

Thai Steel Cable Public Company Limited  
Review report and interim financial statements  
For the three-month and six-month periods ended  
31 March 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 31 March 2020, the related statements of comprehensive income for the three-month and six-month periods ended 31 March 2020, and the related statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the 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.

### **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*.

Poonnard Paocharoen

Certified Public Accountant (Thailand) No. 5238

EY Office Limited

Bangkok: 5 May 2020

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

		(Unit: Thousand Baht)	
	Note	31 March 2020	30 September 2019
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		287,905	443,499
Current investments	3	65,001	4,847
Trade and other receivables	4	436,058	479,135
Inventories		167,795	191,067
Other current assets		29,599	38,177
<b>Total current assets</b>		<b>986,358</b>	<b>1,156,725</b>
<b>Non-current assets</b>			
Long-term investment	5	25,704	25,704
Investment properties	6	121,828	122,879
Property, plant and equipment	7	967,688	988,975
Intangible assets		12,219	14,213
Deferred tax assets		824	2,385
Other non-current assets		21,705	29,645
<b>Total non-current assets</b>		<b>1,149,968</b>	<b>1,183,801</b>
<b>Total assets</b>		<b>2,136,326</b>	<b>2,340,526</b>

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

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

(Unit: Thousand Baht)

	Note	31 March 2020	30 September 2019
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	8	475,019	605,098
Current portion of finance lease payables		869	2,352
Other current liabilities		16,618	14,784
<b>Total current liabilities</b>		<b>492,506</b>	<b>622,234</b>
<b>Non-current liabilities</b>			
Finance lease payables - net of current portion		455	739
Provision for long-term employee benefits	9	62,421	67,078
Provisions	10	4,892	6,127
Other non-current liabilities		93	93
<b>Total non-current liabilities</b>		<b>67,861</b>	<b>74,037</b>
<b>Total liabilities</b>		<b>560,367</b>	<b>696,271</b>

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

**Thai Steel Cable Public Company Limited**

**Statement of financial position (continued)**

	(Unit: Thousand Baht)	
	31 March 2020	30 September 2019
	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>		
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	824,439	892,735
<b>Total shareholders' equity</b>	<b>1,575,959</b>	<b>1,644,255</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,136,326</b>	<b>2,340,526</b>
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The accompanying notes are an integral part of the financial statements.

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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 31 March 2020**

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

	Note	2020	2019
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales	11	649,317	804,671
Other income		5,279	5,161
<b>Total revenues</b>		<u>654,596</u>	<u>809,832</u>
<b>Expenses</b>			
Cost of sales		537,871	651,651
Selling and distribution expenses		7,772	16,618
Administrative expenses		54,288	70,819
<b>Total expenses</b>		<u>599,931</u>	<u>739,088</u>
<b>Profit before finance cost and income tax expenses</b>		54,665	70,744
Finance cost		(27)	(359)
<b>Profit before income tax expenses</b>		54,638	70,385
Income tax expenses	12	(2,328)	(3,349)
<b>Profit for the period</b>		<u>52,310</u>	<u>67,036</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u>52,310</u>	<u>67,036</u>
<b>Earnings per share</b>	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.20</u>	<u>0.26</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 financial statements.

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Statement of comprehensive income**

**For the six-month period ended 31 March 2020**

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

	Note	2020	2019
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales	11	1,268,549	1,575,170
Other income		13,006	13,410
<b>Total revenues</b>		<u>1,281,555</u>	<u>1,588,580</u>
<b>Expenses</b>			
Cost of sales		1,063,782	1,281,157
Selling and distribution expenses		17,132	27,622
Administrative expenses		108,263	142,719
<b>Total expenses</b>		<u>1,189,177</u>	<u>1,451,498</u>
<b>Profit before finance cost and income tax expenses</b>		92,378	137,082
Finance cost		(79)	(886)
<b>Profit before income tax expenses</b>		92,299	136,196
Income tax expenses	12	(4,715)	(6,138)
<b>Profit for the period</b>		<u>87,584</u>	<u>130,058</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u>87,584</u>	<u>130,058</u>
<b>Earnings per share</b>	13		
Basic earnings per share			
Profit attributable to equity holders of the Company		<u>0.34</u>	<u>0.50</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 financial statements.

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Cash flows statement**

**For the six-month period ended 31 March 2020**

	(Unit: Thousand Baht)	
	2020	2019
<b>Cash flows from operating activities</b>		
Profit before tax	92,299	136,196
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	59,724	65,739
Reversal of reduction of inventory to net realisable value	(5,735)	(190)
Gain on disposal/write-off of equipment	(255)	(239)
Provisions (reversal)	(692)	745
Provision for long-term employee benefits	3,837	3,134
Unrealised gain on exchange	(108)	(718)
Interest income	(1,549)	(987)
Interest expenses	79	886
Profit from operating activities before changes in operating assets and liabilities	147,600	204,566
Operating assets (increase) decrease		
Trade and other receivables	43,813	(741)
Inventories	29,006	49,516
Other current assets	8,578	(10,843)
Other non-current assets	(2,427)	(9,769)
Operating liabilities decrease		
Trade and other payables	(133,649)	(73,634)
Other current liabilities	(273)	621
Other non-current liabilities	(543)	(697)
Cash flows from operating activities	92,105	159,019
Cash paid for long-term employee benefits	(8,493)	(7,500)
Cash paid for interest expenses	(79)	(896)
Cash paid for income tax	(1,047)	(7,110)
<b>Net cash flows from operating activities</b>	<b>82,486</b>	<b>143,513</b>

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



(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**

**Cash flows statement (continued)**

**For the six-month period ended 31 March 2020**

(Unit: Thousand Baht)

	2020	2019
<b>Cash flows from investing activities</b>		
Decrease (increase) in current investments	(60,154)	70,708
Cash paid for purchase of equipment	(24,644)	(76,141)
Cash paid for purchase of intangible assets	(1,020)	(1,480)
Proceeds from sales of equipment	3,840	3,475
Interest income	1,545	1,061
<b>Net cash flows used in investing activities</b>	<b>(80,433)</b>	<b>(2,377)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term loan	-	(32,460)
Repayment of finance lease payables	(1,767)	(2,494)
Dividend paid	(155,880)	(155,880)
<b>Net cash flows used in financing activities</b>	<b>(157,647)</b>	<b>(190,834)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(155,594)</b>	<b>(49,698)</b>
Cash and cash equivalents at beginning of period	443,499	322,257
<b>Cash and cash equivalents at end of period</b>	<b>287,905</b>	<b>272,559</b>
	-	
Non-cash items		
Increase in other payables from purchase of equipment	2,947	6,494
Purchases of equipment under finance lease agreements	-	1,671
Transfer intangible assets to equipment	-	2,406
Transfer other non-current assets to equipment	10,366	6,311

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

(Unaudited but reviewed)

**Thai Steel Cable Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the six-month period ended 31 March 2020**

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 October 2018</b>	259,800	464,870	26,850	932,579	1,684,099
Dividend paid (Note 15)	-	-	-	(155,880)	(155,880)
Total comprehensive income for the period	-	-	-	130,058	130,058
<b>Balance as at 31 March 2019</b>	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>906,757</u>	<u>1,658,277</u>
<b>Balance as at 1 October 2019</b>	259,800	464,870	26,850	892,735	1,644,255
Dividend paid (Note 15)	-	-	-	(155,880)	(155,880)
Total comprehensive income for the period	-	-	-	87,584	87,584
<b>Balance as at 31 March 2020</b>	<u>259,800</u>	<u>464,870</u>	<u>26,850</u>	<u>824,439</u>	<u>1,575,959</u>
	-	-	-	-	-
	-	-	-	-	-

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

**Thai Steel Cable Public Company Limited**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 31 March 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 Basis for the preparation of interim financial statements**

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

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

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

**1.3 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.

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 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 TFRS 15 using the modified retrospective method of adoption, and the comparative information was not restated. The effect of the change is described in Note 1.4 to the financial statements.

### **(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

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.

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

**1.4 Effects of change in accounting policy due to the adoption of new financial reporting standard**

As described in Note 1.3 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 six-month periods ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

For the three-month period ended 31 March 2020

	Previous accounting policy	Decrease	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	651,100	(1,783)	649,317
Selling and distribution expenses	9,555	(1,783)	7,772

(Unit: Thousand Baht)

For the six-month period ended 31 March 2020

	Previous accounting policy	Decrease	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	1,272,721	(4,172)	1,268,549
Selling and distribution expenses	21,304	(4,172)	17,132

## 1.5 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.

## 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 six-month periods ended		Transfer Pricing Policy
	31 March		31 March		
	2020	2019	2020	2019	
<u>Transactions with related companies</u>					
Sales of goods	30.8	34.3	66.1	79.5	Cost plus margin
Purchases of raw materials					
and finished goods	91.0	99.8	176.6	211.7	Cost plus margin
Purchases of assets	-	0.9	0.2	1.2	Agreed upon basis
Royalty fee	4.8	6.5	9.9	12.8	2% on the net sales amount

As at 31 March 2020 and 30 September 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 March 2020	30 September 2019
<b>Trade and other receivables - related parties (Note 4)</b>		
<u>Trade receivables - related parties</u>		
Related companies	26,733	31,765
<u>Other receivables - related parties</u>		
Related companies	135	38

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2020	30 September 2019
<b>Trade and other payables - related parties (Note 8)</b>		
<u>Trade payables - related parties</u>		
Related companies	67,729	74,128
<u>Other payables - related parties</u>		
Related companies	450	598
<u>Accrued royalty - related party</u>		
Related company	4,839	5,895

Directors and management's benefits

During the three-month and six-month periods ended 31 March 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 31 March		For the six-month periods ended 31 March	
	2020	2019	2020	2019
Short-term employee benefits	19,961	19,948	38,536	40,332
Post-employee benefits	1,071	1,033	2,151	2,093
Total	21,032	20,981	40,687	42,425

**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)	
	31 March 2020	30 September 2019
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	25,162	29,230
Past due		
Up to 3 months	1,377	2,535
3 - 6 months	194	-
Total trade receivables - related parties	26,733	31,765



(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2020	30 September 2019
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	405,495	445,832
Past due up to 3 months	337	333
Total trade receivables - unrelated parties	405,832	446,165
Total trade receivables - net	432,565	477,930
<u>Other receivables</u>		
Other receivables - related parties	135	38
Other receivables - unrelated parties	3,358	1,167
Total other receivables	3,493	1,205
Total trade and other receivables - net	436,058	479,135

## 5. Long-term investment

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2020	30 September 2019	31 March 2020	30 September 2019	31 March 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

## 6. Investment properties

Movements of the investment properties account during the six-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 October 2019	122,879
Depreciation for the period	(1,051)
Net book value as at 31 March 2020	121,828

(Unaudited but reviewed)

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 October 2019	988,975
Acquisitions during the period - at cost	27,591
Transfer in	10,367
Disposal/write-off during the period - net book value at disposal/write-off dates	(3,585)
Depreciation for the period	(55,660)
Net book value as at 31 March 2020	<u>967,688</u>

As at 31 March 2020, the Company had equipment under finance lease agreements with net book values amounting to Baht 2 million (30 September 2019: Baht 3 million).

## 8. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2020	30 September 2019
Trade payables - related parties	67,729	74,128
Trade payables - unrelated parties	314,480	349,141
Other payables	35,533	34,957
Accrued expenses	57,277	146,872
Total	<u>475,019</u>	<u>605,098</u>

## 9. 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	3,143
Interest cost	693
Benefits paid during the period	(8,493)
Balance as at 31 March 2020	<u>62,421</u>

(Unaudited but reviewed)

## 10. Provisions

These provisions are provisions for product warranty which have movements during the six-month period ended 31 March 2020 summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2019	6,127
Increase during the period	1,199
Utilised	(543)
Reversal of provisions	(1,891)
Balance as at 31 March 2020	<u>4,892</u>

## 11. Revenue from contracts with customers

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March		For the six-month periods ended 31 March	
	2020	2019	2020	2019
<b>Type of goods</b>				
Automobile control cables	451,719	563,383	869,585	1,106,930
Motorcycle control cables	108,403	116,589	223,640	219,749
Automobile window regulators	73,597	99,360	145,883	197,194
Others	17,381	25,339	33,613	51,297
Total	<u>651,100</u>	<u>804,671</u>	<u>1,272,721</u>	<u>1,575,170</u>
Less: Consideration payable to a customer	<u>(1,783)</u>	<u>-</u>	<u>(4,172)</u>	<u>-</u>
<b>Total revenue from contracts with customers</b>	<u>649,317</u>	<u>804,671</u>	<u>1,268,549</u>	<u>1,575,170</u>

**12. 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 six-month periods ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March		For the six-month periods ended 31 March	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	2,180	2,849	3,154	5,604
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	148	500	1,561	534
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>2,328</b>	<b>3,349</b>	<b>4,715</b>	<b>6,138</b>

**13. Earnings per share**

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

**14. 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.

(Unaudited but reviewed)

## 15. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (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
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

## 16. Commitments and contingent liabilities

### 16.1 Capital commitments

As at 31 March 2020, the Company had capital commitments of approximately Baht 44 million and USD 0.1 million (30 September 2019: Baht 19 million and USD 0.05 million), relating to the purchase of equipment.

### 16.2 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:

	(Unit: Million Baht)	
	31 March 2020	30 September 2019
Payable:		
In up to 1 year	19	33
In over 1 and up to 5 years	10	9

### 16.3 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 six-month periods ended 31 March 2020 amounting to approximately Baht 5 million and Baht 10 million, respectively (2019: Baht 7 million and Baht 13 million, respectively) were recognised as expenses.

## 16.4 Guarantees

As at 31 March 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.

## 16.5 Foreign exchange contracts

Foreign exchange contracts outstanding are summarised below.

As at 31 March 2020			
Foreign currency	Bought amount (Million)	Contractual exchange rate	Contractual maturity date
		Bought (Baht per 1 foreign currency unit)	
US dollar	0.1	31.74	September 2020

  

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

## 16.6 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. As at 31 March 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. As at 31 March 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. As at 31 March 2020, the Customs Department and the Company are in the process of file an appeal with to the Special Court of 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.

#### **17. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 5 May 2020.