

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the shareholders of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position as at 30 June 2017, the related consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017, consolidated statement of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017, and condensed notes to the interim consolidated financial statements of Siam Steel International Public Company Limited and subsidiaries. I have also reviewed the separate statement of financial position as at 30 June 2017, and the related separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017, statement of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017, and condensed notes to the interim 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”.

**Emphasis of Matter**

I draw attention to note 20 to the interim financial statement which describes the restatement of the consolidated profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016, statement of changes in shareholders’ equity and cash flows for the six-month period ended 30 June 2016 due to the change in the accounting treatment of an indirect subsidiary. My conclusion is not qualified in respect of this matter.

**Miss Kanyanat Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok, Thailand

15 August 2017

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		240,799	380,030	55,243	195,606
Trade accounts receivable from sales and services					
- general customers - net	6	383,422	424,935	228,846	244,254
- related companies	5, 6	14,047	6,009	14,412	7,186
Trade accounts receivable from construction work					
- general customers	6	22,781	30,158	22,781	30,158
Unbilled accrued income - general customers		-	5,768	-	5,768
Inventories - net	7	354,959	404,234	255,206	277,589
Receivables from and advances to related companies	5	7,108	984	8,107	2,812
Short - term loans to indirect subsidiary company	5	-	-	375,000	465,000
Assets hold for sale		3,415	-	3,415	-
Other current assets		40,983	48,307	45,031	31,639
<b>Total current assets</b>		<b>1,067,514</b>	<b>1,300,425</b>	<b>1,008,041</b>	<b>1,260,012</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with banks		8,744	525	8,590	261
Retentions receivable		18,066	17,141	18,066	17,141
Investments					
- Subsidiary companies - net	8	-	-	194,399	194,399
- Associated companies	8	756,168	758,984	162,627	162,627
- Other companies - net	8	52,149	52,149	49,712	49,712
Goodwill		618	618	-	-
Property, plant and equipment - net	9	1,158,008	1,175,211	545,240	561,435
Assets not used in operation - net		165,400	168,815	165,400	168,815
Income tax withheld at sources		26,602	22,569	14,132	11,998
Deferred income tax asset - net		97,829	100,739	93,209	95,505
Other non - current assets		18,778	21,682	9,618	9,655
<b>Total non - current assets</b>		<b>2,302,362</b>	<b>2,318,433</b>	<b>1,260,993</b>	<b>1,271,548</b>
<b>TOTAL ASSETS</b>		<b>3,369,876</b>	<b>3,618,858</b>	<b>2,269,034</b>	<b>2,531,560</b>

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from financial institutions	10	194,755	385,334	104,755	385,334
Short - term loans from other person	11	138,000	103,000	-	-
Short - term loans from related companies	5	47,000	-	90,000	-
Current portion of					
- Long - term loans from financial institutions	12	5,784	5,784	5,784	5,784
- Liabilities under employee benefits obligation		10,431	10,094	10,201	9,864
Trade accounts payable - general suppliers		95,383	130,868	72,044	94,536
Payables to and advances from related companies	5	46,384	42,569	15,202	10,045
Advances and deposits from customers					
- general customers		17,480	43,824	17,480	40,699
- related companies	5	3,659	8,283	5,367	10,124
Other current liabilities	13	103,590	123,586	89,197	102,982
<b>Total current liabilities</b>		<b>662,466</b>	<b>853,342</b>	<b>410,030</b>	<b>659,368</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institutions - net	12	219,138	230,319	219,138	230,319
Liabilities under employee benefits obligation - net		30,282	29,858	26,641	26,502
Other non - current liabilities		24,781	26,118	14,461	15,799
<b>Total non - current liabilities</b>		<b>274,201</b>	<b>286,295</b>	<b>260,240</b>	<b>272,620</b>
<b>TOTAL LIABILITIES</b>		<b>936,667</b>	<b>1,139,637</b>	<b>670,270</b>	<b>931,988</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
Share premium		72,404	72,404	72,404	72,404
Retained earnings					
- Appropriated for legal reserve		59,312	59,312	59,312	59,312
- Unappropriated		1,522,753	1,561,712	873,922	874,730
Other components of equity		(5,169)	2,492	-	-
<b>Shareholders' equity attributable to the Company's shareholders</b>		<b>2,242,426</b>	<b>2,289,046</b>	<b>1,598,764</b>	<b>1,599,572</b>
Non - controlling interests		190,783	190,175	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,433,209</b>	<b>2,479,221</b>	<b>1,598,764</b>	<b>1,599,572</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,369,876</b>	<b>3,618,858</b>	<b>2,269,034</b>	<b>2,531,560</b>

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2017	2016 (Restated)	2017	2016
<b>Revenues</b>					
Sales and services - net	5, 15	380,193	401,132	222,248	214,884
Construction work	15	10,897	37,461	10,897	37,461
<b>Total revenues</b>		<b>391,090</b>	<b>438,593</b>	<b>233,145</b>	<b>252,345</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5, 15	(309,953)	(319,478)	(181,427)	(163,484)
Cost of construction	15	(9,277)	(33,108)	(9,277)	(33,108)
<b>Total cost of goods sold</b>		<b>(319,230)</b>	<b>(352,586)</b>	<b>(190,704)</b>	<b>(196,592)</b>
<b>Gross profit</b>		<b>71,860</b>	<b>86,007</b>	<b>42,441</b>	<b>55,753</b>
Dividend income	5	3,821	4,037	38,589	29,923
Other income	5	8,980	8,658	19,779	21,199
<b>Profit before expenses</b>		<b>84,661</b>	<b>98,702</b>	<b>100,809</b>	<b>106,875</b>
Selling expenses		(37,709)	(39,007)	(40,070)	(41,253)
Administrative expenses	5, 20	(85,868)	(128,187)	(45,714)	(91,031)
Loss from foreign exchange rates		(709)	(5,485)	(733)	(4,709)
Reversal of allowance (allowance) for doubtful debts and bad debt		(2,162)	60	(2,052)	60
Reversal of allowance for decline value of investment		-	-	-	15
<b>Total expenses</b>		<b>(126,448)</b>	<b>(172,619)</b>	<b>(88,569)</b>	<b>(136,918)</b>
<b>Profit (loss) from operations</b>		<b>(41,787)</b>	<b>(73,917)</b>	<b>12,240</b>	<b>(30,043)</b>
Share of profit from investments in associated companies - net	8	10,176	18,799	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>(31,611)</b>	<b>(55,118)</b>	<b>12,240</b>	<b>(30,043)</b>
Finance costs	5, 15	(10,335)	(7,392)	(7,565)	(6,654)
<b>Profit (loss) before income tax</b>		<b>(41,946)</b>	<b>(62,510)</b>	<b>4,675</b>	<b>(36,697)</b>
Income tax		(454)	(636)	(1,193)	(1,556)
<b>Profit (loss) for the period</b>		<b>(42,400)</b>	<b>(63,146)</b>	<b>3,482</b>	<b>(38,253)</b>
<b>Other comprehensive income</b>					
<b>Items subsequently reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	20	(7,221)	51,902	-	-
<b>Total comprehensive income (loss) for the period</b>		<b>(49,621)</b>	<b>(11,244)</b>	<b>3,482</b>	<b>(38,253)</b>
<b>Profit (loss) for the period attributable to :</b>					
Equity holders of the Company		(40,490)	(60,794)	3,482	(38,253)
Non - controlling interests		(1,910)	(2,352)	-	-
<b>Total</b>		<b>(42,400)</b>	<b>(63,146)</b>	<b>3,482</b>	<b>(38,253)</b>
<b>Total comprehensive income (loss) for the period attributable to:</b>					
Equity holders of the Company		(47,711)	(8,892)	3,482	(38,253)
Non - controlling interests		(1,910)	(2,352)	-	-
<b>Total</b>		<b>(49,621)</b>	<b>(11,244)</b>	<b>3,482</b>	<b>(38,253)</b>
<b>Basic earnings per share</b>					
Profit (loss) (Baht per share)		(0.068)	(0.102)	0.006	(0.064)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2017	2016 (Restated)	2017	2016
<b>Revenues</b>					
Sales and services - net	5, 15	837,040	791,518	486,630	439,126
Construction work	15	29,912	75,716	29,912	75,716
<b>Total revenues</b>		<b>866,952</b>	<b>867,234</b>	<b>516,542</b>	<b>514,842</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5, 15	(662,502)	(606,050)	(380,717)	(319,522)
Cost of construction	15	(25,904)	(64,999)	(25,904)	(64,999)
<b>Total cost of goods sold</b>		<b>(688,406)</b>	<b>(671,049)</b>	<b>(406,621)</b>	<b>(384,521)</b>
<b>Gross profit</b>		<b>178,546</b>	<b>196,185</b>	<b>109,921</b>	<b>130,321</b>
Dividend income	5	3,821	4,037	38,589	29,923
Other income	5	25,921	16,683	49,473	40,935
<b>Profit before expenses</b>		<b>208,288</b>	<b>216,905</b>	<b>197,983</b>	<b>201,179</b>
Selling expenses		(72,966)	(73,693)	(77,704)	(78,027)
Administrative expenses	5, 20	(171,296)	(219,231)	(92,631)	(141,989)
Loss from foreign exchange rates		(2,036)	(2,189)	(2,183)	(1,238)
Reversal of allowance for doubtful debts and bad debt		(2,162)	60	(2,052)	60
Reversal of allowance (allowance) for decline value of investment		-	-	-	15
<b>Total expenses</b>		<b>(248,460)</b>	<b>(295,053)</b>	<b>(174,570)</b>	<b>(221,179)</b>
<b>Profit (loss) from operations</b>		<b>(40,172)</b>	<b>(78,148)</b>	<b>23,413</b>	<b>(20,000)</b>
Share of profit from investments in associated companies - net	8	31,340	39,161	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>(8,832)</b>	<b>(38,987)</b>	<b>23,413</b>	<b>(20,000)</b>
Finance costs	5, 15	(20,897)	(14,541)	(15,994)	(13,112)
<b>Profit (loss) before income tax</b>		<b>(29,729)</b>	<b>(53,528)</b>	<b>7,419</b>	<b>(33,112)</b>
Income tax		(4,102)	(2,447)	(2,296)	(2,585)
<b>Profit (loss) for the period</b>		<b>(33,831)</b>	<b>(55,975)</b>	<b>5,123</b>	<b>(35,697)</b>
<b>Other comprehensive income</b>					
<b>Items subsequently reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	20	(7,661)	63,748	-	-
<b>Total comprehensive income (loss) for the period</b>		<b>(41,492)</b>	<b>7,773</b>	<b>5,123</b>	<b>(35,697)</b>
<b>Profit (loss) for the period attributable to :</b>					
Equity holders of the Company		(33,028)	(55,069)	5,123	(35,697)
Non - controlling interests		(803)	(906)	-	-
<b>Total</b>		<b>(33,831)</b>	<b>(55,975)</b>	<b>5,123</b>	<b>(35,697)</b>
<b>Total comprehensive income (loss) for the period attributable to:</b>					
Equity holders of the Company		(40,689)	8,679	5,123	(35,697)
Non - controlling interests		(803)	(906)	-	-
<b>Total</b>		<b>(41,492)</b>	<b>7,773</b>	<b>5,123</b>	<b>(35,697)</b>
<b>Basic earnings per share</b>					
Profit (loss) (Baht per share)		(0.056)	(0.093)	0.009	(0.060)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Attributable to shareholders of the Company				Other components of equity	Total equity		Total	
		Issued and paid - up	Share premium	Retained earnings			Exchange differences on translating foreign operation	Company's shareholders		Non-controlling interests
				Legal reserve	Unappropriated					
<b>Consolidated F/S</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	
Dividend paid		-	-	-	(7,117)	-	(7,117)	-	(7,117)	
Dividend paid by subsidiary to non-controlling interest		-	-	-	-	-	-	(1,127)	(1,127)	
Non-controlling interests increase		-	-	-	-	-	-	8,000	8,000	
<b>Transactions with owners</b>		-	-	-	(7,117)	-	(7,117)	6,873	(244)	
Total comprehensive income (loss) for the period - Restated		-	-	-	(55,069)	63,748	8,679	(906)	7,773	
<b>Comprehensive income (loss) for the period</b>		-	-	-	(55,069)	63,748	8,679	(906)	7,773	
<b>Balance as at 30 June 2016</b>		593,126	72,404	59,312	1,548,353	63,748	2,336,943	193,960	2,530,903	
<b>Balance as at 1 January 2017</b>		593,126	72,404	59,312	1,561,712	2,492	2,289,046	190,175	2,479,221	
Dividend paid	14	-	-	-	(5,931)	-	(5,931)	-	(5,931)	
Dividend paid by subsidiary to non-controlling interest	14	-	-	-	-	-	-	(589)	(589)	
Non-controlling interests increase		-	-	-	-	-	-	2,000	2,000	
<b>Transactions with owners</b>		-	-	-	(5,931)	-	(5,931)	1,411	(4,520)	
Total comprehensive loss for the period		-	-	-	(33,028)	(7,661)	(40,689)	(803)	(41,492)	
<b>Comprehensive income (loss) for the period</b>		-	-	-	(33,028)	(7,661)	(40,689)	(803)	(41,492)	
<b>Balance as at 30 June 2017</b>		593,126	72,404	59,312	1,522,753	(5,169)	2,242,426	190,783	2,433,209	

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Legal reserve	Unappropriated	
<b>Separate F/S</b>						
Balance as at 1 January 2016		593,126	72,404	59,312	886,088	1,610,930
Dividend paid		-	-	-	(7,117)	(7,117)
Transactions with owners		-	-	-	(7,117)	(7,117)
Total comprehensive loss for the period		-	-	-	(35,697)	(35,697)
Comprehensive income (loss) for the period		-	-	-	(35,697)	(35,697)
Balance as at 30 June 2016		593,126	72,404	59,312	843,274	1,568,116
<b>Balance as at 1 January 2017</b>						
Balance as at 1 January 2017		593,126	72,404	59,312	874,730	1,599,572
Dividend paid	14	-	-	-	(5,931)	(5,931)
Transactions with owners		-	-	-	(5,931)	(5,931)
Total comprehensive income for the period		-	-	-	5,123	5,123
Comprehensive income (loss) for the period		-	-	-	5,123	5,123
Balance as at 30 June 2017		593,126	72,404	59,312	873,922	1,598,764



## STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2017	2016 (Restated)	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(29,729)	(53,528)	7,419	(33,112)
<b>Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities:</b>				
Depreciation	22,924	20,988	19,507	19,415
Bad debt	2,112	-	2,112	-
Allowance (reversal of allowance) for doubtful debts and bad debt	51	(60)	(60)	(60)
Reversal of allowance for decline value of inventories - net	(4,896)	(664)	(33)	(664)
Reserval of allowance for decline value of investment - net	-	-	-	(15)
Gain on sales of assets	(1,539)	(30)	(95)	(5)
Loss from disposal of assets	8	2	8	2
Unrealized loss (gain) on foreign exchange	7,377	965	(213)	965
Dividend income	(3,821)	(4,037)	(38,589)	(29,923)
Finance costs	20,897	14,541	15,994	13,112
Share of profit from investments in associated companies - net	(31,340)	(39,161)	-	-
Employee benefits obligation expenses	920	546	635	353
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	(17,036)	(60,438)	6,685	(29,932)
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	39,619	92,779	13,625	48,679
- related companies	(8,038)	(3,079)	(7,225)	11,492
Trade accounts receivable from construction work				
- general customers	7,377	2,664	7,377	2,665
Unbilled accrued income - general customers	5,768	(36,155)	5,768	(36,155)
Inventories	54,171	(48,237)	22,416	(36,400)
Receivables from and advances to related companies	(6,125)	(5,240)	(5,295)	553
Other current assets	7,323	(15,436)	(13,397)	(4,179)
Retentions receivable	(925)	2,607	(925)	2,607
Other non - current assets	2,904	9,565	36	10,613
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	(35,485)	9,955	(22,492)	15,751
Trade accounts payables and advances from related companies	2,966	101	5,157	(6,849)
Advances and deposits from customers				
- general customers	(26,335)	38,347	(23,210)	35,156
- related companies	(4,624)	-	(4,757)	-
Other current liabilities	(24,085)	21,631	(13,834)	22,457
Liabilities under employee benefits obligation - net	(524)	-	(524)	-
Other non - current liabilities	(1,337)	11,478	(1,337)	1,159
<b>Cash provided from (used in) operations</b>	(4,386)	20,542	(31,932)	37,617
Cash paid for interest	(16,252)	(13,924)	(16,221)	(12,768)
Income tax payment	(5,208)	(1,225)	(2,134)	-
<b>Net cash provided from (used in) operating activities</b>	(25,846)	5,393	(50,287)	24,849

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2017	2016 (Restated)	2017	2016
<b>Cash flows from investing activities</b>				
Increase in restricted deposits with financial institutions	(8,219)	(1,650)	(8,328)	(1,572)
Acquisition of assets	(13,666)	(630,560)	(3,320)	(28,778)
Proceeds from sales of assets	1,886	30	96	5
Decrease (increase) in short - term loans to indirect subsidiary company	-	-	90,000	(440,000)
Decrease in long - term loans to related company	-	-	-	100,000
Cash received from (paid for) investment in subsidiary company	-	7,810	-	(42,650)
Cash received from non - controlling interest of subsidiary company	2,000	8,000	-	-
Cash received from investment in joint venture	-	15	-	15
Dividend received	37,977	28,750	38,589	29,923
Cash paid for investment in solar power plant project	-	92,076	-	-
<b>Net cash provided from (used in) investing activities</b>	<b>19,978</b>	<b>(495,529)</b>	<b>117,037</b>	<b>(383,057)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institution	(190,000)	239,864	(280,000)	239,864
Increase in short - term loans from related companies	47,000	-	90,000	-
Increase (decrease) in short - term loans from other parties	(11,182)	103,000	-	-
Cash paid for long-term loans from financial institution	35,000	-	(11,182)	-
Dividend paid	(5,931)	(7,117)	(5,931)	(7,117)
Dividend paid from subsidiary company	(589)	(1,127)	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>(125,702)</b>	<b>334,620</b>	<b>(207,113)</b>	<b>232,747</b>
Exchange differences on translating foreign operations	(7,661)	63,748	-	-
<b>Decrease in cash and cash equivalents - net</b>	<b>(139,231)</b>	<b>(91,768)</b>	<b>(140,363)</b>	<b>(125,461)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>380,030</b>	<b>379,516</b>	<b>195,606</b>	<b>242,871</b>
<b>Cash and cash equivalents at end of period</b>	<b>240,799</b>	<b>287,748</b>	<b>55,243</b>	<b>117,410</b>

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS

30 JUNE 2017 (Unaudited but reviewed)

(With comparative information as at 31 December 2016 (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 principal activities of the Company and its subsidiaries is the manufacturing and sale of steel office equipment and furniture parts, and construction services. In addition, the Company has invested into the alternative energy sector, however has not started production.

#### 2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

##### 2.1 Basis for interim financial statements preparation

The condensed interim financial statements are for the three-month and six-month periods ended 30 June 2017 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard 34 (revised 2016) "Interim Financial Reporting" which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards, and should be read in conjunction with the financial statements for the year ended 31 December 2016.

The interim financial statements are prepared in Thai language. The translation of these financial statements into other language should conform to the Thai financial report.

These interim financial statements have been approved by the Company's Board of Directors on 15 August 2017.

##### 2.2 Basis of consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right. There is no significant change in the composition of the group during the current period, except for Siam Forest Management Co., Ltd., an indirect subsidiary company, who increase their paid up share capital from Baht 15,000,000 to Baht 20,000,000 (2,000,000 shares at par value of Baht 10 each). The percentage holding did not change.

Significant intercompany transactions with subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company.

As of 30 June 2017 and 31 December 2016, the total assets of subsidiaries represent 35.65% and 32.00%, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 30 June 2017 and 2016, represent 39.32% and 40.67%, respectively, of the total revenues in the consolidated financial statement and total revenues of subsidiaries for the six-month periods ended 30 June 2017 and 2016, represent 38.89% and 40.26%, respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using the same accounting policies adopted and computation in the preparation of the financial statements of the Company and its subsidiaries for the year ended 31 December 2016, except for the adoption of the new and revised Thai Financial Reporting Standards that were issued by the Federation of Accounting Professions which became effective in the preparation of financial statements which fiscal years begin on or after 1 January 2017. The adoption of these new and revised Thai Financial Reporting Standards do not have any material effect on the financial position and results of the Company and its subsidiaries for the period.

4. ESTIMATES

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 2016.

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 a basis mutually agreed for transactions with non-comparative market prices.

As at 30 June 2017 and 31 December 2016, the account balances with related companies are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b>Trade accounts receivable from sales and services</b>				
Subsidiary companies	-	-	881	1,635
Associated companies	90	124	90	100
Related companies	13,957	5,885	13,441	5,451
Total trade accounts receivable from				
sales and services – related companies	14,047	6,009	14,412	7,186
<b>Receivables from and advances</b>				
Subsidiary companies	-	-	1,299	1,828
Associated companies	754	973	754	973
Related companies	6,354	11	6,054	11
Total receivables from and advances – related				
companies	7,108	984	8,107	2,812
There is no interest charge for the above receivables and advances.				
<b>Short-term loans to</b>				
Indirect subsidiary company	-	-	375,000	465,000

Movements in short - term loans to indirect subsidiary company for the six-month period ended 30 June 2017 are as follows:

	In Thousand Baht			
	Separate F/S			
	31 December		30 June	
2016	Increase	Decrease	2017	
Short - term loans	465,000	-	(90,000)	375,000

On 11 December 2015, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., an indirect subsidiary company, to acquire a renewable energy - solar power plant project which is expected to start production in 2017, for a total amount of Baht 440.00 million. Bangphra Green Energy Co., Ltd. drew down on the loan 2 times, Baht 100.00 million and Baht 340.00 million, on 16 December 2015 and 31 January 2016, respectively. The loan is repayable within one year commencing the date the loan is fully withdrawn, within 31 December 2017, and bears interest at 8% per annum commencing from first withdrawal date.

Subsequently on 16 December 2016, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., totaling Baht 25.00 million. Bangphra Green Energy Co., Ltd., drew down on the loan 2 times, Baht 10.00 million and Baht 15.00 million, on 19 December 2016 and 30 December 2016, respectively. The loan is repayable within one year from when the loan was fully withdrawn, which is 30 December 2017, and bears interest at 8% per annum commencing from first withdrawal date.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b>Short – term loans from</b>				
Subsidiary company	-	-	90,000	-
Related companies	47,000	-	-	-
Total short – term loans from related companies	47,000	-	90,000	-

Movements in short - term loans of the indirect subsidiary company for the six-month period ended 30 June 2017 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	31 December			30 June
2016	Increase	Decrease	2017	
Short – term loans from related companies	-	47,000	-	47,000

As at 30 June 2017, the indirect subsidiary company has issued promissory notes to related companies of Baht 47.00 million. The repayment is due on demand and has interest rate at 6% per annum.

Movements in short - term loans of the Company for the six-month period ended 30 June 2017 are as follows:

	In Thousand Baht			
	Separate F/S			
	31 December 2016	Increase	Decrease	30 June 2017
Short – term loans from subsidiary company	-	90,000	-	90,000

On 9 June 2017, the Company entered into a memorandum with Siam International Energy Co., Ltd. (“SIE”), a subsidiary, to repay an amount of Baht 90.00 million for SIE, which was provided by a financial institution under promissory note between SIE and the financial institution., This loan is collaterals by the Company and land and buildings of the Company. This loan is repayable within December 2017.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Accounts payable</b>				
Subsidiary company	-	-	29	-
Associated companies	35,931	36,308	6,065	5,530
Related companies	4,050	5,174	2,950	3,368
Total trade accounts payable - related companies	39,981	41,482	9,044	8,898
<b>Advances from</b>				
Subsidiary company	-	-	900	60
Associated company	-	60	-	60
Related companies	6,403	1,027	5,258	1,027
Total advances from related companies	6,403	1,087	6,158	1,147
Total account payable and advances from related companies	46,384	42,569	15,202	10,045
<b>Advances and deposits from customers</b>				
Subsidiary companies	-	-	1,708	1,841
Related companies	3,659	8,283	3,659	8,283
Total advances and deposits from customers - related companies	3,659	8,283	5,367	10,124

In Thousand Baht

	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b>Key management personnel compensation</b>				
Accrued bonus	995	1,916	882	1,689
Post-employment benefits	2,434	4,553	2,252	4,236
<b>Total</b>	<b>3,429</b>	<b>6,469</b>	<b>3,134</b>	<b>5,925</b>

The significant transactions with related companies for the three-month and six-month periods ended 30 June 2017 and 2016 and pricing policy are as follows:

The Policy of Pricing

Sales and services	Cost plus margin or agreed price
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
Administrative expenses	Cost plus margin or agreed price
Interest expense	8% per annum

In Thousand Baht

	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2017	2016	2017	2016
Sales	22,769	14,137	25,565	14,736
Income from sales of raw materials, factory supplies and others	4,340	6,009	5,552	6,766
Rental revenue	3,689	3,767	6,288	6,210
Interest income	-	-	7,975	8,776
Dividend income	3,821	4,037	38,589	29,923
Purchases of raw materials	1,322	3,548	1,322	3,547
Purchases of finished goods	64,811	78,092	6,344	6,143
Administrative expenses and other expenses	13,747	8,812	2,986	2,854
Interest expense	-	642	-	-



	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2017	2016	2017	2016
<u>Key management personnel compensation</u>				
Current employee benefits	6,086	5,629	5,397	4,941
Post-employment benefits	83	71	67	64
Total	<u>6,169</u>	<u>5,700</u>	<u>5,464</u>	<u>5,005</u>

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2017	2016	2017	2016
Sales	39,986	29,018	46,879	46,392
Income from sales of raw materials, factory supplies and others	14,495	10,675	16,471	12,596
Rental revenue	8,803	7,456	14,001	12,265
Interest income	25	-	16,793	16,945
Dividend income	3,821	4,037	38,589	29,923
Purchases of raw materials	2,903	6,933	2,903	6,932
Purchases of finished goods	139,210	144,207	16,868	18,153
Administrative expenses and other expenses	24,896	19,445	6,036	5,750
Interest expense	25	1,234	-	-

<u>Key management personnel compensation</u>				
Current employee benefits	12,172	11,259	10,794	9,881
Post-employment benefits	165	141	134	128
Total	<u>12,337</u>	<u>11,400</u>	<u>10,928</u>	<u>10,009</u>

6. TRADE ACCOUNTS RECEIVABLE

As at 30 June 2017 and 31 December 2016, the aged analysis of trade accounts receivable are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Trade accounts receivable from sales and services</b>				
<u>Trade accounts receivable – general customers – net</u>				
Current	241,203	274,936	159,087	191,406
Overdue:				
Less than 3 months	82,424	84,396	22,070	11,920
3 months – 6 months	22,536	20,216	16,666	6,294
6 months – 12 months	9,021	11,754	3,381	3,094
Over 12 months	44,600	49,944	43,893	47,851
Total	399,784	441,246	245,097	260,565
<u>Less Allowance for doubtful accounts</u>	(16,362)	(16,311)	(16,251)	(16,311)
Net	383,422	424,935	228,846	244,254
<u>Trade accounts receivable - related companies</u>				
Current	13,531	5,576	14,412	7,186
Overdue:				
Less than 3 months	37	433	-	-
3 months – 6 months	58	-	-	-
6 months – 12 months	421	-	-	-
Total	14,047	6,009	14,412	7,186
<b>Trade accounts receivable – construction work</b>				
<u>Trade accounts receivable – general customers</u>				
Current	22,781	30,158	22,781	30,158

The currency denomination of trade accounts receivable as at 30 June 2017 and 31 December 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
THB	387,533	421,806	233,211	242,302
USD	6,455	9,342	6,455	9,342
AUD	40,927	43,723	40,927	43,723
JPY	1,697	2,542	1,697	2,542
Total	436,612	477,413	282,290	297,909
<u>Less</u> Allowance for doubtful accounts	(16,362)	(16,311)	(16,251)	(16,311)
Net	420,250	461,102	266,039	281,598

During the period, the movements in allowance for doubtful accounts are as follows:

	In Thousand Baht	
	Consolidate F/S	Separate F/S
Balance as at 1 January 2017	16,311	16,311
<u>Less</u> Allowance (reversal) of allowance for doubtful accounts	51	(60)
Balance as at 30 June 2017	16,362	16,251

#### 7. INVENTORIES - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Finished goods	167,054	212,487	68,720	81,451
Work in process	84,073	84,543	84,073	84,543
Raw materials and supplies	143,955	153,945	143,955	153,945
Goods in transit	3,008	1,286	775	-
Total	398,090	452,261	297,523	319,939
<u>Less</u> Allowance for decline in value of inventories	(43,131)	(48,027)	(42,317)	(42,350)
Net	354,959	404,234	255,206	277,589

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

	In Thousand Baht	
	Consolidate F/S	Separate F/S
Balance as at 1 January 2017	48,027	42,350
<u>Add</u> Allowance for decline in value in the period	814	-
<u>Less</u> Reversal of allowance for decline in value	(5,710)	(33)
Balance as at 30 June 2017	43,131	42,317

## 8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 30 June 2017 and 31 December 2016, the balances of investments in subsidiaries, associated companies and related companies are shown on the following pages

(In Thousand Baht)

Investments	Type of business	Consolidated F/S									
		Paid-up share capital		Percentage of shareholding		Cost method		Equity method		Dividend Income	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<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	114,303	111,337	2,112	1,408
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	637,090	642,659	32,044	23,305
						<u>162,627</u>	<u>162,627</u>	<u>751,393</u>	<u>753,996</u>	<u>34,156</u>	<u>24,713</u>
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	24	24	4,800	4,800	4,775	4,988	-	-
Total investments in associated companies by equity method						<u>167,427</u>	<u>167,427</u>	<u>756,168</u>	<u>758,984</u>	<u>34,156</u>	<u>24,713</u>
<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			-	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			3,821	4,037
Total investment in related companies						<u>49,712</u>	<u>49,712</u>			<u>3,821</u>	<u>4,037</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				
Less Allowance for decline value of investments						<u>(2,563)</u>	<u>(2,563)</u>				
Net						<u>2,437</u>	<u>2,437</u>				
Total investment by cost method – net						<u>52,149</u>	<u>52,149</u>				

(In Thousand Baht)

Type of business	Separate F/S								
	Paid-up share capital		Percentage of shareholding		Cost method		Dividend Income		
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Charoen International Co., Ltd.	Distribution of steel furniture	14,000	14,000	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	612	1,173
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.	Investment in alternative energy	160,000	160,000	99.99	99.99	160,000	160,000	-	-
Total investment in subsidiary companies						<u>194,399</u>	<u>194,399</u>	<u>612</u>	<u>1,173</u>
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	2,112	1,408
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of clement steel parts	639,998	639,998	22.76	22.76	127,428	127,428	32,044	23,305
Total investment in associated companies						<u>162,627</u>	<u>162,627</u>	<u>34,156</u>	<u>24,713</u>
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	3,821	4,037
Total investments in related companies						<u>49,712</u>	<u>49,712</u>	<u>3,821</u>	<u>4,037</u>

As at 30 June 2017 and 31 December 2016, the fair value of the investment in Siam Steel Service Center Public Company Limited, which is listed on the Stock Exchange of Thailand, amount of Baht 625.93 million (closing price Baht 4.30 per share, 145,565,600 common shares) and Baht 575.34 million (closing price Baht 39.50 per share, 14,565,600 common shares), respectively. For other investments in associates and joint venture are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.

On 27 April 2017, the Annual Shareholders' meeting of Siam Steel Services Centre Public Company Limited passed a resolution to approve the change in the par value of registered share capital from Baht 10 per share to Baht 1 per share. Therefore, the number of issued shares increased by 575,999,892 shares, from 63,999,988 shares to 639,999,880 shares. The paid-up shares increased by 575,998,092 shares, from 63,999,788 shares to 639,997,880 shares. However, the amount of the registered and paid-up share capital remained the same. Siam Steel Services Centre Public Company Limited registered the change with the Ministry of Commerce on 18 May 2017 which approved and effective since 29 May 2017.

Movements in investments in associated companies for the six-month period ended 30 June 2017 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	758,984	162,627
Share of profits of investment - equity method	31,340	-
Dividend income	(34,156)	-
Net book value as at 30 June 2017	756,168	162,627

#### 9. PROPERTY, PLANT AND EQUIPMENT - NET

Movements in property, plant and equipment for the six-month period ended 30 June 2017 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	1,175,211	561,435
Purchase during the period	13,666	3,320
Disposal during the period – net book value	(355)	(8)
Depreciation for the period	(22,924)	(19,507)
Exchange differences from translation of foreign operation	(7,590)	-
Net book value as at 30 June 2017	1,158,008	545,240

10. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand					
	Interest rate per annum		Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Promissory notes	5.25 – 5.50	5.25 – 5.50	194,755	385,334	104,755	385,334

As at 30 June 2017 and 31 December 2016, the Company has short – term loans from a financial institution amounting to Baht 100.00 million and Baht 190.00 million, respectively, which is collateralized with land and buildings. This loan is repayable within December 2017.

As at 30 June 2017 and 31 December 2016, the Company has short – term loans from financial institution amounting to Baht 10.00 million and 200.00 million, respectively, with no collateral. This loan is repayable within September 2017.

As at 30 June 2017, the subsidiary has short – term loans from a financial institution in amount of Baht 90.00 million, with collateralized by the Company and land and buildings of the Company. This loan is repayable within December 2017.

11. SHORT - TERM LOANS FROM OTHER PERSON

As at 30 June 2017 and 31 December 2016, the indirect subsidiary company has issued promissory notes to other persons of Baht 138.00 million and Bath 103.00 million, respectively. The repayment is due on demand and has interest rates at 6% per annum.

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 30 June 2017 and 31 December 2016, the Company has long-term loans from financial institutions as follow :

	In Thousand	
	Consolidated F/S and Separate F/S	
	30 June 2017	31 December 2016
Long-term loans from financial institutions	224,922	236,103
<u>Less</u> Current portion of long - term loans from financial institutions	(5,784)	(5,784)
Long-term loans from financial institutions - net	219,138	230,319



As at 30 June 2017 and 31 December 2016, long-term loans from financial institutions with interest at the rates of MLR – 0.5% per annum are collateralized by the pledge of 88,842,800 shares of an associated company. In addition, the Company has to deposit dividends 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. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	30 December	30 June	30 December
	2017	2016	2017	2016/2015
Accrued construction costs	50,447	41,041	50,447	41,041
Accrued employee expenses	19,767	35,230	15,377	27,030
Accrued compensation for defective products	-	10,411	-	10,411
Accrued incentive expenses	4,029	6,138	4,029	6,138
Accrued rental and utilities expenses	2,132	2,143	2,077	2,103
Accrued transportation	2,063	2,135	2,063	2,135
Accrued consulting service	-	168	-	168
Other liabilities	25,152	26,320	15,204	13,956
Total	103,590	123,586	89,197	102,982

14. DIVIDEND

Details of the Company’s dividends declaration and payments for the six-month period ended 30 June 2017 is as follows:

Approved by	Qualified	Dividend	Dividend paid	Paid date	
	common share	per share	(Thousand Baht)		
	(Shares)	(Baht)			
Annual dividend	Annual General Meeting of the shareholders held on 28 April 2017	593,125,849	0.01	5,931	26 May 2017

Details of subsidiary's dividends declaration and payments for the six-month period ended 30 June 2017 is as follows:

Approved by	Qualified	Dividend	Dividend paid	Paid date	
	common share	per share	(Thousand Baht)		
	(Shares)	(Baht)			
Annual dividend	Annual General Meeting of the shareholders held on 21 April 2017	200,000	6.00	1,200	19 May 2017

#### 15. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the three-month periods ended 30 June					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
<b>Consolidated</b>						
Sales and services – net	364,674	386,713	15,519	14,419	380,193	401,132
Cost of sales and services	(295,093)	(307,070)	(14,914)	(12,408)	(309,953)	(319,478)
Gross profit	69,635	79,643	605	2,011	70,240	81,654
Revenues from construction work	10,897	37,461	-	-	10,897	37,461
Costs of construction work	(9,277)	(33,108)	-	-	(9,277)	(33,108)
Gross profit	1,620	4,353	-	-	1,620	4,353
Total gross profit	71,255	83,996	605	2,011	71,860	86,007
Depreciation					(11,262)	(10,214)
Interest expense					(10,335)	(7,392)
Loss before income tax					(41,946)	(62,510)
Property, plant and equipment – net					1,158,008	1,188,284
Assets not used in operation – net					165,400	165,400
Other assets					2,046,468	2,168,055
Total assets as at 30 June					3,369,876	3,521,739
Total liabilities as at 30 June					936,667	991,313

In Thousand Baht

	For the six-month periods ended 30 June					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
<b>Consolidated</b>						
Sales and services – net	799,837	766,157	37,203	25,361	837,040	791,518
Cost of sales and services	(628,734)	(585,328)	(33,768)	(20,722)	(662,502)	(606,050)
Gross profit	171,103	180,829	3,435	4,639	174,538	185,468
Revenues from construction work	29,912	75,716	-	-	29,912	75,716
Costs of construction work	(25,904)	(64,999)	-	-	(25,904)	(64,999)
Gross profit	4,008	10,717	-	-	4,008	10,717
Total gross profit	175,111	191,546	3,435	4,639	178,546	196,185
Depreciation					(22,924)	(20,988)
Interest expense					(20,897)	(14,541)
Loss before income tax					(29,729)	(53,528)
Property, plant and equipment – net					1,158,008	1,188,284
Assets not used in operation – net					165,400	165,400
Other assets					2,046,468	2,168,055
Total assets as at 30 June					3,369,876	3,521,739
Total liabilities as at 30 June					936,667	991,313

	In Thousand Baht					
	For the three-month periods ended 30 June					
	Domestic		Export		Total	
2017	2016	2017	2016	2017	2016	
<b>Separate</b>						
Sales and services – net	206,729	206,498	15,519	8,386	222,248	214,884
Cost of sales and services	(166,513)	(157,104)	(14,914)	(6,380)	(181,427)	(163,484)
Gross profit	40,216	49,394	605	2,006	40,821	51,400
Revenues from construction work	10,897	37,461	-	-	10,897	37,461
Costs of construction work	(9,277)	(33,108)	-	-	(9,277)	(33,108)
Gross profit	1,620	4,353	-	-	1,620	4,353
Total gross profit	41,836	53	605	2,006	42,441	55,753
Depreciation					(9,543)	(9,429)
Interest expense					(7,565)	(6,654)
Profit (loss) before income tax					4,675	(36,697)
Property, plant and equipment – net					545,240	575,575
Assets not used in operation – net					165,400	165,400
Other assets					1,558,394	1,634,943
Total assets as at 30 June					2,269,034	2,375,918
Total liabilities as at 30 June					670,270	807,802

In Thousand Baht

	For the six-month periods ended 30 June					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
<b>Separate</b>						
Sales and services – net	449,427	413,765	37,203	25,361	486,630	439,126
Cost of sales and services	(346,949)	(297,682)	(33,768)	(21,840)	(380,717)	(319,522)
Gross profit	<u>102,478</u>	<u>116,083</u>	<u>3,435</u>	<u>3,521</u>	<u>105,913</u>	<u>119,604</u>
Revenues from construction work	29,912	75,716	-	-	29,912	75,716
Costs of construction work	(25,904)	(64,999)	-	-	(25,904)	(64,999)
Gross profit	<u>4,008</u>	<u>10,717</u>	<u>-</u>	<u>-</u>	<u>4,008</u>	<u>10,717</u>
Total gross profit	<u>106,486</u>	<u>126,800</u>	<u>3,435</u>	<u>3,521</u>	<u>109,921</u>	<u>130,321</u>
Depreciation					(19,507)	(19,415)
Interest expense					(15,994)	(13,112)
Profit (loss) before income tax					7,419	(33,112)
Property, plant and equipment – net					545,240	575,575
Assets not used in operation – net					165,400	165,400
Other assets					1,558,394	1,634,943
Total assets as at 30 June					<u>2,269,034</u>	<u>2,375,918</u>
Total liabilities as at 30 June					<u>670,270</u>	<u>807,802</u>

## 16. GUARANTEE

As at 30 June 2017, the Company has outstanding guarantees of approximately Baht 75.83 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the Company.

As at 30 June 2017, the subsidiary has outstanding guarantees of approximately Baht 3.71 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the subsidiary companies.

## 17. COMMITMENT

17.1 As at 30 June 2017, the Company had outstanding commitments for the project work of the Company with major contractor of Baht 48.03 million.

17.2 As at 30 June 2017, the subsidiary company has various operating lease agreement covering its office premises, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the subsidiary company is committed to pay the rental as follow:

	<u>In Thousand Baht</u>
Within 1 year	16,502
2 - 3 year	16,863

## 18. 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 30 June 2017, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 30 June 2017</u>
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)
USD	1,427	3	33.9814
JPY	4,312	712	0.30366
AUD	1,000	-	26.1578

As at 30 June 2017, the above foreign currency denominated assets and liabilities were not covered by hedging instruments.

## 19. LITIGATION

In 2012, a contractor sued the Company as joint defendant with another party for compensation totaling approximately Baht 41.53 million, plus interest at the rate of 7.50% per annum from 24 March 2011 to the payment date. The Company submitted a counterclaim because they believed the plaintiff was at fault for the delay and delivery of defective products. In 2016, the Court of Appeal determined that the Company has to pay compensation totaling approximately Baht 24.41 million, plus interest at the rate of 7.50% per annum from 27 March 2012 to the payment date. The Company has fully provided for the amount (31 December 2016: Baht 19.58 million). The Company is in the process of appealing the decision at the Supreme Court.

20. CORRECTION OF ERROR

On 17 January 2016, Siam International Energy Co., Ltd. purchased 100% of the common shares of Bangphra Green Energy Co., Ltd, which invests in Rich Solar Energy Goda Kaisha which is a solar plant under construction in Japan. In the interim financial statements for the three-month and six-month period ended 30 June 2016, Rich Solar Energy Goda Kaisha was treated as an investment, however, it was subsequently determined the entity should have been treated as an indirect subsidiary and consolidated, which is consistent with the treatment in the year ended financial statements.

As a result, the interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016 has been restated as follows:

	In Thousand Baht		
	The Statement of profit or loss and other comprehensive income for the three-month period ended 30 June 2016		
	Consolidate financial statements		
	As previously reported	Adjustments	Restated
Administrative expenses	(131,938)	3,751	(128,187)
Loss for the period	(66,897)	3,751	(63,146)
Exchange differences from translation foreign operation	-	51,902	51,902
Comprehensive loss for the period	(66,897)	55,653	(11,244)
<b>Profit (loss) for the period attributable to :</b>			
Equity holders of the Company	(64,374)	3,580	(60,794)
Non - controlling interests	(2,523)	171	(2,352)
<b>Total</b>	(66,897)	3,751	(63,146)
<b>Total comprehensive income (loss) for the period attributable to:</b>			
Equity holders of the Company	(64,374)	55,482	(8,892)
Non - controlling interests	(2,523)	171	(2,352)
<b>Total</b>	(66,897)	55,653	(11,244)
<b>Basic earnings per share</b>			
Loss (Baht/share)	(0.109)	0.007	(0.102)

In Thousand Baht

The Statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2016			
Consolidate financial statements			
	As previously reported	Adjustments	Restated
Administrative expenses	(220,101)	870	(219,231)
Loss for the period	(56,845)	870	(55,975)
Exchange differences from translation foreign operation	-	63,748	63,748
Comprehensive income (loss) for the period	(56,845)	64,618	7,773
<b>Profit (loss) for the period attributable to :</b>			
Equity holders of the Company	(55,768)	699	(55,069)
Non - controlling interests	(1,077)	171	(906)
<b>Total</b>	<u>(56,845)</u>	<u>870</u>	<u>(55,975)</u>
<b>Total comprehensive income (loss) for the period attributable to:</b>			
Equity holders of the Company	(55,768)	64,447	8,679
Non - controlling interests	(1,077)	171	(906)
<b>Total</b>	<u>(56,845)</u>	<u>64,618</u>	<u>7,773</u>
<b>Basic earnings per share</b>			
Loss (Baht/share)	(0.094)	0.001	(0.093)