

Pacific Pipe Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pacific Pipe Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Pacific Pipe Public Company Limited and its subsidiaries as at 31 March 2021, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Pacific Pipe Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Wato Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 11 May 2021

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		221,829	267,247	207,564	252,789
Trade and other receivables	3	1,105,204	746,828	1,105,220	747,038
Inventories	4	1,584,917	1,459,917	1,584,917	1,459,917
Advance payments for raw material		139,230	245,476	139,230	245,476
Derivative assets		284	-	284	-
Other current assets		19,864	13,244	19,864	13,244
Total current assets		3,071,328	2,732,712	3,057,079	2,718,464
Non-current assets					
Investments in subsidiaries		-	-	1,799	1,799
Property, plant and equipment	5	1,747,719	1,769,403	1,747,719	1,769,403
Intangible assets		35,961	37,972	35,961	37,972
Other non-current assets		352	400	352	400
Total non-current assets		1,784,032	1,807,775	1,785,831	1,809,574
Total assets		4,855,360	4,540,487	4,842,910	4,528,038

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

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>	
	<u>Note</u>	<u>31 March 2021</u>	<u>31 December 2020</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	6	1,630,256	1,688,291	1,630,256	1,688,291
Trade and other payables	7	148,917	114,530	148,896	114,510
Current portion of lease liabilities	8	8,708	8,547	8,708	8,547
Income tax payable		102,127	35,077	102,127	35,077
Other current liabilities		30,869	15,788	30,869	15,788
Total current liabilities		<u>1,920,877</u>	<u>1,862,233</u>	<u>1,920,856</u>	<u>1,862,213</u>
Non-current liabilities					
Lease liabilities - net of current portion	8	41,699	43,981	41,699	43,981
Deferred tax liabilities		106,542	108,814	104,089	106,361
Provision for long-term employee benefits		35,953	34,779	35,953	34,779
Total non-current liabilities		<u>184,194</u>	<u>187,574</u>	<u>181,741</u>	<u>185,121</u>
Total liabilities		<u>2,105,071</u>	<u>2,049,807</u>	<u>2,102,597</u>	<u>2,047,334</u>

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

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2021</u>	<u>31 December 2020</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
660,000,000 ordinary shares of Baht 1 each	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>
Issued and fully paid up				
660,000,000 ordinary shares of Baht 1 each	660,000	660,000	660,000	660,000
Share premium				
Share premium on ordinary shares	514,845	514,845	514,845	514,845
Surplus on treasury shares	1,011	1,011	1,011	1,011
Retained earnings				
Appropriated - statutory reserve	67,000	67,000	67,000	67,000
Unappropriated	1,115,271	855,662	1,105,295	845,686
Other components of shareholders' equity	<u>392,162</u>	<u>392,162</u>	<u>392,162</u>	<u>392,162</u>
Total shareholders' equity	<u>2,750,289</u>	<u>2,490,680</u>	<u>2,740,313</u>	<u>2,480,704</u>
Total liabilities and shareholders' equity	<u>4,855,360</u>	<u>4,540,487</u>	<u>4,842,910</u>	<u>4,528,038</u>

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

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Directors
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(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales and service income		2,500,000	1,966,281	2,500,000	1,966,281
Other income		29,078	18,902	29,078	18,902
Total revenues		<u>2,529,078</u>	<u>1,985,183</u>	<u>2,529,078</u>	<u>1,985,183</u>
Expenses					
Cost of sales and services		2,089,227	1,800,658	2,089,227	1,800,658
Selling and distribution expenses		38,148	39,466	38,148	39,466
Administrative expenses		69,240	79,471	69,240	79,348
Total expenses		<u>2,196,615</u>	<u>1,919,595</u>	<u>2,196,615</u>	<u>1,919,472</u>
Operating profit		332,463	65,588	332,463	65,711
Finance income		1	1	1	1
Finance cost		(8,030)	(11,309)	(8,030)	(11,303)
Profit before income tax expenses		324,434	54,280	324,434	54,409
Income tax expenses	9	(64,825)	(10,014)	(64,825)	(10,014)
Profit for the period		<u>259,609</u>	<u>44,266</u>	<u>259,609</u>	<u>44,395</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>259,609</u>	<u>44,266</u>	<u>259,609</u>	<u>44,395</u>
Earnings per share					
10					
Basic earnings per share					
Profit for the period		<u>0.39</u>	<u>0.07</u>	<u>0.39</u>	<u>0.07</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements						
	Issued and fully paid-up share capital	Share premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity	Total
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	shareholders' equity
Balance as at 1 January 2020	660,000	514,845	1,011	67,000	830,807	385,282	2,458,945
Profit for the period	-	-	-	-	44,266	-	44,266
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	44,266	-	44,266
Balance as at 31 March 2020	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>875,073</u>	<u>385,282</u>	<u>2,503,211</u>
Balance as at 1 January 2021	660,000	514,845	1,011	67,000	855,662	392,162	2,490,680
Profit for the period	-	-	-	-	259,609	-	259,609
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	259,609	-	259,609
Balance as at 31 March 2021	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>1,115,271</u>	<u>392,162</u>	<u>2,750,289</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium on ordinary shares	Surplus on treasury shares	Retained earnings Appropriated - statutory reserve	Unappropriated	Other components of equity Other comprehensive income Surplus on revaluation of assets	Total shareholders' equity
Balance as at 1 January 2020	660,000	514,845	1,011	67,000	820,722	385,282	2,448,860
Profit for the period	-	-	-	-	44,395	-	44,395
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	44,395	-	44,395
Balance as at 31 March 2020	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>865,117</u>	<u>385,282</u>	<u>2,493,255</u>
Balance as at 1 January 2021	660,000	514,845	1,011	67,000	845,686	392,162	2,480,704
Profit for the period	-	-	-	-	259,609	-	259,609
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	259,609	-	259,609
Balance as at 31 March 2021	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>1,105,295</u>	<u>392,162</u>	<u>2,740,313</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	324,434	54,280	324,434	54,409
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	33,323	35,140	33,323	35,140
Expected credit losses	1,807	5,157	1,807	5,157
Reduction of inventory cost to net realisable value	5,966	5,737	5,966	5,737
Gain on disposals/write-off of equipment	(130)	-	(130)	-
Provision for long-term employee benefits	1,174	875	1,174	875
Write-off deferred rental expenses	-	(2,859)	-	(2,859)
Unrealised loss on exchange	4,947	2,617	4,947	2,617
Finance income	(1)	(1)	(1)	(1)
Interest expenses	7,968	10,894	7,968	10,894
Profit from operating activities before changes in operating assets and liabilities	379,488	111,840	379,488	111,969
Operating assets (increase) decrease				
Trade and other receivables	(360,183)	(73,711)	(359,990)	(70,577)
Unbilled receivables	-	(1,087)	-	(1,087)
Inventories	(130,966)	(38,696)	(130,966)	(38,696)
Advance payments for raw material	106,246	(76,910)	106,246	(76,910)
Other current assets	(6,620)	(1,202)	(6,620)	(1,202)
Other non-current assets	48	(115)	48	(115)
Operating liabilities increase (decrease)				
Trade and other payables	32,052	(24,100)	32,052	(24,100)
Deferred revenue	-	478	-	478
Other current liabilities	15,081	3,301	15,081	3,303
Cash flows from (used in) operating activities	35,146	(100,202)	35,339	(96,937)
Interest paid	(8,014)	(11,583)	(8,014)	(11,583)
Corporate income tax paid	(48)	(691)	(48)	(691)
Net cash flows from (used in) operating activities	27,084	(112,476)	27,277	(109,211)

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Acquisition of plant and equipment	(7,271)	(6,523)	(7,271)	(6,523)
Acquisition of intangible assets	(5)	-	(5)	-
Proceeds from sales of equipment	149	1	149	1
Net cash flows used in investing activities	<u>(7,127)</u>	<u>(6,522)</u>	<u>(7,127)</u>	<u>(6,522)</u>
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	1,715,366	1,879,491	1,715,366	1,879,491
Cash paid for short-term loans from financial institutions	(1,778,620)	(1,687,664)	(1,778,620)	(1,687,664)
Payment of principle portion of lease liabilities	(2,121)	(1,548)	(2,121)	(1,548)
Net cash flows from (used in) financing activities	<u>(65,375)</u>	<u>190,279</u>	<u>(65,375)</u>	<u>190,279</u>
Net increase (decrease) in cash and cash equivalents	(45,418)	71,281	(45,225)	74,546
Cash and cash equivalents at beginning of period	267,247	282,048	252,789	263,871
Cash and cash equivalents at end of period	<u>221,829</u>	<u>353,329</u>	<u>207,564</u>	<u>338,417</u>
Supplemental cash flows information:				
Non-cash transactions				
Acquisition of plant and equipment for which no cash has been paid	2,371	4,943	2,371	4,943
Transfer equipment to intangible assets	-	15,750	-	15,750

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

Pacific Pipe Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2021

1. General information

1.1 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2020) 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 interim financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements included the financial statements of the Company and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. However, on 1 December 2019, the Company acquired the entire business transfer of two subsidiaries; namely, Tamose Trading Company Limited and Meesup Transport Company Limited, at the net book value of their assets and liabilities. The subsidiaries registered their dissolution with the Ministry of Commerce on 4 December 2019 and are currently in the process of liquidation. During the current period, there has been no change in the composition of the Group.

1.4 New financial reporting standards

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Related party transactions

During the periods, the Group 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		Transfer pricing policy
	31 March		
	Consolidated/Separate financial statements		
	<u>2021</u>	<u>2020</u>	
<u>Transactions with related parties</u>			
Office rental and service expenses	1.0	1.0	Contract price
Land rental expenses	1.3	1.3	Contract price

The balances of the accounts as at 31 March 2021 and 31 December 2020 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Other receivables - related party (Note 3)</u>				
Tamose Trading Company Limited	-	-	16	210
<u>Lease liabilities - related parties</u>				
Related companies (related by shareholders)	29,355	30,227	29,355	30,227

Directors and management's benefits

During the three-month periods ended 31 March 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	8,594	6,199
Post-employment benefits	295	139
Total	<u>8,889</u>	<u>6,338</u>

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	915,576	530,877	915,576	530,877
Past due				
Up to 3 months	175,598	190,253	175,598	190,253
3 - 6 months	1,663	11,566	1,663	11,566
6 - 12 months	23,467	25,520	23,467	25,520
Over 12 months	42,890	40,588	42,890	40,588
Total	1,159,194	798,804	1,159,194	798,804
Less: Allowance for expected credit losses	(54,959)	(53,152)	(54,959)	(53,152)
Total trade receivables - unrelated parties - net	1,104,235	745,652	1,104,235	745,652
Total trade receivables - net	1,104,235	745,652	1,104,235	745,652
<u>Other receivables</u>				
Other receivables - related party (Note 2)	-	-	16	210
Other receivables - unrelated parties	969	1,176	969	1,176
Total other receivables	969	1,176	985	1,386
Total trade and other receivables - net	1,105,204	746,828	1,105,220	747,038

4. Inventories

Movements of the reduction of inventory cost to net realisable value account during the three-month period ended 31 March 2021 are summarised below:

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2021	5,233
Reduction of inventory cost to net realisable value during the period	5,966
Balance as at 31 March 2021	11,199

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Assets		Total
	on revaluation basis - land	Assets on cost basis	
Net book value as at 1 January 2021	748,903	1,020,500	1,769,403
Acquisitions during the period	-	9,642	9,642
Disposals/Write-off during the period - net book value at disposals/write-off date	-	(19)	(19)
Depreciation for the period	-	(31,307)	(31,307)
Net book value as at 31 March 2021	748,903	998,816	1,747,719

Land were measured at fair value using level 3 input.

6. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (Percent per annum)		Consolidated/Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	Short-term loans from financial institutions	1.40 - 1.60	1.55 - 1.67	707,138
Trust receipt	1.51 - 2.02	1.47 - 2.32	923,118	974,875
			1,630,256	1,688,291

The credit facilities agreement with the banks contain financial covenants that, among other things, maintain certain debt to equity ratios according to the agreement and required the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks.

(Unaudited but reviewed)

7. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade payables - unrelated parties	67,595	27,670	67,595	27,670
Other payables - unrelated parties	52,276	50,179	52,255	50,159
Accrued expenses	29,046	36,681	29,046	36,681
Total trade and other payables	148,917	114,530	148,896	114,510

8. Lease liabilities

The carrying amounts of lease liabilities and the movement for the during the three-month period ended 31 March 2021 are presented below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Balance as at 1 January 2021	52,528
Accretion of interest	857
Payments	(2,978)
Balance as at 31 March 2021	50,407
Less: Current portion	(8,708)
Lease liabilities - net of current portion	41,699

9. Income tax

Income tax for the three-month periods ended 31 March 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Interim corporate income tax charge	67,097	12,161
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,272)	(2,147)
Income tax expenses reported in profit or loss	64,825	10,014

10. Earnings per share

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

11. Commitments and contingent liabilities**11.1 Capital commitments**

As at 31 March 2021, the Company had capital commitments of approximately Baht 1.6 million (31 December 2020: Baht 1.8 million), relating installation of truck crane.

11.2 Letters of credit

As at 31 March 2021, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 8.7 million (31 December 2020: USD 4.9 million).

11.3 Guarantees

As at 31 March 2021, there were outstanding bank guarantees of approximately Baht 16 million (31 December 2020: Baht 16 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These included letters of guarantee to guarantee as follows:

	(Unit: Million Baht)	
	31 March 2021	31 December 2020
Guarantee electricity use	15	15
Guarantee as an AEO authorised importer and/or exporter to the Customs Department	1	1

12. Segment information

The one main reportable operating segment of the Group is the manufacture and distribution of steel pipes, structural steels and contract of steel productions for construction work and the main single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss 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.

13. Financial instrument**13.1 Fair value of financial instrument**

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

13.2 Foreign currency risk

As at 31 March 2021 and 31 December 2020, the Company has financial liabilities denominated in foreign currency which mature within one year as follows:

Foreign currency	Financial liabilities		Average exchange rate	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.87	1.06	31.2535	29.9497

The Company entered into forward foreign exchange contracts as hedge instrument to mitigate the foreign currency risk. As at 31 March 2021, the Company had the outstanding forward foreign exchange contracts as follows:

Foreign currency	As at 31 March 2021		
	Bought amount	Contractual exchange rate	Maturity Date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.5	30.79	15 September 2021

As at 31 March 2021, the Company had derivative assets of Baht 0.3 million (31 December 2020: None) which are measured at fair value using level 2 input.

14. Events after the reporting period

On 22 April 2021, the 2021 Annual General Meeting of the Company's shareholders approved the payment of dividend to the shareholders of Baht 0.18 per share, a total of Baht 118.8 million, which is to be paid on 12 May 2021. This dividend will be recorded in the second quarter of the current year.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2021.