

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the Shareholders of Siam Steel International Public Company Limited

I have reviewed the consolidated statement of financial position as at 31 March 2016, the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2016, and condensed notes to the consolidated financial statements of Siam Steel International Public Company Limited and its subsidiaries. I have also reviewed the separate statement of financial position as at 31 March 2016, the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2016, and condensed notes to the financial statements of Siam Steel International Public Company Limited. 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 enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

## **Conclusion**

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

## **Other matters**

The consolidated statement of financial position of Siam Steel International Public Company Limited and its subsidiaries and the separate statement of financial position of Siam Steel International Public Company Limited as at 31 December 2015, presented as comparative information, were audited by another auditor in the same office as mine, who expressed an unmodified opinion under his report dated 29 February 2016.

The consolidated statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited and its subsidiary and the separate statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited, presented as comparative information, were reviewed by Mr. Somkid Tiatragul, an auditor in the same office as mine, who issued his review report dated 15 May 2015 concluding that nothing has come to his attention that causes him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim financial reporting”.

The consolidated statements of changes in shareholders’ equity and cash flows for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited and its subsidiaries and separate statements of changes in shareholders’ equity and cash flows for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited, presented as comparative information, were prepared by the Company’s management and not audited or reviewed by the auditor because the Company had changed its fiscal year as disclosed in Note 1 to the financial statements.

## **Miss Kanyanat Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Bangkok, Thailand

16 May 2016

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		316,368	379,516	133,156	242,871
Trade accounts receivable from sales and services					
- general customers - net	6	399,770	474,224	234,509	272,586
- related companies	5, 6	13,723	6,845	31,077	21,618
Trade accounts receivable from construction work					
- general customers - net	6	11,962	10,594	11,962	10,594
Unbilled accrued income - general customers		14,415	160	14,415	160
Inventories - net	7	365,007	324,122	244,932	228,817
Receivables from and advances to related companies	5	1,213	5,868	2,275	6,874
Short - term loans to indirect subsidiary company	5	-	-	440,000	-
Refundable value added tax		1,718	14	-	-
Other current assets		39,824	33,944	34,110	28,912
<b>Total current assets</b>		<b>1,164,000</b>	<b>1,235,287</b>	<b>1,146,436</b>	<b>812,432</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposit with bank		3,214	7,354	3,002	7,217
Long-term loan to related company	5	-	100,000	-	100,000
Retentions receivable		84,271	81,747	84,271	81,747
Investments					
- Subsidiary companies - net	8	-	-	62,349	34,399
- Associated companies	8	734,291	713,929	162,627	162,627
- Joint venture - net	8	22	22	-	-
- Other companies - net	8	52,149	52,149	49,712	49,712
Investment in solar power plant project	9	546,637	-	-	-
Goodwill	2	618	-	-	-
Property, plant and equipment - net	10	595,604	578,714	583,885	566,215
Assets not used in operation - net		165,400	168,815	165,400	168,815
Investment properties		3,415	-	3,415	-
Income tax withheld at sources		14,249	17,220	7,820	9,893
Deferred income tax asset - net		99,609	100,378	96,784	97,813
Other non - current assets - net		29,014	32,740	19,353	19,382
<b>Total non - current assets</b>		<b>2,328,493</b>	<b>1,853,068</b>	<b>1,238,618</b>	<b>1,297,820</b>
<b>TOTAL ASSETS</b>		<b>3,492,493</b>	<b>3,088,355</b>	<b>2,385,054</b>	<b>2,110,252</b>

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

- k Footed
- p Trivial - Waive Further Procedures
- e Recomputed
- n Agreed To Prior Year Workpapers

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from financial institution	11	263,815	24,000	263,815	24,000
Short - term loans from related party	5	103,000	-	-	-
Trade accounts payable - general suppliers		141,752	122,203	101,626	92,096
Trade accounts payables and advances from related companies	5	47,878	38,906	13,136	17,283
Advances and deposits from customers					
- general customers		66,727	44,391	64,851	42,747
- related companies	5	3,659	3,659	5,212	5,212
Accrued income tax		189	113	-	-
Other current liabilities		104,477	105,832	98,538	95,194
<b>Total current liabilities</b>		<b>731,497</b>	<b>339,104</b>	<b>547,178</b>	<b>276,532</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institution	12	200,000	200,000	200,000	200,000
Liabilities under employee benefits obligation		24,494	24,050	21,312	20,963
Other non - current liabilities		3,076	1,827	3,076	1,827
<b>Total non - current liabilities</b>		<b>227,570</b>	<b>225,877</b>	<b>224,388</b>	<b>222,790</b>
<b>TOTAL LIABILITIES</b>		<b>959,067</b>	<b>564,981</b>	<b>771,566</b>	<b>499,322</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,126	593,126	593,126	593,126
- Issued and paid - up 593,125,849 shares		593,126	593,126	593,126	593,126
Premium on share capital		72,404	72,404	72,404	72,404
Retained earnings					
- Appropriated for legal reserve		59,312	59,312	59,312	59,312
- Unappropriated		1,619,145	1,610,539	888,646	886,088
<b>Total shareholders' equity of the Company</b>		<b>2,343,987</b>	<b>2,335,381</b>	<b>1,613,488</b>	<b>1,610,930</b>
Non - controlling interests		189,439	187,993	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,533,426</b>	<b>2,523,374</b>	<b>1,613,488</b>	<b>1,610,930</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,492,493</b>	<b>3,088,355</b>	<b>2,385,054</b>	<b>2,110,252</b>

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

	Note	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
		(Unit : Thousand Baht)			
<b>Revenues</b>					
Sales and services - net	5	390,386	407,750	224,242	251,499
Construction work		38,255	6,857	38,255	6,857
<b>Total revenues</b>		<b>428,641</b>	<b>414,607</b>	<b>262,497</b>	<b>258,356</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5	286,572	315,039	156,037	200,560
Cost of construction		31,891	6,144	31,891	6,144
<b>Total cost of goods sold</b>		<b>318,463</b>	<b>321,183</b>	<b>187,928</b>	<b>206,704</b>
<b>Gross profit</b>		<b>110,178</b>	<b>93,424</b>	<b>74,569</b>	<b>51,652</b>
Gain (loss) on foreign exchange rates		3,296	(11,454)	3,470	(11,726)
Other income	5	8,025	8,141	19,736	11,337
<b>Profit before expenses</b>		<b>121,499</b>	<b>90,111</b>	<b>97,775</b>	<b>51,263</b>
Selling expenses		(34,686)	(41,141)	(36,774)	(42,979)
Administrative expenses	5	(88,163)	(71,958)	(50,957)	(41,040)
Reversal of allowance for doubtful debts and bad debt - net		-	30	-	30
<b>Total expenses</b>		<b>(122,849)</b>	<b>(113,069)</b>	<b>(87,731)</b>	<b>(83,989)</b>
<b>Profit (loss) from operations</b>		<b>(1,350)</b>	<b>(22,958)</b>	<b>10,044</b>	<b>(32,726)</b>
Share of profit from investments in associated companies - net		20,362	14,040	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>19,012</b>	<b>(8,918)</b>	<b>10,044</b>	<b>(32,726)</b>
Finance costs	5	(7,149)	(231)	(6,458)	(221)
<b>Profit (loss) before income tax</b>		<b>11,863</b>	<b>(9,149)</b>	<b>3,586</b>	<b>(32,947)</b>
Income tax		(1,811)	(3,514)	(1,028)	(1,643)
<b>Profit (loss) for the period</b>		<b>10,052</b>	<b>(12,663)</b>	<b>2,558</b>	<b>(34,590)</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income (loss) for the period</b>		<b>10,052</b>	<b>(12,663)</b>	<b>2,558</b>	<b>(34,590)</b>
<b>Profit (loss) for the period attributable to :</b>					
Equity holders of the Company		8,606	(16,464)	2,558	(34,590)
Non - controlling interests		1,446	3,801	-	-
<b>Total</b>		<b>10,052</b>	<b>(12,663)</b>	<b>2,558</b>	<b>(34,590)</b>
<b>Total comprehensive income (loss) for the period attributable to:</b>					
Equity holders of the Company		8,606	(16,464)	2,558	(34,590)
Non - controlling interests		1,446	3,801	-	-
<b>Total</b>		<b>10,052</b>	<b>(12,663)</b>	<b>2,558</b>	<b>(34,590)</b>
<b>Basic earnings per share</b>					
Profit (loss) (Baht per share)		0.015	(0.028)	0.004	(0.058)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Shareholders' equity of the Company						
	Paid - up share capital	Premium on share capital	Retained earnings		Total	Non-controlling interests	Total
			Appropriated for legal reserve	Unappropriated			
<b>Consolidated F/S</b>							
<b>(Unaudited and unreviewed)</b>							
<b>Balance as at 1 January 2015</b>	593,126	72,404	59,312	1,597,973	2,322,815	189,426	2,512,241
Total comprehensive income (loss) for the period	-	-	-	(16,464)	(16,464)	3,801	(12,663)
<b>Balance as at 31 March 2015</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,581,509</b>	<b>2,306,351</b>	<b>193,227</b>	<b>2,499,578</b>
<b>(Unaudited but reviewed)</b>							
<b>Balance as at 1 January 2016</b>	593,126	72,404	59,312	1,610,539	2,335,381	187,993	2,523,374
Total comprehensive income for the period	-	-	-	8,606	8,606	1,446	10,052
<b>Balance as at 31 March 2016</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,619,145</b>	<b>2,343,987</b>	<b>189,439</b>	<b>2,533,426</b>

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Paid - up share capital	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
<u>Separate F/S</u>					
<b>(Unaudited and unreviewed)</b>					
Balance as at 1 January 2015	593,126	72,404	59,312	893,712	1,618,554
Total comprehensive loss for the period	-	-	-	(34,590)	(34,590)
<b>Balance as at 31 March 2015</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>859,122</b>	<b>1,583,964</b>
 <b>(Unaudited but reviewed)</b>					
Balance as at 1 January 2016	593,126	72,404	59,312	886,088	1,610,930
Total comprehensive income for the period	-	-	-	2,558	2,558
<b>Balance as at 31 March 2016</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>888,646</b>	<b>1,613,488</b>

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

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	11,863	(9,149)	3,586	(32,947)
<b>Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities:</b>				
Depreciation	10,773	11,002	9,986	10,226
Reversal of allowance for doubtful debts and bad debt - net	-	(30)	-	(30)
Allowance (reversal of allowance) for decline value of inventories - net	785	(1,831)	785	(1,831)
Loss (gain) on sales of assets	(27)	152	(2)	(4)
Unrealized loss (gain) on foreign exchange	(4,110)	12,213	(4,110)	12,213
Finance costs	7,149	231	6,458	221
Equity in income of associated companies - net	(20,362)	(14,040)	-	-
Employee benefits obligation expenses	179	319	177	229
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	6,250	(1,133)	16,880	(11,923)
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	74,700	22,100	38,322	7,186
- related companies	(6,879)	(2,341)	(9,459)	(2,280)
Trade accounts receivable from construction work				
- general customers	(1,369)	-	(1,369)	-
Unbilled accrued income	(14,255)	(2,867)	(14,255)	(2,867)
Inventories	(41,670)	8,420	(16,900)	12,552
Receivables from and advances to related companies	4,655	23	4,599	218
Other current assets	(7,584)	(7,485)	(5,197)	(4,357)
Retentions receivable	1,668	-	1,668	-
Other non - current assets	5,844	(2,565)	2,103	(1,191)
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	19,553	32,104	9,534	18,146
Trade accounts payables and advances from related companies	8,972	(3,800)	(4,146)	(1,659)
Advances and deposits from customers	22,336	(1,732)	22,104	221
Other current liabilities	(2,471)	(16,072)	3,012	(14,427)
Other non - current liabilities	1,249	(113)	1,249	(37)
<b>Cash provided from (used in) operating activities</b>	70,999	24,539	48,145	(418)
Interest payment	(6,603)	(10)	(6,286)	-
Income tax payment	(113)	(743)	-	-
<b>Net cash provided from (used in) operating activities</b>	64,283	23,786	41,859	(418)

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)
<b>Cash flows from investing activities</b>				
Decrease in restricted deposits with banks	4,140	34	4,215	-
Acquisition of assets	(27,665)	(1,160)	(27,659)	(971)
Proceeds from sales of assets	30	2,475	5	2,014
Decrease in long - term loans to related company	-	-	100,000	-
Increase in long - term loans to indirect subsidiary company	-	-	(440,000)	-
Cash received (paid) for investment in subsidiary company	7,810	-	(27,950)	-
Cash paid for investment in solar power plant project	(454,561)	-	-	-
<b>Net cash provided from (used in) investing activities</b>	<b>(470,246)</b>	<b>1,349</b>	<b>(391,389)</b>	<b>1,043</b>
<b>Cash flows from financing activities</b>				
Increase in short - term loans from financial institution	239,815	-	239,815	-
Increase in short - term loans from related parties	103,000	-	-	-
<b>Net cash provided from financing activities</b>	<b>342,815</b>	<b>-</b>	<b>239,815</b>	<b>-</b>
<b>Increase (decrease) in cash and cash equivalents - net</b>	<b>(63,148)</b>	<b>25,135</b>	<b>(109,715)</b>	<b>625</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>379,516</b>	<b>235,726</b>	<b>242,871</b>	<b>101,230</b>
<b>Cash and cash equivalents at end of period</b>	<b>316,368</b>	<b>260,861</b>	<b>133,156</b>	<b>101,855</b>

**SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**

**31 MARCH 2016 (Unaudited but reviewed)**

(With comparative information for 2015 (Audited))

1. NATURE OF OPERATIONS

Siam Steel International Public Company Limited was incorporated as a public company in Thailand, and has been listed in the Stock Exchange of Thailand. The Company is engaged in manufacturing and sales of steel office equipment and furniture parts, as well as the construction services and investment in alternative energy.

During the year 2015, the Company changed its fiscal year from 30 June to 31 December each year. The first accounting period, after the change is for the period from 1 July 2015 to 31 December 2015. The Company changes its accounting period for its financial statements to be comparable with other listed companies in the same industry. Therefore, the consolidated statements of changes in shareholders' equity and cash flows for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited and its subsidiaries and separate statements of changes in shareholders' equity and cash flows for the three-month period ended 31 March 2015 of Siam Steel International Public Company Limited, presented for comparative information, were prepared by the Company's management and were not audited or reviewed by the auditor.

2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for interim financial statements preparation

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34: "Interim Financial Reporting", whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended 31 December 2015.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements to other language must conform to the Thai financial report.

These interim financial statements have been approved by Board of Directors on 16 May 2016.

## 2.2 Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right as follows:

Company	Percentage of shareholding		Type of business
	31 March 2016	31 December 2015	
<u>Subsidiaries</u>			
Siam Okamura International Co., Ltd.	51	51	Distribution of office furniture and furniture used for public
Sri Chareon International Co., Ltd.	99.99	99.99	Distribution of office furniture and furniture parts
Siam Steel OC Co., Ltd.	51	51	Distribution of finished buildings, wall and relating products

During the period, the Company and its subsidiary company invested in the following subsidiaries which had not yet started operating:

Company	Percentage of shareholding		Type of business
	31 March 2016	31 December 2015	
<u>Subsidiary</u>			
Siam International Energy Co., Ltd.	99.99	-	Investment in alternative energy
<u>Indirect subsidiaries</u>			
Bangphra Green Energy Co., Ltd.	99.99	-	Manufacturing and distribution of solar equipment
Siam New Power Co., Ltd.	99.99	-	Investment in alternative energy
Siam Green Energy Plus Co., Ltd.	99.99	-	Investment in alternative energy
Siam Wealth Energy Co., Ltd.	99.99	-	Investment in alternative energy
Siam Inter Biomass Co., Ltd.	99.99	-	Investment in alternative energy
Siam Biomass Product Co., Ltd.	99.99	-	Investment in alternative energy

On 27 January 2016, Siam International Energy Limited purchase 100% of the common share of Bangphra Green Energy Co., Ltd., which manufactures and distributes solar equipment. Bangphra Green Energy Co., Ltd. therefore, is an indirect subsidiary of the Company.

The fair value of the acquired assets and liabilities of Bangphra Green Energy Co., Ltd. as at 31 December 2015, which approximate to the value at the acquisition date of 27 January 2016, are summarised below:

	Thousand Baht
Cash and cash equivalents	10,310
Investment in solar power plant project	92,076
Other payable	(504)
Long-term loan	(100,000)
Total net asset value	1,882
Goodwill	618
Cash payment for purchase of investment in subsidiary	2,500
Less: Cash and cash equivalents of subsidiary	(10,310)
Net cash received for purchase of investment in subsidiary	7,810

Goodwill in the consolidated financial statement is the amount paid by the subsidiary company above the fair value of the indirect subsidiary company's asset and liabilities at acquisition date.

- 2.3 Significant intercompany transactions with subsidiaries included in the consolidated financial statements have been eliminated.
- 2.4 The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company and subsidiaries.
- 2.5 As of 31 March 2016 and 31 December 2015, the total assets of subsidiaries represent 30.78 percent and 15.70 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 March 2016 and 2015, represent 46.98 percent and 37.90 percent, respectively, of the total revenues in the consolidated financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended 31 December 2015.

The Federation of Accounting Professions has announced the new and amendments to some Thai Accounting Standards and Thai Financial Reporting Standards, and Accounting Standard Interpretations and Financial Reporting standards interpretations, which are effective for the preparation of financial statements with accounting periods beginning on or after 1 January 2016. The Company has adopted the application of those standards and interpretations for preparation of financial statements effective 1 January 2016. These accounting standards and interpretations do not have significant impact on the financial position and results of operations for the period.

### 4. ESTIMATION

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended 31 December 2015.

## 5. TRANSACTIONS WITH RELATED COMPANIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies which are related through common shareholding and/or directorship. These financial statements reflected the effects of significant transactions with related companies based on market prices in the normal course of business, or based on the basis mutually agreed to for transactions with non-comparative market prices.

Relationship with related parties were as follows:

Name	Country of incorporation	Type of Business	Relationship
Sri Chareon International Co., Ltd.	Thailand	Distribution of office furniture	Subsidiary company
Siam Okamura International Co., Ltd.	Thailand	Distribution of office furniture and furniture used for public	Subsidiary company
Siam Steel OC Co.,Ltd.	Thailand	Distribution of equipment, office furniture and industrial pasts.	Subsidiary company
Siam International Energy Co., Ltd.	Thailand	Investment in alternative energy	Subsidiary company
Bangphra Green Energy Co., Ltd.	Thailand	Manufacturing and distribution of solar equipment	Indirect subsidiary company
Siam New Power Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Green Energy Plus Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Wealth Energy Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Inter Biomass Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Biomass Product Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Okamura Steel Co., Ltd.	Thailand	Manufacturer and distribution of office automation furniture for export	Associated company
Siam Steel Service Center Plc.	Thailand	Manufacturer and distribution of primary steel parts for various industries.	Associated company
Unity Service Co., Ltd.	Thailand	Providing of utilities and nursing facilities	Co-director
Formica (Thailand) Ltd.	Thailand	Manufacturing and distribution of plastic laminate products	Co-director
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of electrical appliance and supplies for construction such as electric wire, pipe and downstream equipment	Co-director
Siam Chitose Co., Ltd	Thailand	Manufacturing and distribution of furniture and furniture parts.	Co-director
Lucky-Kingdom Center (Nakornratchasima) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Lucky-Kingdom Center (Chiangmai) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Union Autoparts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of motorcycles and motorcycle parts.	Co-director
Hirokoh (Thailand) Co., Ltd.	Thailand	Distribution and rental of movable instant office, movable instant restroom	Co-director
Mr.Surapol Kunanantakul and Mr.Sittichai Kunanantakul	-	-	Company's directors

As at 31 March 2016 and 31 December 2015, the account balances with related companies are as follows:

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<b>Trade accounts receivable from sales and services</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	17,544	14,593
Siam Okamura International Co., Ltd.	-	-	147	625
Siam Steel OC Co., Ltd.	-	-	-	384
Total	-	-	17,691	15,602
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	101	28	40	24
Siam Steel Service Center Public Company Limited	6	14	7	14
Total	107	42	47	38
<u>Related companies</u>				
Hirokoh (Thailand) Ltd.	6,410	818	6,410	818
Lucky - Kingdom Center (Nakornratchasima) Co., Ltd.	2,709	2,164	2,709	2,164
Lucky - Kingdom Center (Chiangmai) Co., Ltd.	3,507	2,461	3,506	2,461
Siam Chitose Co., Ltd.	224	203	224	203
Unity Service Co., Ltd.	29	30	29	30
Others	737	1,127	461	302
Total	13,616	6,803	13,339	5,978
Total trade accounts receivable from sales and services – related companies	13,723	6,845	31,077	21,618
<b>Receivables from and advances</b>				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	1,062	1,006
Total	-	-	1,062	1,006
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	1,213	1,175	1,213	1,175

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Related companies</u>				
Siam Chitose Co., Ltd.	-	4,673	-	4,673
Unity Service Co., Ltd.	-	20	-	20
Total	-	4,693	-	4,693
Total receivables from and advances to related companies	1,213	5,868	2,275	6,874

There is no interest charge for the above receivables and advances.

Short-term loans to indirect subsidiary company

Bangpra Green Energy Co., Ltd.	-	-	440,000	-
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Long-term loans to related company

Bangpra Green Energy Co., Ltd.	-	100,000	-	100,000
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Movements in short – term loans to indirect subsidiary company and long - term loans to related company for the three – month period ended 31 March 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			
	31 December			31 March
	2015	Increase	Decrease	2016
Long - term loans	100,000	-	100,000	-

	(Unit : Thousand Baht)			
	Separate F/S			
	31 December			31 March
	2015	Increase	Decrease	2016
Short - term loans	-	440,000	-	440,000

	Thousand Baht			
	Consolidated F/S		Separate F/S	
		31 December	31 March	31 December
	31 March 2016	2015	2016	2015
<b>Short-term loan from related party</b>				
Director	103,000	-	-	-
Total	103,000	-	-	-

Movements in short – term loans from related party for the three – month period ended 31 March 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			
	31 December			31 March
	2015	Increase	Decrease	2016
Short - term loans	-	103,000	-	103,000

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<b>Trade accounts payable</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	37	20
Siam Okamura International Co., Ltd.	-	-	-	752
Total	-	-	37	772
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	34,112	18,058	4,364	5,863
Siam Steel Service Center Public Company Limited	582	30	582	30
Total	34,694	18,088	4,946	5,893
<u>Related companies</u>				
Siam Chitose Co., Ltd.	5,882	8,826	5,882	8,826
Formica (Thailand) Co., Ltd.	1,078	819	1,078	819
Hirokoh (Thailand) Ltd.	39	10	39	10
Others	5,091	10,260	-	-
Total	12,090	19,915	6,999	9,655
Total trade accounts payable - related companies	46,784	38,003	11,982	16,230

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<b>Advances from</b>				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	60	60
<u>Related companies</u>				
Unity Service Co., Ltd.	960	898	960	898
Others	134	5	134	5
Total	1,094	903	1,094	903
Total advances from related companies	1,094	903	1,154	963
Total trade accounts payable and advances from related companies	47,878	38,906	13,136	17,283
<b>Advances and deposit from customers</b>				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	1,553	1,553
<u>Related company</u>				
Formica (Thailand) Co., Ltd.	3,659	3,659	3,659	3,659
Total advances and deposits from customers - related companies	3,659	3,659	5,212	5,212

The significant transactions with related companies for the three-month periods ended 31 March 2016 and 2015 are as follows:

	The Policy of Pricing
Sales and services	Cost plus margin or agreed price
Income from construction	Cost plus margin
Income from sales of raw materials, factory supplies and others	Cost plus margin
Rental revenue	Agreed price
Interest income	8% per annum
Purchases of raw materials	Cost plus margin or agreed price
Purchases of finished goods	Agreed price
Land and factory rental	Agreed price
Administrative and other expenses	Cost plus margin or agreed price
Interest expense	2.5 % per annum

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2016	2015	2016	2015
Sales	14,881	14,746	31,656	16,032
Income from sales of raw materials, factory supplies and others	4,666	5,688	5,830	6,663
Rental revenue	3,689	3,482	6,055	5,848
Interest income	-	-	8,169	-
Purchases of raw materials	3,385	3,041	3,385	3,041
Purchases of finished goods	66,115	75,168	12,010	28,527
Administrative expenses and other expenses	10,633	9,924	2,897	3,497
Interest expense	592	-	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	5,629	4,889	4,941	4,180
Post-employment benefits	71	98	64	91
Total	5,700	4,987	5,005	4,271

6. TRADE ACCOUNTS RECEIVABLE – GENERAL CUSTOMERS - NET

As at 31 March 2016 and 31 December 2015, the aged analysis of trade accounts receivable is as follows:

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<b>Trade accounts receivable from sales and services</b>				
<u>Trade accounts receivable – general customers</u>				
Current	200,365	247,310	124,051	135,189
Overdue:				
Less than 3 months	68,021	124,325	11,043	42,523
3 months – 6 months	24,237	4,430	3,868	2,611
6 months – 12 months	12,200	7,836	2,245	1,632
Over 12 months	139,867	135,243	138,222	135,551
Total	444,690	519,144	279,429	317,506
<u>Less</u> Allowance for doubtful accounts	(44,920)	(44,920)	(44,920)	(44,920)
Net	399,770	474,224	234,509	272,586

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Trade accounts receivable - related companies</u>				
Current	13,692	6,798	31,053	21,618
Overdue:				
Less than 3 months	31	47	24	-
Total	<u>13,723</u>	<u>6,845</u>	<u>31,077</u>	<u>21,618</u>
<b>Trade accounts receivable – construction work</b>				
<u>Trade accounts receivable – general customers</u>				
Current	<u>11,962</u>	<u>10,594</u>	<u>11,962</u>	<u>10,594</u>

7. INVENTORIES – NET

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Finished goods	186,158	158,600	66,083	64,819
Work in process	61,322	55,727	61,322	55,727
Raw materials and supplies	161,038	151,657	161,038	151,657
Goods in transit	660	1,524	660	-
Total	<u>409,178</u>	<u>367,508</u>	<u>289,103</u>	<u>272,203</u>
<u>Less</u> Allowance for decline value of inventories	(44,171)	(43,386)	(44,171)	(43,386)
Net	<u>365,007</u>	<u>324,122</u>	<u>244,932</u>	<u>228,817</u>

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

	Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2016	43,386	43,386
<u>Add</u> Allowance for decline value of inventories	785	785
Balance as at 31 March 2016	<u>44,171</u>	<u>44,171</u>

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 31 March 2016 and 31 December 2015, the balances of investments in subsidiaries and related companies are shown on the following pages:

(Unit: Thousand Baht)

		Consolidated F/S									
		Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income	
Type of business		31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<u>Investments</u>											
<u>Associated companies - equity method</u>											
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	108,152	107,200		
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	621,173	601,767		
						<u>162,627</u>	<u>162,627</u>	<u>729,325</u>	<u>708,967</u>		
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	4,966	4,962		
Total investments in associated companies by equity method						<u>167,427</u>	<u>167,427</u>	<u>734,291</u>	<u>713,929</u>		
<u>Joint venture – equity method</u>											
Siam Steel - Kanok Furniture	Interior decoration service	100	100	49	49	49	49	22	22		
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			-	23,898
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			-	-
Total investment in related companies by cost method						<u>49,712</u>	<u>49,712</u>			<u>-</u>	<u>23,898</u>
<u>Other company - cost method</u>											
Siam Auto Bags Co., Ltd.	Sales parts and accessories of car	39,900	39,900	6.39	6.39	5,000	5,000				
<u>Less</u> Allowance for decline value of investments								(2,563)	(2,563)		
Net						<u>2,437</u>	<u>2,437</u>				
Total investment in other company by cost method – net						<u>52,149</u>	<u>52,149</u>				

(Unit: Thousand Baht)

Type of business	Separate F/S								
	Paid-up Share capital		Percentage of shareholding		Cost method		Dividend income		
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	75,000	75,000	99.99	99.99	14,000	14,000	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	-	2,193
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200	-	-
Siam International Energy Co., Ltd.	Operation of renewable energy power plants	27,950	-	99.99	-	27,950	-	-	-
Total investment in subsidiary companies						62,349	34,399	-	2,193
<u>Less Allowance for decline in value of investments</u>						-	-		
Net						62,349	32,399		
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	-	-
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	-	-
Total investment in associated companies						162,627	162,627	-	-
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	23,898
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	-	-
Total investments in related companies						49,712	49,712	-	23,898
<u>Joint venture</u>									
Siam Steel - Kanok Furniture	Interior decoration service	100	100	49	49	49	49		
<u>Less Allowance for decline in value of investments</u>						(49)	(49)		
Net						-	-		
Total dividend income from investments accounted for by cost method								-	26,091

Movements in investments in associated companies and joint venture for the three-month period ended 31 March 2016 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 January 2016	713,951	162,627
Share of profits of investment - equity method	20,362	-
Share of loss of investment - equity method	-	-
Net book value as at 31 March 2016	734,313	162,627

9. INVESTMENT IN SOLAR POWER PLANT PROJECT

During this period, Bangphra Green Energy Co., Ltd., indirect subsidiary of the Company has invested, 97% of project value, in Solar Power Plant project in Japan of the capacity of 15.17 Megawatts. The total expected value of the project is Baht 1,358.18 million, and the amount invested to 31 March 2016 is Baht 546.64 million. The project is expected to commence operation in the Third quarter of year 2017.

10. PROPERTY, PLANT AND EQUIPMENT – NET

Movements in property, plant and equipment for the three-month period ended 31 March 2016 are as follow:

	Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 January 2016	578,714	566,215
Purchase during the period	27,665	27,658
Disposal during the period – net book value	(2)	(2)
Depreciation for the period	(10,773)	(9,986)
Net book value as at 31 March 2016	595,604	583,885

11. SHORT – TERM LOANS FROM FINANCIAL INSTITUTION – NET

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Short – term loans	64,010	24,000	64,010	24,000
Bills of exchange	200,000	-	200,000	-
Total	264,010	24,000	264,010	24,000
<u>Less</u> Deferred interest	(195)	-	(195)	-
Net	263,815	24,000	263,815	24,000

As at 31 March 2016, bills of exchange from a financial institution has interest at the rate of 4.5%. Such loan is due on July 2016.

12. LONG – TERM LOANS FROM FINANCIAL INSTITUTION

As at 31 March 2016, long-term loans from financial institution with interest at the rates of MLR – 0.5% per annum are collateralized by the pledge of 8,842,800 shares of an associated company. In addition, the Company has to deposit dividend received from such shares to the bank account accumulatively until it reach Baht 10.00 million as addition collateral. The Company also has to pledge shares belonging to the Company’s directors of 25,000,000 shares as collateral for this loan. This loan is repayable within December 2020.

13. SEGMENTAL FINANCIAL INFORMATION

	Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
<b>Consolidated</b>						
Sales and services – net	379,444	372,265	10,942	35,485	390,386	407,750
Cost of sales and services	(277,140)	(280,673)	(9,432)	(34,366)	(286,572)	(315,039)
Gross profit	102,304	91,592	1,510	1,119	103,814	92,711
Revenues from construction work	38,255	6,857	-	-	38,255	6,857
Costs of construction work	(31,891)	(6,144)	-	-	(31,891)	(6,144)
Gross profit	6,364	713	-	-	6,364	713
Total gross profit	108,668	92,305	1,510	1,119	110,178	93,424
Depreciation					(10,773)	(11,002)
Interest expense					(7,149)	(231)
Profit (loss) before income tax					11,863	(9,149)

	Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
Property, plant and equipment – net					595,604	550,041
Assets not used in operation - net					165,400	168,817
Other assets					2,731,489	2,088,685
Total assets as at 31 March					<u>3,492,493</u>	<u>2,807,543</u>

	Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
<b>Separate F/S</b>						
Sales and services – net	213,300	216,014	10,942	35,485	224,242	251,499
Cost of sales and services	(146,605)	(166,194)	(9,432)	(34,366)	(156,037)	(200,560)
Gross profit	<u>66,695</u>	<u>49,820</u>	<u>1,510</u>	<u>1,119</u>	<u>68,205</u>	<u>50,939</u>
Revenues from construction work	38,255	6,857	-	-	38,255	6,857
Costs of construction work	(31,891)	(6,144)	-	-	(31,891)	(6,144)
Gross profit	<u>6,364</u>	<u>713</u>	<u>-</u>	<u>-</u>	<u>6,364</u>	<u>713</u>
Total gross profit	<u>73,059</u>	<u>50,533</u>	<u>1,510</u>	<u>1,119</u>	<u>74,569</u>	<u>51,652</u>
Depreciation					(9,986)	(10,226)
Interest expense					(6,458)	(221)
Loss before income tax					<u>3,586</u>	<u>(32,947)</u>
Property, plant and equipment – net					583,885	536,966
Assets not used in operation - net					165,400	168,817
Other assets					1,635,769	1,111,212
Total assets as at 31 March					<u>2,385,054</u>	<u>1,816,995</u>

#### 14. GUARANTEE

As at 31 March 2016, the Company has outstanding guarantees of approximately Baht 271.17 million which was issued by certain local bank in respect of certain performance bonds required in the normal course of business of the Company.

As at 31 March 2016, the subsidiaries have outstanding guarantees of approximately Baht 3.50 million which was issued by certain local banks in respect of certain performance bonds required in the normal course of business of the subsidiaries.

15. COMMITMENTS

15.1 As at 31 March 2016, the Company had outstanding commitments for the project work of the Company with major contractor of Baht 48.03 million.

15.2 As at 31 March 2016, subsidiary company has various operating lease agreements covering its office premises, showroom, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the Company is committed to pay the rental as follow :

	Thousand Baht
Within 1 year	5,281
2 - 3 year	1,027

16. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Exchange Risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

As at 31 March 2016, the balances of financial assets and liabilities denominated in foreign currencies are summarized below:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 31 March 2016 (Baht per 1 foreign currency unit)
USD	888	31	35.23915
JPY	1,035	1,334	0.313408
AUD	6,391	488	26.97805

Below is the summary of the Company's foreign currency denominated assets and liabilities as at 31 March 2016 which were not covered by hedging agreement.

	USD (Thousand)	JPY (Thousand)	AUD (Thousand)
<u>Financial assets</u>			
Cash and cash equivalents	839	1,035	-
Trade accounts receivable – net	49	-	6,391
<u>Financial liabilities</u>			
Trade accounts payable	7	300	-
Advances from customers	14	1,034	158
Other current liabilities	11	-	330