

Thai Steel Cable Public Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thai Steel Cable Public Company Limited

I have reviewed the accompanying statement of financial position of Thai Steel Cable Public Company Limited as at 30 June 2020, the related statements of comprehensive income for the three-month and nine-month periods ended 30 June 2020, and the related statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). 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.

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*.

Emphasis of Matter

- a) I draw attention to Note 1.2 to the interim financial statements. The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and is adversely impacting the automotive industry. This situation may have significant impact on the Company's financial position at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Company's management has continuously monitored the ongoing developments and assessed the financial impact and will record the impact when it is possible to do so.
- b) I draw attention to Note 1.4 to the interim financial statements. Due to the impact of the Coronavirus disease 2019 pandemic, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not qualified in respect of the above matters.

Poonnard Paucharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 4 August 2020

Thai Steel Cable Public Company Limited**Statement of financial position**

(Unit: Thousand Baht)

	Note	30 June 2020	30 September 2019
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		404,580	443,499
Current investments	3	15,001	4,847
Trade and other receivables	4	170,594	479,135
Inventories	5	138,066	191,067
Other current assets		29,225	38,177
Total current assets		757,466	1,156,725
Non-current assets			
Long-term investment	6	25,704	25,704
Investment properties	7	121,306	122,879
Property, plant and equipment	8	960,414	988,975
Intangible assets	9	11,162	14,213
Deferred tax assets		531	2,385
Other non-current assets		20,513	29,645
Total non-current assets		1,139,630	1,183,801
Total assets		1,897,096	2,340,526

The accompanying notes are an integral part of the interim financial information.

Thai Steel Cable Public Company Limited**Statement of financial position (continued)**

		(Unit: Thousand Baht)	
	Note	30 June 2020	30 September 2019
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loan from bank	10	100,000	-
Trade and other payables	11	161,922	605,098
Current portion of finance lease payables		612	2,352
Other current liabilities		11,815	14,784
Total current liabilities		274,349	622,234
Non-current liabilities			
Finance lease payables - net of current portion		311	739
Provision for long-term employee benefits	12	51,345	67,078
Provisions	13	4,346	6,127
Other non-current liabilities		1,480	93
Total non-current liabilities		57,482	74,037
Total liabilities		331,831	696,271

The accompanying notes are an integral part of the interim financial information.

Thai Steel Cable Public Company Limited

Statement of financial position (continued)

(Unit: Thousand Baht)

	30 June 2020	30 September 2019
	(Unaudited but reviewed)	(Audited)
Shareholders' equity		
Share capital		
Registered		
268,500,000 ordinary shares of Baht 1 each	268,500	268,500
Issued and paid-up		
259,800,000 ordinary shares of Baht 1 each	259,800	259,800
Share premium	464,870	464,870
Retained earnings		
Appropriated - statutory reserve	26,850	26,850
Unappropriated	813,745	892,735
Total shareholders' equity	1,565,265	1,644,255
Total liabilities and shareholders' equity	1,897,096	2,340,526
	-	-

The accompanying notes are an integral part of the interim financial information.

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Directors

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(Unaudited but reviewed)

Thai Steel Cable Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 June 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2020	2019
Profit or loss:			
Revenues			
Sales	14	245,884	742,571
Other income		7,071	7,024
Total revenues		<u>252,955</u>	<u>749,595</u>
Expenses			
Cost of sales		228,572	621,410
Selling and distribution expenses		3,101	12,708
Administrative expenses		34,513	67,987
Total expenses		<u>266,186</u>	<u>702,105</u>
Profit (loss) before finance cost and income tax benefit (expenses)		<u>(13,231)</u>	<u>47,490</u>
Finance cost		(324)	(200)
Profit (loss) before income tax benefit (expenses)		<u>(13,555)</u>	<u>47,290</u>
Income tax benefit (expenses)	15	2,861	(2,003)
Profit (loss) for the period		<u>(10,694)</u>	<u>45,287</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(10,694)</u>	<u>45,287</u>
Earnings per share	16		
Basic earnings per share			
Profit (loss) attributable to equity holders of the Company		<u>(0.04)</u>	<u>0.17</u>
Weighted average number of ordinary shares (Thousand shares)		<u>259,800</u>	<u>259,800</u>

The accompanying notes are an integral part of the interim financial information.

(Unaudited but reviewed)

Thai Steel Cable Public Company Limited

Statement of comprehensive income

For the nine-month period ended 30 June 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2020	2019
Profit or loss:			
Revenues			
Sales	14	1,514,433	2,317,741
Other income		20,077	20,434
Total revenues		<u>1,534,510</u>	<u>2,338,175</u>
Expenses			
Cost of sales		1,292,354	1,902,567
Selling and distribution expenses		20,233	40,330
Administrative expenses		142,776	210,706
Total expenses		<u>1,455,363</u>	<u>2,153,603</u>
Profit before finance cost and income tax expenses		79,147	184,572
Finance cost		(403)	(1,086)
Profit before income tax expenses		78,744	183,486
Income tax expenses	15	(1,854)	(8,141)
Profit for the period		<u>76,890</u>	<u>175,345</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>76,890</u>	<u>175,345</u>
Earnings per share	16		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.30</u>	<u>0.67</u>
Weighted average number of ordinary shares (Thousand shares)		<u>259,800</u>	<u>259,800</u>

The accompanying notes are an integral part of the interim financial information.

(Unaudited but reviewed)

Thai Steel Cable Public Company Limited

Cash flows statement

For the nine-month period ended 30 June 2020

	(Unit: Thousand Baht)	
	2020	2019
Cash flows from operating activities		
Profit before tax	78,744	183,486
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	90,894	98,123
Reversal of reduction of inventory to net realisable value	(5,398)	(1,572)
Gain on disposal/write-off of equipment	(2,249)	(303)
Provisions (reversal)	(929)	2,890
Provision for long-term employee benefits	5,755	18,832
Unrealised loss (gain) on exchange	178	(299)
Interest income	(2,159)	(1,476)
Interest expenses	403	1,086
Profit from operating activities before changes in operating assets and liabilities	165,239	300,767
Operating assets (increase) decrease		
Trade and other receivables	308,202	25,476
Inventories	58,399	45,810
Other current assets	11,411	(6,977)
Other non-current assets	(4,716)	(14,703)
Operating liabilities increase (decrease)		
Trade and other payables	(452,968)	(64,446)
Other current liabilities	(2,081)	5,948
Other non-current liabilities	1,387	(924)
Cash flows from operating activities	84,873	290,951
Cash paid for long-term employee benefits	(21,488)	(7,500)
Cash paid for provisions for product warranty	(852)	-
Cash paid for compensation from litigation	-	(15,341)
Cash paid for interest expenses	(403)	(1,101)
Cash paid for income tax	(3,347)	(12,616)
Net cash flows from operating activities	58,783	254,393

The accompanying notes are an integral part of the interim financial information.

(Unaudited but reviewed)

Thai Steel Cable Public Company Limited

Cash flows statement (continued)

For the nine-month period ended 30 June 2020

	(Unit: Thousand Baht)	
	2020	2019
Cash flows from investing activities		
Decrease (increase) in current investments	(10,154)	140,697
Cash paid for purchase of equipment	(38,710)	(97,968)
Cash paid for purchase of intangible assets	(1,020)	(5,765)
Proceeds from sales of equipment	8,232	3,659
Interest income	1,998	1,554
Net cash flows from (used in) investing activities	(39,654)	42,177
Cash flows from financing activities		
Increase in short-term loans from banks	100,000	-
Repayment of long-term loan	-	(48,520)
Repayment of finance lease payables	(2,168)	(3,810)
Dividend paid	(155,880)	(259,800)
Net cash flows used in financing activities	(58,048)	(312,130)
Net decrease in cash and cash equivalents	(38,919)	(15,560)
Cash and cash equivalents at beginning of period	443,499	322,257
Cash and cash equivalents at end of period	404,580	306,697
	-	
Non-cash items		
Increase in other payables from purchase of equipment	10,114	8,922
Purchases of equipment under finance lease agreements	-	1,671
Transfer intangible assets to equipment	-	2,406
Transfer other non-current assets to equipment	13,848	6,311

The accompanying notes are an integral part of the interim financial information.

(Unaudited but reviewed)

Thai Steel Cable Public Company Limited

Statement of changes in shareholders' equity

For the nine-month period ended 30 June 2020

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 October 2018	259,800	464,870	26,850	932,579	1,684,099
Dividend paid (Note 18)	-	-	-	(259,800)	(259,800)
Total comprehensive income for the period	-	-	-	175,345	175,345
Balance as at 30 June 2019	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>848,124</u>	<u>1,599,644</u>
Balance as at 1 October 2019	259,800	464,870	26,850	892,735	1,644,255
Dividend paid (Note 18)	-	-	-	(155,880)	(155,880)
Total comprehensive income for the period	-	-	-	76,890	76,890
Balance as at 30 June 2020	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>813,745</u>	<u>1,565,265</u>
	-	-	-	-	-
	-	-	-	-	-

The accompanying notes are an integral part of the interim financial information.

Thai Steel Cable Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 June 2020

1. General information

1.1 Corporate information

Thai Steel Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. The registered office of the Company is at 700/737, Moo 1, Tambol Panthong, Amphur Panthong, Chonburi.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and is adversely impacting the automotive industry. This situation may have significant impact on the Company’s financial position at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Company’s management has continuously monitored the ongoing developments and assessed the financial impact and will record the impact when it is possible to do so.

1.3 Basis for the preparation of interim financial information

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

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

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

1.4 New financial reporting standards

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

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below.

IFRS 15 Revenue from Contracts with Customers

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

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

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

The Company adopted IFRS 15 using the modified retrospective method of adoption, and the comparative information was not restated. The effect of the change is described in Note 1.5 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of

the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Company expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Company elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Company is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Company is currently considering application of hedge accounting for certain derivatives.

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

TFRS 16 Leases

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

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

(Unaudited but reviewed)

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

1.5 Cumulative effects of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted TFRS 15 using the modified retrospective method of adoption. Therefore, the comparative information was not restated.

The amounts of adjustments affecting the statements of comprehensive income for the three-month and nine-month periods ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2020		
	Previous		
	accounting policy	Increase	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Sales	241,712	4,172 ⁽¹⁾	245,884
Selling and distribution expenses	1,071	4,172 ⁽¹⁾	3,101

⁽¹⁾ Reversal of sales promotion expenses during the period.

(Unit: Thousand Baht)

	For the nine-month period ended 30 June 2020		
	Previous		
	accounting policy	Increase	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Sales	1,514,433	-	1,514,433
Selling and distribution expenses	20,233	-	20,233

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 30 September 2019, except for the change in the accounting policy due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

Consideration payable to a customer

The Company accounts for consideration payable to a customer as a reduction of the revenue. Previously, the Company recorded it as selling and distribution expenses.

(Unaudited but reviewed)

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended		For the nine-month periods ended		Transfer Pricing Policy
	30 June		30 June		
	2020	2019	2020	2019	
<u>Transactions with related companies</u>					
Sales of goods	16.0	47.2	82.1	126.7	Cost plus margin
Purchases of raw materials					
and finished goods	53.0	110.8	229.6	322.5	Cost plus margin
Purchases of assets	0.1	0.3	0.3	1.5	Agreed upon basis
Royalty fee	1.0	6.2	10.9	19.0	2% on the net sales amount

As at 30 June 2020 and 30 September 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	30 June 2020	30 September 2019
Trade and other receivables - related parties (Note 4)		
<u>Trade receivables - related parties</u>		
Related companies	17,802	31,765
<u>Other receivables - related parties</u>		
Related companies	121	38
Trade and other payables - related parties (Note 11)		
<u>Trade payables - related parties</u>		
Related companies	19,453	74,128
<u>Other payables - related parties</u>		
Related companies	352	598
<u>Accrued royalty fee - related party</u>		
Related company	5,814	5,895

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 June 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the nine-month periods ended 30 June	
	2020	2019	2020	2019
Short-term employee benefits	3,627	21,083	42,163	61,415
Post-employee benefits	862	7,695	3,013	9,788
Total	<u>4,489</u>	<u>28,778</u>	<u>45,176</u>	<u>71,203</u>

3. Current investments

These represent fixed deposits with banks with an original maturity of more than three months and not subject to withdrawal restrictions.

4. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2020	30 September 2019
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,068	29,230
Past due		
Up to 3 months	7,551	2,535
3 - 6 months	-	-
6 - 12 months	183	-
Total trade receivables - related parties	<u>17,802</u>	<u>31,765</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	146,483	445,832
Past due		
Up to 3 months	615	333
3 - 6 months	7	-
Total trade receivables - unrelated parties	<u>147,105</u>	<u>446,165</u>
Total trade receivables - net	<u>164,907</u>	<u>477,930</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 June 2020	30 September 2019
<u>Other receivables</u>		
Other receivables - related parties	121	38
Other receivables - unrelated parties	5,566	1,167
Total other receivables	5,687	1,205
Total trade and other receivables - net	170,594	479,135

5. Allowance for diminution in value of inventories

Movements in the allowance for diminution in value of inventories account during the nine-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 October 2019	10,044
Reversal of allowance for diminution in value of inventories during the period	(5,398)
Balance as at 30 June 2020	4,646

6. Long-term investment

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 June 2020	30 September 2019	30 June 2020	30 September 2019	30 June 2020	30 September 2019
			(%)	(%)		
Hi-Lex Vietnam Co., Ltd.	USD 11,150,000	USD 11,150,000	6.28	6.28	25,704	25,704

7. Investment properties

Movements of the investment properties account during the nine-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2019	122,879
Depreciation for the period	(1,573)
Net book value as at 30 June 2020	121,306

(Unaudited but reviewed)

8. Property, plant and equipment

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

	(Unit: Thousand Baht)
Net book value as at 1 October 2019	988,975
Acquisitions during the period - at cost	48,824
Transfer in	13,848
Disposal/write-off during the period - net book value at disposal/write-off dates	(5,983)
Depreciation for the period	<u>(85,250)</u>
Net book value as at 30 June 2020	<u><u>960,414</u></u>

As at 30 June 2020, the Company had equipment under finance lease agreements with net book values amounting to Baht 2 million (30 September 2019: Baht 3 million).

9. Other intangible assets

Movements of other intangible assets account during the nine-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 October 2019	14,213
Acquisitions during period - at cost	1,020
Amortisation for the period	<u>(4,071)</u>
Net book value as at 30 June 2020	<u><u>11,162</u></u>

10. Short-term loan from bank

	(Unit: Thousand Baht)		
	Interest rate (% per annum)	30 June 2020	30 September 2019
Promissory note	2.00	<u>100,000</u>	<u>-</u>

The short-term loan from bank is clean and denominated in Baht.

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Thousand Baht)

	30 June 2020	30 September 2019
Trade payables - related parties	19,453	74,128
Trade payables - unrelated parties	81,253	349,141
Other payables	27,535	34,957
Accrued expenses	33,411	146,872
Total	<u>161,922</u>	<u>605,098</u>

12. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

Balance as at 1 October 2019	67,078
Current service cost	4,714
Interest cost	1,041
Benefits paid during the period	<u>(21,488)</u>
Balance as at 30 June 2020	<u>51,345</u>

13. Provisions

These provisions are provisions for product warranty which have movements during the nine-month period ended 30 June 2020 summarised below.

(Unit: Thousand Baht)

Balance as at 1 October 2019	6,127
Increase during the period	1,419
Utilised	(852)
Reversal of provisions	<u>(2,348)</u>
Balance as at 30 June 2020	<u>4,346</u>

(Unaudited but reviewed)

14. Revenue from contracts with customers

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the nine-month periods ended 30 June	
	2020	2019	2020	2019
Type of goods				
Automobile control cables	158,451	513,265	1,028,036	1,620,195
Motorcycle control cables	41,732	100,956	265,372	320,705
Automobile window regulators	28,281	100,909	174,164	298,103
Others	13,248	27,441	46,861	78,738
Total	241,712	742,571	1,514,433	2,317,741
Add: Reversal of consideration payable to a customer	4,172	-	-	-
Total revenue from contracts with customers	245,884	742,571	1,514,433	2,317,741

15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 June 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the nine-month periods ended 30 June	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	(3,154)	1,566	-	7,170
Deferred tax:				
Relating to origination and reversal of temporary differences	293	437	1,854	971
Income tax expenses (benefit) reported in the statements of comprehensive income	(2,861)	2,003	1,854	8,141

16. Earnings per share

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

17. Segment information

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

18. Dividend

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Dividends for the year ended 30 September 2018	The Annual General Meeting of the Company's shareholders on 22 January 2019	155,880	0.60
Interim dividends for the year ended 30 September 2019	The Board of Directors Meeting of the Company on 7 May 2019	103,920	0.40
Total dividends for the year 2019		259,800	1.00
Dividends for the year ended 30 September 2019	The Annual General Meeting of the Company's shareholders on 21 January 2020	155,880	0.60
Total dividends for the year 2020		155,880	0.60

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 30 June 2020, the Company had capital commitments of approximately Baht 40 million and USD 0.1 million (30 September 2019: Baht 19 million and USD 0.05 million), relating to the purchase of equipment.

19.2 Operating lease and service commitments

The Company has entered into several operating lease agreements in respect of the lease of vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

The Company had future minimum lease and service payments required under these non-cancellable operating leases and service agreements as follows:

Payable:	(Unit: Million Baht)	
	30 June 2020	30 September 2019
In up to 1 year	17	33
In over 1 and up to 5 years	6	9

19.3 Long-term service commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the license agreement, the Company is to pay the fee twice a year as stipulated in the agreement. The fees for the three-month and nine-month periods ended 30 June 2020 amounting to approximately Baht 1 million and Baht 11 million, respectively (2019: Baht 6 million and Baht 19 million, respectively) were recognised as expenses.

19.4 Guarantees

As at 30 June 2020 and 30 September 2019, there were outstanding bank guarantees of approximately Baht 3 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

19.5 Foreign exchange contracts

Foreign exchange contracts outstanding are summarised below.

As at 30 June 2020			
Foreign currency	Bought amount	Contractual exchange rate Bought	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	30.97 - 31.17	December 2020
Japanese yen	20.0	0.29	December 2020

(Unaudited but reviewed)

As at 30 September 2019

Foreign currency	Bought amount (Million)	Contractual exchange rate	Contractual maturity date
		Bought (Baht per 1 foreign currency unit)	
US dollar	0.4	30.40 - 30.69	February - March 2020
Japanese yen	52.0	0.28 - 0.29	October 2019 - March 2020

19.6 Litigation

The Customs Department conducted a post clearance audit at the Company, and accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 - 2006 by 3 lots and assessed import duties and VAT shortfalls for Lot 1 and Lot 3 of Baht 17.90 million and Baht 5.67 million, respectively, and capital for Lot 2 of Baht 3.84 million, excluding penalties and surcharges.

Lot 1: In September 2017, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company is not allowed to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeal in accordance with Section 30 of the Revenue Code. In December 2018, the special court of appeal delivered a judgment same of the Central Tax Court. Subsequently, the Supreme Court permitted the Custom Department to file its petition. The Company then filed its opposition with the Supreme Court for consideration. As at 30 June 2020, the case is in consideration of the Supreme Court.

Lot 2: In December 2018, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company is not allowed to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeal in accordance with Section 30 of the Revenue Code. On 30 September 2019, the special court of appeal delivered a judgment same of the Central Tax Court. Subsequently, the Supreme Court permitted the Custom Department to file its petition. The Company then filed its opposition with the Supreme Court for consideration. As at 30 June 2020, the case is in consideration of the Supreme Court.

Lot 3: In December 2019, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company is not allowed to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeal in accordance with Section 30 of the Revenue Code. On 1 May 2020,

(Unaudited but reviewed)

the Company filed an appeal in the special court of appeal. As at 30 June 2020, the Company is waiting to receive the outcome of its appeal.

The Company's management has assessed the case and believes that the Company is not liable for the import duty and VAT shortfalls, including penalties and surcharges, because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. Considering legal opinions and the opinions of customs tariff experts, the imported products are classified according to the product definitions specified in the customs tariff schedule. The Company therefore did not record a provision for the contingent liabilities as a result of this litigation in the financial statements.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 August 2020.