in) investing activities	(154,270)	(25,077)	(109,505)	10,273
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(35,218)	75,183	(35,218)	75,183
Repayment of short-term loans from subsidiary	-	-	(5,000)	(13,500)
Proceeds from short-term loans from subsidiary	-	-	-	4,997
Repayment for liabilities under lease agreement	(1,089)	(7)	(2,739)	(7)
Proceeds from conversion of warrants to common shares	-	1	-	1
Cash dividend payment	(31,500)	(63,000)	(31,500)	(63,000)
Net cash provided from (used in) financing activities	(67,807)	12,177	(74,457)	3,674
Translation adjustment for foreign currency financial statements	(458)	(2,933)	-	-
Net increase (decrease) in cash and cash equivalents - net	(40,011)	12,785	(13,248)	6,137
Cash and cash equivalents at beginning of period	131,850	64,827	91,549	48,123
Cash and cash equivalents at end of period	91,839	77,612	78,301	54,260
Supplemental disclosure for cash flows information				
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2020 AND 2019
(Unaudited but reviewed)

1. NATURE OF OPERATIONS

The Company

2S Metal Public Company Limited is engaged in the production 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 production 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 production 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 office address 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 nine-month periods ended 30 September 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 11 November 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 industry in which the Group operates. The Group's management has continuously monitored ongoing situation and assess the financial impact in respect of the revenues and expenses, 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 were 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
Statement of financial position			
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
Statement of financial position			
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 September 2020 and 31 December 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade and other accounts receivable				
Subsidiary companies	-	-	75,050	103,382
Related company	27,494	41,570	27,494	41,570
Total	27,494	41,570	102,544	144,952
Short-term loans and Interest receivable				
Subsidiary companies	-	-	27,116	17,416
Long-term loans receivable				
Subsidiary company	-	-	12,686	15,386
Total loans and interest receivable	-	-	39,802	32,802

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

	(Unit: Thousand Baht)			
	1 January	During the period		30 September
	2020	Increase	Decrease	2020
Subsidiary companies	32,802	12,001	(5,001)	39,802

Short-term loans to subsidiaries in Thailand had been granted without collateral, with interest at MRR per annum and are due on demand.

Long term loans to subsidiaries in Thailand had been granted without collateral, with interest at 4.00 percent per annum. The principal is due at the end of year 2021.

	Consolidated F/S		Separate F/S	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Short-term loans and accrued interest payable				
Subsidiary company	-	-	-	5,000
Trade and other accounts payable				
Subsidiary companies	-	-	10,643	10,121
Related companies	10,082	11,510	10,082	11,510
Total	10,082	11,510	20,725	21,631
Long-term lease liabilities				
Subsidiary companies	-	-	82,183	-
Related company	5,600	-	5,600	-
Total	5,600	-	87,783	-
Employee benefits obligation				
Key management personnel				
- Post-employment benefits	13,400	12,656	10,579	9,973

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

	(Unit: Thousand Baht)			
	1 January	During the period		30 September
	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 approximates market rates in Thailand. The principal amounts are repayable on demand.

Significant transactions with related parties for the three-month and nine-month periods ended 30 September 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 September			
	2020	2019	2020	2019
Sales				
Related companies	136,261	46,183	136,261	46,183
Subsidiary companies	-	-	39,926	35,172
Total	136,261	46,183	176,187	81,355
Asset rental and other service income				
Subsidiary company	-	-	65	65
Interest income				
Subsidiary company	-	-	351	312
Purchase of goods and service				
Related companies	161,689	270,819	161,689	270,819
Manufacturing costs				
Subsidiary company	-	-	24,506	21,659
Transportation service				
Subsidiary company	-	-	15,518	16,942

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2020	2019	2020	2019
Assets rental and other service expense				
Related company	300	300	300	300
Related person	-	26	-	-
Subsidiary company	-	-	2,014	1,342
Total	300	326	2,314	1,642
Interest expense				
Subsidiary company	-	-	-	59
Key management personnel compensation				
Short-term employee benefits	5,625	5,541	4,252	4,167
Post-employment benefits	248	153	202	137
Total	5,873	5,694	4,454	4,304

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month period ended 30 September			
	2020	2019	2020	2019
Sales				
Related companies	425,102	243,495	425,102	243,495
Subsidiary companies	-	-	157,887	164,788
Total	425,102	243,495	582,989	408,283
Asset rental and other service income				
Subsidiary company	-	-	245	195
Interest income				
Subsidiary company	-	-	1,002	993
Purchase of goods and service				
Related companies	479,515	560,359	479,515	560,359
Manufacturing costs				
Subsidiary company	-	-	76,385	66,033

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month period ended 30 September			
	2020	2019	2020	2019
Transportation service				
Subsidiary company	-	-	51,339	50,041
Asset rental and other service expense				
Related company	900	900	900	900
Related person	-	76	-	-
Subsidiary company	-	-	4,604	4,004
Total	900	976	5,504	4,904
Interest expense				
Subsidiary company	-	-	26	178
Key management personnel compensation				
Short-term employee benefits	16,877	16,652	12,755	12,508
Post-employment benefits	743	2,809	606	2,160
Total	17,620	19,461	13,361	14,668

As at 30 September 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 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade accounts receivable – general customers	277,394	307,497	265,980	299,825
Trade accounts receivable – related companies	27,494	41,570	102,544	144,952
Total	304,888	349,067	368,524	444,777
Other accounts receivable – general customers	8	10	-	-
Total	8	10	-	-
Total trade and other accounts receivable	304,896	349,077	368,524	444,777

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	287,246	278,005	301,647	335,026
Past due:				
Less than 3 months	16,183	63,204	65,423	101,893
3 - 6 months	2,615	6,135	2,611	6,135
6 - 12 months	5,021	678	5,021	678
Over 12 months	12,507	9,668	12,370	9,532
Total	323,572	357,690	387,072	453,264
<u>Less Allowance for impairment</u>	<u>(18,684)</u>	<u>(8,623)</u>	<u>(18,548)</u>	<u>(8,487)</u>
Trade accounts receivable - general customers and related companies – net	304,888	349,067	368,524	444,777

The movements in allowance for impairment of accounts receivable during the period 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> Addition allowance	(10,712)	(10,702)
<u>Less</u> Reversal of allowance	651	641
Balance as at 30 September 2020	<u>(18,684)</u>	<u>(18,548)</u>

7. INVENTORIES – NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Raw materials	295,410	162,749	286,417	155,105
Work in process	75,160	62,749	68,202	56,983
Finished goods	376,220	326,562	334,104	276,657
Materials and goods in transit	43,207	3,844	43,207	3,844
Factory supplies	4,657	4,658	1,704	1,461
Total	<u>794,654</u>	<u>560,562</u>	<u>733,634</u>	<u>494,050</u>
<u>Less</u> Allowance for impairment of inventories	(1,490)	(3,316)	(1,490)	(3,316)
Net	<u>793,164</u>	<u>557,246</u>	<u>732,144</u>	<u>490,734</u>

The movements in allowance for impairment of inventories during the period 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	(4,775)
<u>Less</u> Reversal of allowance during the period	6,601
Balance as at 30 September 2020	<u>(1,490)</u>

8. RESTRICTED DEPOSITS WITH BANKS

As at 30 September 2020, the Company's saving and fixed deposits with term of maturity of 12 months which bear interest at 0.65 – 1.05 percent per annum, have been pledged as collateral for the use of electricity and short-term credit line from financial institutions.

As at 31 December 2019, the Company's fixed deposits with term of maturity of 12 months which bear interest at 0.65 – 1.05 percent per annum, that have been pledged as collateral for the use of electricity.

9. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Separate F/S			
					30 September 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	-

10. PROPERTY, PLANT AND EQUIPMENT – NET

During the nine-month period ended 30 September 2020, the Company and subsidiaries have the following condensed movements in property, plant, and equipment:

(Unit : Thousand Baht)

	Consolidated F/S	Separate F/S
Net book value as at 1 January 2020	552,032	256,336
Addition to fixed assets during the period	84,456	33,861
Disposal during the period	(1,991)	(1,983)
Accumulated depreciation – disposal items	1,967	1,959
Depreciation for the period	(32,640)	(11,431)
Net book value as at 30 September 2020	603,824	278,742

As at 30 September 2020 and 31 December 2019, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing products with book values amounting to Baht 107.62 million and Baht 111.07 million, respectively, in the consolidated financial statements, and Baht 103.96 million and Baht 100.02 million, respectively, in the separate financial statements, are under mortgages as collaterals for bank overdrafts, loans and other credit facilities with financial institutions as mentioned in Notes 12 and 19.

11. RIGHTS-OF-USE ASSETS

During the nine-month period ended 30 September 2020, the Company and subsidiaries have the following condensed movements in rights-of-use assets:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2020 – After adjustment	16,026	43,423
Increase in the period	-	49,661
Depreciation for the period	(1,905)	(3,637)
Net book value as at 30 September 2020	<u>14,121</u>	<u>89,447</u>

12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht)	
	Consolidated and Separate F/S	
	30 September 2020	31 December 2019
Promissory notes	20,000	150,000
Liabilities under trust receipt agreements	227,016	132,234
Total	<u>247,016</u>	<u>282,234</u>

Short-term loans from financial institutions bear interest at MIT, MLR – 3% and 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 10, the transfer insurance beneficiary, and cross guarantees among all related companies totaling Baht 840 million.

13. ACCRUED EXPENSES

	Consolidated F/S		(Unit: Thousand Baht) Separate F/S	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Accrued transportation	10,257	8,186	7,994	8,186
Accrued bonuses	9,192	13,209	9,192	10,660
Accrued salary and other employees benefits	3,771	3,776	2,358	3,013
Accrued utilities	2,269	2,943	1,901	1,365
Accrued other expenses	847	1,254	634	662
Accrued interest	17	788	17	788
Total	<u>26,353</u>	<u>30,156</u>	<u>22,096</u>	<u>24,674</u>

14. EMPLOYEE BENEFITS OBLIGATION

	Consolidated F/S		(Unit: Thousand Baht) Separate F/S	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Beginning balance	20,625	10,447	16,925	9,287
Provision expense recorded in the profit or loss				
- Current service costs	1,055	665	905	601
- Past service costs	-	4,097	-	3,296
- Finance costs	395	350	336	315
Loss from actuarial estimates charged to other comprehensive income	-	5,066	-	3,426
Ending balance	<u>22,075</u>	<u>20,625</u>	<u>18,166</u>	<u>16,925</u>

15. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as at 30 September 2020	9,598	127,620
<u>Less</u> Deferred interest	(918)	(38,100)
Present value of liabilities under lease agreements	8,680	89,520
<u>Less</u> Current portion	(1,401)	(5,066)
Long-term lease liabilities	7,279	84,454

16. 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 nine-month periods ended 30 September 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2020	2019	2020	2019
Current income tax	28,253	1,186	27,502	662
Deferred tax from temporary differences	(1,041)	(340)	(756)	(45)
Total income tax expenses	27,212	846	26,746	617

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2020	2019	2020	2019
Current income tax	62,458	29,020	60,572	28,317
Deferred tax from temporary differences	(4,611)	(1,596)	(2,260)	(797)
Total income tax expenses	57,847	27,424	58,312	27,520

Deferred income tax asset and liability

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

(Unit : Thousand Baht)

	Consolidated F/S			30 September 2020
	Recognised as income (expense)			
	1 January 2020	Other		
		Profit or loss	comprehensive income	
Deferred tax assets from:				
Allowance for employee benefits obligation	4,125	290	-	4,415
Allowance for accounts receivable impairment	1,697	2,012	-	3,709
Deferred tax liabilities from:				
Surplus from fair value of land, buildings, and equipment	(23,658)	2,309	-	(21,349)
Deferred tax liabilities, net	(17,836)	4,611	-	(13,225)

(Unit : Thousand Baht)

	Separate F/S			30 September 2020
	Recognised as income (expense)			
	1 January 2020	Other		
		Profit or loss	comprehensive income	
Deferred tax assets from:				
Provision for employee benefits obligation	3,385	248	-	3,633
Allowance for accounts receivable impairment	1,697	2,012	-	3,709
Deferred tax liabilities from:				
Surplus from fair value of land	(11,095)	-	-	(11,095)
Deferred tax liabilities, net	(6,013)	2,260	-	(3,753)

As at 30 September 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 10.32 million (31 December 2019: Baht 14.53 million) since the subsidiary believes 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 1.49 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 BOI promotion for investment in the installation of solar rooftop, on profit derived from the promoted cold-formed structural steel sections activities not more than 50 percent of the investment cost totalling Baht 26.60 million for a period of three years commencing the start of revenue recognition on 4 September 2019.

17. 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.

18. SEGMENT REPORTING

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

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 30 September							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	422.87	324.94	872.42	870.84	-	-	1,295.29	1,195.78
Revenues from inter-segments	38.53	33.74	24.54	21.66	(63.07)	(55.40)	-	-
Total revenues	461.40	358.68	896.96	892.50	(63.07)	(55.40)	1,295.29	1,195.78
Interest income	0.30	0.16	0.63	0.44	(0.35)	(0.37)	0.58	0.23
Interest expense	0.94	0.83	1.93	2.23	(1.14)	(0.37)	1.73	2.69
Depreciation and amortization expenses	-	-	13.33	11.11	(1.03)	(0.03)	12.30	11.08
Segment profits	14.53	6.40	86.68	(8.30)	0.22	0.79	101.43	(1.11)
Segment assets	692.68	581.76	1,346.58	1,447.60	-	-	2,039.26	2,029.36
Increase (Decrease) in segment non-current assets	-	-	59.76	(6.73)	-	-	59.76	(6.73)
Segment liabilities	-	-	384.43	662.06	-	-	384.43	662.06

(Unit : Million Baht)

	Consolidated F/S							
	For the nine-month periods ended 30 September							
	Trading		Manufacture and distribution		Eliminated		Total	
	(Including raw material)		of steel products					
2020	2019	2020	2019	2020	2019	2020	2019	
Revenues from external customers	1,322.88	1,163.02	2,963.67	2,869.30	-	-	4,286.55	4,032.32
Revenues from inter-segments	152.89	160.57	78.18	66.03	(231.07)	(226.60)	-	-
Total revenues	1,475.77	1,323.59	3,041.85	2,935.33	(231.07)	(226.60)	4,286.55	4,032.32
Interest income	0.80	0.58	1.79	1.44	(1.03)	(1.17)	1.56	0.85
Interest expense	2.81	2.75	6.30	6.79	(2.60)	(1.17)	6.51	8.37
Depreciation and amortization expenses	-	-	37.56	33.26	(2.32)	(0.10)	35.24	33.16
Segment profits	42.00	24.24	264.75	97.14	2.38	1.71	309.13	123.09
Segment assets	666.16	630.69	1,373.10	1,398.67	-	-	2,039.26	2,029.36
Decrease in segment non-current assets	-	-	59.76	(6.73)	-	-	59.76	(6.73)
Segment liabilities	-	-	384.43	662.06	-	-	384.43	662.06

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 September							
	Trading		Manufacture and distribution of steel		Eliminated		Total	
	(include raw materials)		products					
2020	2019	2020	2019	2020	2019	2020	2019	
Local	461.13	358.68	837.32	833.29	(63.07)	(55.40)	1,235.38	1,136.57
Lao People's Democratic Republic	0.27	-	59.64	59.21	-	-	59.91	59.21
Total	461.40	358.68	896.96	892.50	(63.07)	(55.40)	1,295.29	1,195.78

(Unit : Million Baht)

	Consolidated F/S							
	For the nine-month periods ended 30 September							
	Trading		Manufacture and distribution of steel		Eliminated		Total	
	(include raw materials)		products					
2020	2019	2020	2019	2020	2019	2020	2019	
Local	1,474.91	1,323.59	2,861.65	2,734.18	(230.56)	(226.60)	4,106.00	3,831.17
Lao People's Democratic Republic	0.86	-	180.20	201.15	(0.51)	-	180.55	201.15
Total	1,475.77	1,323.59	3,041.85	2,935.33	(231.07)	(226.60)	4,286.55	4,032.32

19. COMMITMENTS AND CONTINGENT LIABILITIES

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

- 19.1 The Company has two agreements dated 19 November 2007 and 5 January 2019 with other persons for the rent of land for 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.
- 19.2 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.
- 19.3 The Company has agreements dated 1 January 2020 with related company for the rent of land for warehouse in Sumut Prakan province for 3 years. The rent for this land is Baht 1.20 million per annum.
- 19.4 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 67.22 million and Baht 127.67 million, respectively, in the consolidated and separate financial statements.
- 19.5 As at 30 September 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 September 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	247.02	742.98	990.00	282.23	707.77

(Unit : Million Baht)

		Separate F/S					
		30 September 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	247.02	742.98	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 10.

20. FAIR VALUE MEASUREMENT

Fair value is the price that would be received from sale 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 September 2020 are as follow;

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Land at re-appraised value	-	151,921	-	151,921

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
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 September 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
0.60	6.00	18.65	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	0.26	0.98