

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Siam Steel International Public Company Limited

Opinion

I have audited the consolidated financial statements of Siam Steel Public Company Limited and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and I have also audited the separate financial statements of Siam Steel Public Company Limited (the “Company”), which comprise the separate statement of financial position as at 31 December 2016, the separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and cash flows for the year then ended and the separate financial position as at 31 December 2016, and its separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in the audit
<p><i>Allowance for doubtful accounts</i></p> <p>As at 31 December 2016, the Company has accounts receivable and allowance for doubtful accounts of Baht 281.60 million and Baht 16.31 million, respectively. Management is required to exercise judgment in determining whether an allowance for doubtful accounts is required.</p> <p>Refer to Note 4 to the financial statements for critical accounting estimates, assumption and judgments and capital risk management and Note 7 to the financial statements for trade accounts receivable.</p>	<p>My audit procedure include :</p> <ul style="list-style-type: none">- Assessing the internal controls relevant to the approval of credit limits, collection procedures, the calculation and recording of allowance for doubtful accounts.- Assessing the methods and policy used in estimating and calculating allowance for doubtful accounts.- Testing the completeness of data used in the calculation of the allowance and the correctness of the calculation of debtor aging and allowance for doubtful accounts.- Performing comparative analysis of the assumptions that the Company used and the historical and outsourced data.

The key audit matter	How the matter was addressed in the audit
<p data-bbox="357 353 715 387"><i>Impairment assets not used in operation</i></p> <p data-bbox="357 443 887 611">The Company has assets not used in operation amounting to Baht 168.82 million which are stated at cost less accumulated depreciation and allowance for loss on impairment.</p> <p data-bbox="357 622 887 701">An independent appraiser is engaged to assist in the valuation of the assets used in operation.</p> <p data-bbox="357 712 887 880">In determining the impairment loss management has to exercise judgment with respect to its plans of future operating performance and the assumptions adopted in the valuation.</p> <p data-bbox="357 936 887 1014">Refer to Note 14 to the financial statements for assets not used in operation.</p>	<p data-bbox="906 443 1217 477">My audit procedure included:</p> <ul data-bbox="906 488 1420 1014" style="list-style-type: none"> <li data-bbox="906 488 1420 611">- Evaluating the competence, independence and objectivity of the independent appraiser and verifying their qualification. <li data-bbox="906 622 1420 790">- Gaining an understanding of the valuation approach and assessing the reasonableness of the assumptions applied based on external sources of information <li data-bbox="906 801 1420 880">- Reviewing the appraisal report prepared by the independent appraiser. <li data-bbox="906 891 1420 1014">- Examining disclosure of fair value of assets not used in operation in the financial statements
<p data-bbox="357 1115 655 1149"><i>Recognition of deferred tax assets</i></p> <p data-bbox="357 1205 887 1462">As at 31 December 2016, the Company has deferred tax assets - net of Baht 95.51 million. The deferred tax assets are mainly derived from the Company's taxable loss carry forward not exceeding five years amounting Baht 99.70 million.</p> <p data-bbox="357 1473 887 1776">Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. In making this assessments management is required to use judgement in determining the future profitability of the operations of the Company.</p> <p data-bbox="357 1832 887 2045">Refer to Note 4 to the financial statements for critical accounting estimates, assumption and judgments and capital risk management and the Note 15 to financial statements for deferred tax assets.</p>	<p data-bbox="906 1205 1217 1238">My audit procedure included:</p> <ul data-bbox="906 1249 1420 1865" style="list-style-type: none"> <li data-bbox="906 1249 1420 1507">- Reviewing the taxable profit forecasts for the next five years period to assess whether the Company has the future taxable profits will be available against which the temporary differences can be utilized. I also examined the supporting documents. <li data-bbox="906 1518 1420 1776">- On a test basis, I examined revenue forecasts of a sample of major customers which the Company expected to received purchase order in the future, and considered the historical experience to assess if the forecast appeared reasonable <li data-bbox="906 1787 1420 1865">- Testing the mathematical accuracy of the profit forecasts for five years period.

Other Matter

The consolidated financial statements of Siam Steel International Public Company Limited and its subsidiaries and the separate financial statements of Siam Steel International Public Company Limited for the six – month period ended 31 December 2015, presented as comparative information, were audited by Mr. Somckid Tiatragul, an auditor in the same office as mine, who issued his audit report dated 29 February 2016 expressed an unqualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ms. Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

28 February 2017

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	380,030,060	379,515,930	195,606,366	242,870,745
Trade accounts receivable from sales and services					
- general customers - net	7	424,935,182	474,223,910	244,254,223	272,585,681
- related companies	6, 7	6,008,816	6,844,733	7,186,486	21,617,852
Trade accounts receivable from construction work					
- general customers - net	7	30,157,994	10,593,666	30,157,994	10,593,665
Unbilled accrued income - general customers		5,767,890	160,415	5,767,890	160,415
Inventories - net	8	404,233,659	324,121,936	277,588,655	228,817,830
Receivables from and advances to related companies	6	983,632	5,867,676	2,811,585	6,873,855
Short - term loan to indirect subsidiary company	6	-	-	465,000,000	-
Refundable value added tax		-	13,934	-	-
Other current assets	9	48,307,109	33,944,087	31,639,131	28,912,364
Total current assets		1,300,424,342	1,235,286,287	1,260,012,330	812,432,407
NON - CURRENT ASSETS					
Restricted deposit with bank	10	525,116	7,353,872	261,098	7,216,682
Long-term loan to related company	6	-	100,000,000	-	100,000,000
Retentions receivable		17,140,864	81,746,690	17,140,864	81,746,690
Investments					
- Subsidiary companies - net	11	-	-	194,399,200	34,399,230
- Associated companies	11	758,984,151	713,929,220	162,627,400	162,627,400
- Other companies - net	11	52,149,012	52,149,012	49,712,400	49,712,400
- Joint ventures - net	11	-	22,152	-	-
Goodwill	2	618,265	-	-	-
Property, plant and equipment - net	13	1,175,211,233	578,714,335	561,434,908	566,214,626
Assets not used in operation - net	14	168,814,743	168,814,743	168,814,743	168,814,743
Income tax withheld at sources		22,569,167	17,219,765	11,997,718	9,893,431
Deferred income tax asset - net	15	100,739,351	100,377,932	95,504,963	97,812,607
Other non - current assets		21,681,488	32,740,572	9,654,825	19,381,985
Total non - current assets		2,318,433,390	1,853,068,293	1,271,548,119	1,297,819,794
TOTAL ASSETS		3,618,857,732	3,088,354,580	2,531,560,449	2,110,252,201

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institution	16	385,334,189	-	385,334,189	-
Short - term loans from other person	17	103,000,000	-	-	-
Current portion of					
- Long - term loan from banks	18	5,784,000	-	5,784,000	-
- Liabilities under employee benefits obligation	21	10,093,889	-	9,864,504	-
Trade accounts payable - general suppliers		130,868,197	122,203,056	94,535,670	92,096,066
Payables to and advances from related companies	6	42,568,667	38,905,996	10,044,631	17,282,624
Advances and deposits from customers					
- general customers		43,823,536	44,391,437	40,698,707	42,747,068
- related companies	6	8,283,182	3,659,205	10,124,372	5,211,705
Accrued income tax		-	113,010	-	-
Other current liabilities	20	123,586,060	99,208,475	102,982,510	88,571,059
Total current liabilities		853,341,720	308,481,179	659,368,583	245,908,522
NON - CURRENT LIABILITIES					
Long - term loans from financial institution - net	18	230,319,279	224,000,000	230,319,279	224,000,000
Liabilities under employee benefits obligation - net	21	29,857,984	24,049,783	26,501,910	20,963,598
Other non - current liabilities		26,117,931	8,450,188	15,798,470	8,450,188
Total non - current liabilities		286,295,194	256,499,971	272,619,659	253,413,786
TOTAL LIABILITIES		1,139,636,914	564,981,150	931,988,242	499,322,308
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,125,849	593,125,849	593,125,849	593,125,849
- Issued and paid - up 593,125,849 shares		593,125,849	593,125,849	593,125,849	593,125,849
Premium on share capital		72,403,683	72,403,683	72,403,683	72,403,683
Retained earnings					
- Appropriated for legal reserve	22	59,312,585	59,312,585	59,312,585	59,312,585
- Unappropriated		1,561,711,975	1,610,538,558	874,730,090	886,087,776
Other components of equity	15	2,492,117	-	-	-
Shareholders' equity attributable to the Company's shareholders		2,289,046,209	2,335,380,675	1,599,572,207	1,610,929,893
Non - controlling interests in subsidiaries	12	190,174,609	187,992,755	-	-
TOTAL SHAREHOLDERS' EQUITY		2,479,220,818	2,523,373,430	1,599,572,207	1,610,929,893
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,618,857,732	3,088,354,580	2,531,560,449	2,110,252,201

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		For the year ended 31 December 2016	For the	For the year ended 31 December 2016	For the
			period from 1 July 2015 to 31 December 2015		period from 1 July 2015 to 31 December 2015
REVENUES					
Sales and services - net	26	1,759,510,611	937,641,460	1,025,855,491	578,757,198
Revenues from construction work	26	143,613,117	52,866,612	143,613,117	52,866,612
Total revenues		1,903,123,728	990,508,072	1,169,468,608	631,623,810
COSTS					
Costs of sales and services	25, 26	(1,349,650,378)	(714,559,832)	(747,409,395)	(429,594,626)
Costs of construction work	25, 26	(122,531,109)	(44,364,618)	(122,531,109)	(44,364,618)
Total costs		(1,472,181,487)	(758,924,450)	(869,940,504)	(473,959,244)
Gross income		430,942,241	231,583,622	299,528,104	157,664,566
Gain (loss) on foreign exchange rates	26	(223,508)	2,405,655	493,846	3,026,465
Dividend income		4,037,310	23,897,760	29,923,165	26,090,610
Other income	24	76,015,840	17,824,262	127,043,037	24,943,125
Income before expenses		510,771,883	275,711,299	456,988,152	211,724,766
Selling expenses		(147,632,196)	(83,580,890)	(156,693,218)	(87,361,039)
Administrative expenses		(421,300,543)	(156,567,605)	(255,790,540)	(94,530,928)
Allowance (reversal of allowance) for doubtful debts and bad debt - net		(5,575,450)	200,544	(5,575,450)	200,544
Allowance (reversal of allowance) for decline value of investment		(113)	-	14,655	1,999,930
Total expenses	25	(574,508,302)	(239,947,951)	(418,044,553)	(179,691,493)
Income (loss) from operations		(63,736,419)	35,763,348	38,943,599	32,033,273
Equity in net income of associated companies and joint venture - net		69,760,484	28,469,129	-	-
Income before finance cost and income tax		6,024,065	64,232,477	38,943,599	32,033,273
Finance cost		(36,649,362)	(1,394,103)	(27,983,482)	(1,193,360)
Income (loss) before income tax		(30,625,297)	62,838,374	10,960,117	30,839,913
Income tax	15	(3,460,170)	(2,556,275)	(4,885,416)	(13,797,965)
Income (loss) for the year/ period		(34,085,467)	60,282,099	6,074,701	17,041,948
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net of tax	15	(10,314,902)	-	(10,314,902)	-
Items subsequently reclassifiable to profit or loss					
Exchange differences from foreign currency					
financial statement translation - net of tax	15	2,492,117	-	-	-
Comprehensive loss for the year		(7,822,785)	-	(10,314,902)	-
Comprehensive income (loss) for the year/period		(41,908,252)	60,282,099	(4,240,201)	17,041,948

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015
Attribution of income (loss)				
The Company's shareholders	(31,319,432)	57,417,142	6,074,701	17,041,948
Non - controlling interests in subsidiaries	(2,766,035)	2,864,957	-	-
Total	(34,085,467)	60,282,099	6,074,701	17,041,948
Attribution of comprehensive income (loss)				
The Company's shareholders	(39,216,981)	57,417,142	(4,240,201)	17,041,948
Non - controlling interests in subsidiaries	(2,691,271)	2,864,957	-	-
Total	(41,908,252)	60,282,099	(4,240,201)	17,041,948
Basic earnings per share				
Income (loss) (Baht per share)	(0.05)	0.10	0.01	0.03
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 SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit : Baht)

	Note	Shareholders' equity of the Company						Non-controlling interests	Total
		Retained earnings				Other components of equity			
		Paid - up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Other comprehensive income			
						Exchange differences on translating financial statement			
Total	Total		Total		Total				
Consolidated F/S									
For the period from 1 July 2015 to 31 December 2015									
Balance as at 1 July 2015		593,125,849	72,403,683	59,312,585	1,553,121,416	-	2,277,963,533	187,234,948	2,465,198,481
Comprehensive income for the period		-	-	-	57,417,142	-	57,417,142	2,864,957	60,282,099
Dividend payment of subsidiary company	19	-	-	-	-	-	-	(2,107,150)	(2,107,150)
Balance as at 31 December 2015		593,125,849	72,403,683	59,312,585	1,610,538,558	-	2,335,380,675	187,992,755	2,523,373,430
For the year ended 31 December 2016									
Balance as at 1 January 2016		593,125,849	72,403,683	59,312,585	1,610,538,558	-	2,335,380,675	187,992,755	2,523,373,430
Non-controlling interests increase		-	-	-	-	-	-	6,000,125	6,000,125
Comprehensive income (loss) for the year		-	-	-	(41,709,098)	2,492,117	(39,216,981)	(2,691,271)	(41,908,252)
Dividend payment	19	-	-	-	(7,117,485)	-	(7,117,485)	-	(7,117,485)
Dividend payment of subsidiary company	19	-	-	-	-	-	-	(1,127,000)	(1,127,000)
Balance as at 31 December 2016		593,125,849	72,403,683	59,312,585	1,561,711,975	2,492,117	2,289,046,209	190,174,609	2,479,220,818

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit : Baht)

	Note	Paid - up share capital	Premium on share capital	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Separate F/S						
For the period from 1 July 2015 to 31 December 2015						
Balance as at 1 July 2015		593,125,849	72,403,683	59,312,585	869,045,828	1,593,887,945
Comprehensive income for the period		-	-	-	17,041,948	17,041,948
Balance as at 31 December 2015		593,125,849	72,403,683	59,312,585	886,087,776	1,610,929,893
For the year ended 31 December 2016						
Balance as at 1 January 2016		593,125,849	72,403,683	59,312,585	886,087,776	1,610,929,893
Comprehensive income (loss) for the year		-	-	-	(4,240,201)	(4,240,201)
Dividend paid	19	-	-	-	(7,117,485)	(7,117,485)
Balance as at 31 December 2016		593,125,849	72,403,683	59,312,585	874,730,090	1,599,572,207

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015
Cash flows from operating activities				
Income (loss) before income tax	(30,625,297)	62,838,374	10,960,117	30,839,913
Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation	42,731,614	22,241,642	39,377,200	20,637,693
Reversal of allowance for doubtful debts and bad debt - net	(5,575,450)	(200,544)	(5,575,450)	(200,544)
Allowance (reversal of allowance) for decline value of inventories - net	4,640,657	7,236,300	(1,036,241)	7,236,300
Allowance (reversal of allowance) for decline value of investment - net	-	1,293,388	(14,655)	(1,999,930)
Gain on sales of assets	(563,311)	(528,246)	(2,736)	(142,290)
Dividend income	(4,037,310)	(23,897,760)	(29,923,165)	(26,090,610)
Unrealized loss (gain) on foreign exchange	190,151	(2,102,853)	190,151	(2,102,853)
Financial costs	36,649,362	1,394,103	27,983,482	1,193,360
Equity in net income of associated companies and joint venture - net	(69,760,484)	(28,469,129)	-	-
Employee benefits obligation expenses	1,687,212	482,011	1,584,514	353,197
Cash provided from (used in) operations before changes in operating assets and liabilities	(24,662,856)	40,287,286	43,543,217	29,724,236
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	54,627,578	(76,927,606)	33,670,308	(31,743,386)
- related companies	835,917	8,552,823	14,431,366	5,105,721
Trade accounts receivable from construction work				
- general customers	(19,564,328)	(8,803,165)	(19,564,329)	(8,803,165)
- related companies	-	2,014,124	-	2,159,598
Unbilled accrued income - general customers	(5,607,475)	12,593,132	(5,607,475)	12,593,132
Inventories	(84,752,380)	33,754,020	(47,734,584)	38,480,563
Receivables from and advances to related companies	4,884,044	229,903	4,062,270	1,038,666
Other current assets	(14,349,088)	(2,430,796)	(2,726,768)	(7,527,134)
Retention receivable	64,521,989	-	64,521,989	-
Other non - current assets	11,059,084	(4,903,948)	9,727,159	3,247,739
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	8,665,141	17,325,824	2,439,604	11,743,913
Payables to and advances from related companies	3,158,702	(19,428,840)	(7,237,993)	(17,997,384)
Advances and deposits from customers				
- general customers	(550,534)	10,781,129	(2,030,994)	10,278,458
- related companies	4,623,977	176,880	4,912,667	176,880
Other current liabilities	24,360,035	15,877,296	7,770,585	14,791,375
Employee benefits obligation	(55)	(99,796)	(55)	(99,796)
Other non - current liabilities	17,667,743	105,975	13,971,598	105,975
Cash provided from operations	44,917,494	29,104,241	114,148,565	63,275,391
Interest payment	(35,197,583)	(849,644)	(26,927,328)	(849,644)
Income tax payment	(6,705,276)	(2,551,837)	(2,104,287)	-
Net cash provided from operating activities	3,014,635	25,702,760	85,116,950	62,425,747

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

7

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015	For the year ended 31 December 2016	For the period from 1 July 2015 to 31 December 2015
Cash flows from investing activities				
Decrease in temporary investment	-	5,049,249	-	-
Decrease in short - term loans to indirect subsidiary company	-	-	40,000,000	-
Increase in short - term loans to indirect subsidiary company	-	-	(505,000,000)	-
Decrease (increase) in restricted deposits with banks	6,828,756	(7,353,872)	6,955,584	(7,216,682)
Decrease (increase) in long-term loan to related company	-	(100,000,000)	100,000,000	(100,000,000)
Cash received from (paid for) investment in subsidiary company	7,810,074	-	(159,999,970)	-
Cash received from investment in joint venture	14,768	-	14,655	-
Dividend income	28,750,246	23,897,760	29,923,165	26,090,610
Acquisition of assets	(547,155,261)	(59,581,800)	(34,599,746)	(58,659,371)
Proceeds from sales assets	565,687	547,269	5,000	144,202
Net cash used in investing activities	(503,185,730)	(137,441,394)	(522,701,312)	(139,641,241)
Cash flows from financing activities				
Increase in short - term loan from financial institution	385,334,189	-	385,334,189	-
Proceed from long - term loan from financial institution	56,000,000	-	56,000,000	-
Repayment for long - term loan from financial institution	(43,896,721)	224,000,000	(43,896,721)	224,000,000
Increase in short - term loans from related parties	103,000,000	-	-	-
Dividend paid	(7,117,485)	-	(7,117,485)	-
Cash received from non - controlling interest of subsidiary company	6,000,125	-	-	-
Dividend paid to non - controlling interests by subsidiary	(1,127,000)	(2,107,150)	-	-
Net cash provided for financing activities	498,193,108	221,892,850	390,319,983	224,000,000
Exchange differences from translation of subsidiary's foreign currency financial statements	2,492,117	-	-	-
Increase (decrease) in cash and cash equivalents - net	514,130	110,154,216	(47,264,379)	146,784,506
Cash and cash equivalents at beginning of year/period	379,515,930	269,361,714	242,870,745	96,086,239
Cash and cash equivalents at end of year/period	380,030,060	379,515,930	195,606,366	242,870,745

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2016

1. GENERAL INFORMATION

The Company was incorporated as a juristic company on 28 August 1979 under the Civil and Commercial code of Thailand and become a public company on 27 December 1993. The principal activities of the Company and its subsidiaries is the manufacturing and sales of steel office equipment and furniture and furniture parts, and construction services. In addition, The Company has invested into the alternative energy sector, however, has not started the production. The Company's registered office is located at 51 Moo 2 Poochao Road, Bangyaprak, Phrapradaeng, Samuthprakarn.

The Company changed its fiscal year from 30 June to 31 December each year. The first accounting period, after the change was 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.

As at 31 December 2016 and 2015, the Company major shareholders are as follows:

<u>Name</u>	<u>Percentage of Shareholding</u>	
	<u>2016</u>	<u>2015</u>
Mr. Pongsak Pongphundacha	26.73	26.73
Mr. Wanchai Kunanantakul	17.19	17.19
Mr. Surapol Kunanantakul	16.53	16.53
Ms. Nartaya Pongphundacha	2.49	0.38
Mr. Amnuay Witchayawilat	2.37	2.44

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

(a) Statement of compliance

The accompanying financial statements have been officially prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Company's accounting policies. These changes have no material effect on the financial statements.

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 106 (revised 2016)	Accounting for Investments Companies
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance – No Specific Relation to Operating Activities
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TFRS	Topic
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
FAP Announcement (05/2559)	Accounting guidance for derecognition of financial assets and financial liabilities

The Group company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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
	2016	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 equipment, office furniture and industrial parts.

During the year, the Company established the following direct and indirect subsidiaries :

Company	Share capital (Thousand Baht)	Percentage of shareholding		Type of business
		2016	2015	
<u>Subsidiary</u>				
Siam International Energy Co., Ltd.	160,000	99.99	-	Investment in alternative energy

Company	Share capital (Thousand Baht)	Percentage of shareholding		Type of business
		2016	2015	
<u>Indirect subsidiaries</u>				
<u>Siam International Energy Co., Ltd.</u>				
Bangphra Green Energy Co., Ltd.	40,000	99.99	-	Manufacturing and distribution of solar equipment
Siam New Power Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Green Energy Plus Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Wealth Energy Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam International Biomass Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Biomass Product Co., Ltd.	100,000	99.99	-	Investment in alternative energy
Siam Forest Management Co., Ltd.	20,000	60.00	-	Investment in alternative energy
<u>Indirect subsidiaries - held by</u>				
<u>Siam Biomass Product Co., Ltd.</u>				
Siam Biomass Product – South Pra Sange Co., Ltd.	100,000	99.99	-	Investment in alternative energy
<u>Indirect subsidiaries - held by</u>				
<u>Bangphra Green Energy Co., Ltd.</u>				
Rich Solar Energy Godo Kaisha Co., Ltd.	551,055	97.00	-	Investment in alternative energy

On 4 January 2016, the Company has established “Siam International Energy Co., Ltd” with the Department of Business Development for investment in renewable energy power plants with registered share capital of Baht 1,000,000 (100,000 shares at par value of Baht 10 each), at 99.99% of shareholding.

On 17 February 2016, the Company has addition invested in “Siam International Energy Co., Ltd” by Baht 49,000,000 from Baht 1,000,000 to Baht 50,000,000 (the subsidiary issued newly 4,900,000 common shares at the Baht 10 par value) using for the establish 3 new subsidiary companies in renewable business.

On 29 December 2016, the Company has addition invested in “Siam International Energy Co., Ltd” by Baht 110,000,000 from Baht 50,000,000 to Baht 160,000,000 (the subsidiary issued newly 11,000,000 common shares at the Baht 10 par value) expand investment in its business and using to purchase the ordinary shares of Siam Biomass Product Limited.

On 24 March 2016, Siam International Energy Co., Ltd. has established “Siam Wood Energy Co., Ltd” with the Department of Business Development for investment in renewable energy power plants with registered share capital of Baht 1,000,000 (100,000 shares at par value of Baht 10 each), at 99.99% of shareholding. On 18 April 2016, the subsidiary has registered the change of its name to “Siam Biomass Product Co., Ltd” with the Department of Business Development.

On 29 December 2016, Siam International Energy Co., Ltd. has addition invested in “Siam Biomass Product Co., Ltd” by Baht 99,000,000 from Baht 1,000,000 to Baht 100,000,000 (the subsidiary issued newly

9,900,000 common shares at the Baht 10 par value) using for invested in “Siam Biomass Product – South Pra Sange Co., Ltd”.

On 16 December 2016, Siam International Energy Co., Ltd. has established “Siam Biomass Product – South Pra Saeng Co., Ltd” with the Department of Business Development for investment in renewable energy power plants with registered share capital of Baht 10,000,000 (1,000,000 shares at par value of Baht 10 each), at 99.99% of shareholding.

On 3 June 2016, Siam International Energy Co., Ltd has established “Siam Forest Management Co., Ltd” with the Department of Business Development to carry on the business of forestry, forest plantation, to provide all kinds of plantation to obtain raw material for the production of renewable energy with registered share capital of Baht 20,000,000 (2,000,000 shares at par value of Baht 10 each), at 60.00% of shareholding.

On 27 January 2016, Siam International Energy Co., Ltd., purchase 100% of the common share of Bangphra Green Energy Co., Ltd., which invests in a solar plant. 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
<u>Less</u> Cash and cash equivalents of subsidiary	(10,310)
Net cash received for purchase of investment in indirect subsidiary	7,810

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

The Company has prepared the consolidated financial statements to combine Rich Solar Energy Godo Kaisha’s financial position. Rich Solar Energy Godo Kaisha will be one of the indirect subsidiaries. The Company will invest in Miyagi Solar Project (owned by Rich Solar Energy Godo Kaisha) through Bangphra Green Energy Limited, a subsidiary in which the Company invested 97% and Bangphra Green Energy Limited will be a TK investor of Miyagi Solar Project located and operated in Japan, Rich Solar Energy Godo Kaisha will be preparing its financial statement dominated in Japanese Yen (JPY). In order for the

Company to consolidate its financial statements, the Company needs to translate JPY to Thai Baht (THB). There will be exchange rate differences on the translation of financial statements from foreign currency to local functional currency. This transaction will be recorded in other comprehensive income, a part of comprehensive income in the same period.

Significant intercompany transactions with subsidiaries and joint ventures 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 31 December 2016 and 2015, the total assets of subsidiaries represent 32 percent and 15.70 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the year ended 31 December 2016 and for the period from 1 July 2015 to 31 December 2015, represent 43 percent and 39.65 percent, respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all fiscal periods presented in these financial statements.

Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sales of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Revenues from construction services are recognized on the basis of percentage of completion. The recognized revenues, which are not due for billing as per contracts, are shown under the caption of “Unbilled accrued income” in the statement of financial position. Provision for foreseeable loss on project will be made in the accounts as soon as the possibility of loss is ascertained.

Interest income

Interest income is recognized in profit or loss as it accrues.

Other income

Other income is recognized on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Restricted deposit with bank is presented under non - current assets in the statement of financial position.

Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. The Company provides allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection process. The estimated losses are based on historical collection experiences coupled with a review of the current status of receivables.

Inventories

Cost of goods sold comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of own manufactured inventories and work-in-progress, moving average cost method is used which includes an appropriate share of production overheads based on normal operating capacity.

The Company and its subsidiaries value their inventories as follows:

	Valuation Method
Merchandises - The Company	Lower of cost (moving average method) or net realizable value
- The Subsidiary	Lower of cost (moving average method and first-in first-out method) or net realizable value
Own manufactured finished goods	Lower of cost (moving average method) or net realizable value
Work in process	Lower of cost (moving average method)
Raw materials	Cost (specific identification method)
Supplies	Cost (moving average method)

Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Provision is taken up in the books, where necessary, for obsolete, slow - moving and defective inventories, based on the physical status of inventories.

Investments in related companies

Investments in subsidiaries in separate financial statements are presented by the cost method. The Company recognizes gain or loss on sale in the statement of profit or loss and other comprehensive income in the period which investments are sold. When there is an indication of impairment on investment, the Company will recognize loss from impairment as expense out rightly in the statement of comprehensive income. The Company recognizes dividends income when the subsidiaries declare the payments of their dividends.

Investments in securities of related and other companies that are not subsidiaries, not associated companies and/or not joint ventures, held as “General investment”, are valued at costs.

The Company makes the adjustments to devalue those investments when there is an indication of impairment.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Company’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associated

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealised income or expenses arising from intra-company transactions, are eliminated. Unrealised gains arising from transactions with associate companies and jointly control entity are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Expenditures for expansion, renewal and betterment, which result in a substantial increase in an asset current replacement value, are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	<u>Year</u>
Buildings and improvements	3 - 20
Leasehold right and improvements	10
Improvements of leased factory	5
Machinery and equipment	5 - 10
Furniture, fixtures and office equipment	5
Transportation equipment	5

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Assets not used in operation

Assets not used in operations are presented at carrying amount at the date when the assets are retired from active use, less allowance for impairment.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period when the asset is derecognized.

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Foreign currency transactions

The Company translated foreign currency transactions into Thai Baht for bookkeeping purpose at the exchange rates prevailing at the dates of transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the end of year are translated into Baht at the exchange rates at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized as gain or loss in the statement of profit or loss and other comprehensive income.

Financial Statements of Foreign Subsidiary

The financial statements of a subsidiary in foreign currency are translated into Baht for consolidation as follows:

Assets and liabilities	- At closing rate
Share capital	- At the rate the transaction was executed
Income and expenses	- At average rate of exchange during the year
Cumulative translation adjustments	- Shown under shareholders' equity in the consolidated financial statements

The above rates should not be construed that all assets, liabilities, income and expenses can be actually realized at those rates.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts of corresponding items used for income tax computation purpose. Deferred income tax is measured by applying the tax rate to the temporary differences which are expected to be reversed, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

Employee benefits

Short-term employment benefits

Salaries, wages, bonuses, contribution to the social security, are recognised as expenses when incurred on the accrual basis.

Post-employment benefits (Defined contribution plan)

The Company, subsidiaries and its employees have jointly established a provident fund plan whereby monthly contributions are made by employees and by the Company. The fund's assets are held in a separate trusteed fund from the Company's assets. The Company's contribution to the fund is recognised as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company has obligations in respect of the severance payments they must make to employees upon retirement under the labour law. The Company accounts for this obligation in its accounts for each accounting period.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits is recognized in other comprehensive income.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs from the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Basic earnings per share

The Company presents basic earnings per share for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of ordinary shares outstanding during the year/period.

Use of accounting estimates

When preparing the 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.

Provisions for liabilities and charges and contingent assets

The Company and subsidiaries account for estimated liabilities and accrued expenses in the books of accounts when legal or constructive obligations occurred as the results of past events with probable outflows of resources to settle the obligations, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Construction revenues

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process, management carries out significant judgement about milestone, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcome, in terms of actual costs or revenues, may be higher or lower than estimates at the reporting date, which would affect the revenues and profit to be recognised in future years will be accounted for as an adjustment to the amounts recorded to date.

4.1.2 Allowance for project losses

The Company reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified possible losses are recognised immediately in the statement of comprehensive income when it is probable that total contract costs will exceed total contract revenues as determined by the management.

4.1.3 Impairment of receivables

The Company and subsidiaries account for allowance for doubtful accounts equal to the estimated collection losses that may incur should the customers be unable to pay for their accounts. The estimated losses are based on historical collection experiences couple with a review of outstanding receivables at the reporting date.

4.1.4 Allowance for obsolete, slow-moving and defective inventories

The Company and subsidiaries estimates allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on the consideration of inventory turnovers and deterioration of each category.

4.1.5 Plant equipment and computer software

Management regularly determines the estimated useful lives and residual values of plant equipment and computer software and will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written down or if asset is no longer in used.

4.1.6 Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuation. Inherent within this calculation is assumption as to discount rate, future salary adjustment, mortality rate and other demographic factor. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement cost may ultimately differ from this estimate.

4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.2 Capital risk management

Objectives of the Company in the management of capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimal capital structures to reduce the cost of capital.

In order to maintain or adjust the capital structures, the Company may adjust the amount of dividends payment for shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash	300	300	190	190
Deposits with financial institutions				
- Current accounts	398	254	311	254
- Savings accounts	299,332	378,962	155,105	242,427
- Fixed accounts	80,000	-	40,000	-
Total	<u>380,030</u>	<u>379,516</u>	<u>195,606</u>	<u>242,871</u>

Savings deposits with banks bear interest at the floating rates determined by banks.

The currencies denomination of cash and cash equivalents as at 31 December 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated F/S		Consolidated F/S	
	2016	2015	2016	2015
THB	343,883	353,488	161,746	216,843
USD	33,187	25,833	33,187	25,833
JPY	2,960	195	673	195
Total	<u>380,030</u>	<u>379,516</u>	<u>195,606</u>	<u>242,871</u>

6. 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.

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 parts.	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 and investment in solar plant	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 International 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 Forest Management Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Biomass Product – South Pra Sang Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Rich Solar Energy Godo Kaisha Co., Ltd.	Japan	Investment in alternative energy	Indirect subsidiary company
Siam Okamura Steel Co., Ltd.	Thailand	Manufacturing and distribution of office automation furniture for export	Associated company
Siam Steel Service Center Plc.	Thailand	Manufacturing 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-share holder

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts receivable from sales and services				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	939	14,593
Siam Okamura International Co., Ltd.	-	-	696	625
Siam Steel OC Co., Ltd.	-	-	-	384
Total	-	-	1,635	15,602
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	122	28	98	24
Siam Steel Service Center Public Company Limited	2	14	2	14
Total	124	42	100	38
<u>Related companies</u>				
Hirokoh (Thailand) Ltd.	2,279	818	2,279	818
Lucky - Kingdom Center (Nakornratchasima) Co., Ltd.	1,286	2,164	1,286	2,164
Lucky - Kingdom Center (Chiangmai) Co., Ltd.	1,509	2,461	1,509	2,461
Siam Chitose Co., Ltd.	-	203	-	203
Unity Service Co., Ltd.	26	30	26	30
Others	785	1,127	351	302
Total	5,885	6,803	5,451	5,978
Total trade accounts receivable from sales and services – related companies	6,009	6,845	7,186	21,618
Receivables from and advances				
<u>Subsidiary companies</u>				
Siam Okamura International Co., Ltd.	-	-	1,828	1,006
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	973	1,175	973	1,175

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Related companies</u>				
Siam Chitose Co., Ltd.	-	4,673	-	4,673
Unity Service Co., Ltd.	10	20	10	20
Total	10	4,693	10	4,693
Total receivables from and advances to related companies	983	5,868	2,811	6,874

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

Short-term loan to related company

Indirect subsidiary company

Bangphra Green Energy Co., Ltd.	-	-	465,000	-
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Long-term loan to related company

Indirect subsidiary company

Bangphra 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 as at 31 December 2016 and 2015 are as follows::

	(Unit : Thousand Baht)			
	Separate F/S			30 December 2016
	31 December 2015	Increase	Decrease	
Short - term loans	-	505,000	(40,000)	465,000
Long - term loans	100,000	-	(100,000)	-

On 11 December 2015, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., indirect subsidiary company, for a renewable energy - solar power plant project which will be started in 2016, for a total amount of Baht 440.00 million. Bangphra Green Energy Co., Ltd. withdraws the loans 2 times, Baht 100.00 million and Baht 340.00 million, on 16 December 2015 and 31 January 2016, respectively. This loan is collateralized the pledged of 1,000,000 common shares of Bangphra Green Energy Co., Ltd., at Baht 2.50 par value, giving the Company a right to purchase common share at Baht 2.50 par value. The loan is repayable within one year commencing the date the loan is fully withdrawn, within 31 January 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., total amount of Baht 25 million. Bangphra Green Energy Co., Ltd., withdraws the loans 2 times, Baht 10 million and Baht 15 million, on 19 December 2016 and 30 December 2016, respectively. The loan is repayable within one year commencing the date the loan is fully withdrawn, within 30 December 2017, and bears interest at 8% per annum commencing from first withdrawal date.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts payable				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	-	20
Siam Okamura International Co., Ltd.	-	-	-	752
Total	-	-	-	772
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	35,858	18,058	5,080	5,863
Siam Steel Service Center Public Company Limited	450	30	450	30
Total	36,308	18,088	5,530	5,893
<u>Related companies</u>				
Siam Chitose Co., Ltd.	2,524	8,826	2,524	8,826
Formica (Thailand) Co., Ltd.	806	819	806	819
Hirokoh (Thailand) Ltd.	38	10	38	10
Others	1,806	10,260	-	-
Total	5,174	19,915	3,368	9,655
Total trade accounts payable - related companies	41,482	38,003	8,898	16,320

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Advances from				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	60	60
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	60	-	60	-
<u>Related companies</u>				
Unity Service Co., Ltd.	942	898	942	898
Others	85	5	85	5
Total	1,027	903	1,027	903
Total advances from related companies	1,087	903	1,147	963
Total trade accounts payable and advances from related companies	42,569	38,906	10,045	17,283
Advances and deposit from customers				
<u>Subsidiary companies</u>				
Siam Okamura International Co., Ltd.	-	-	1,708	1,553
Siam Steel OC Co., Ltd.	-	-	133	-
Total	-	-	1,841	1,553
<u>Related companies</u>				
Formica (Thailand) Co., Ltd.	3,659	3,659	3,659	3,659
Hirokoh (Thailand) Ltd.	4,624	-	4,624	-
Total	8,283	3,659	8,283	3,659
Total advances and deposits from customers - related companies	8,283	3,659	10,124	5,212

The significant transactions with related companies for the year ended 31 December 2016 and for the period from 1 July 2015 to 31 December 2015 and pricing policy 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
Administrative and other expenses	Cost plus margin or agreed price
Interest expenses	8% per annum

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Sales and services income				
Subsidiaries	-	-	26,723	30,099
Associated companies	426	206	335	157
Related companies	54,408	22,486	50,598	17,361
Revenues from sales of raw materials, factory supplies and others				
Subsidiaries	-	-	8,757	2,091
Associated companies	8,046	4,229	6,242	3,638
Related companies	13,212	7,526	12,342	6,275
Rental revenue				
Subsidiaries	-	-	10,084	4,732
Related companies	14,757	7,143	14,757	7,142
Interest income				
Subsidiaries	-	-	34,833	-

In Thousand Baht

	Consolidated F/S		Separate F/S	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Dividend income				
Subsidiaries	-	-	1,173	2,193
Associated companies	-	-	24,713	-
Related companies	4,037	23,898	4,037	23,898
Purchases of finished goods				
Subsidiaries	-	-	95	3,548
Associated companies	292,182	122,531	22,896	12,923
Related companies	43,683	68,926	7,497	40,649
Purchases of raw materials				
Subsidiaries	-	-	121	6
Associated companies	3,539	39	3,539	39
Related companies	12,647	3,203	12,647	3,203
Administrative and other expenses				
Subsidiaries	-	-	-	180
Associated companies	41,881	18,728	38	-
Related companies	14,133	5,462	14,045	5,386
<u>Key management personnel compensation</u>				
Current employment benefits	25,217	9,912	22,439	8,511
Post-employment benefits	318	99	256	99
Total	<u>25,535</u>	<u>10,011</u>	<u>22,695</u>	<u>8,610</u>

7. TRADE ACCOUNTS RECEIVABLE

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Trade accounts receivable from sales and services				
<u>Trade accounts receivable – general customers</u>				
Current	274,936	247,310	191,406	135,189
Overdue:				
Less than 3 months	84,396	124,325	11,920	42,523
3 months – 6 months	20,216	4,430	6,294	2,611
6 months – 12 months	11,754	7,836	3,094	1,632
Over 12 months	49,944	135,243	47,851	135,551
Total	441,246	519,144	260,565	317,506
<u>Less Allowance for doubtful accounts</u>	(16,311)	(44,920)	(16,311)	(44,920)
Net	424,935	474,224	244,254	272,586
<u>Trade accounts receivable - related companies</u>				
Current	5,576	6,798	7,186	21,618
Overdue:				
Less than 3 months	433	47	-	-
Total	6,009	6,845	7,186	21,618
Trade accounts receivable – construction work				
<u>Trade accounts receivable – general customers</u>				
Current	30,158	10,594	30,158	10,594

The currency denomination of trade accounts receivable as at 31 December 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
THB	421,806	396,256	242,302	209,391
USD	9,342	7,713	9,342	7,713
AUD	43,723	132,030	43,723	132,030
JPY	2,542	584	2,542	584
Total	477,413	536,583	297,909	349,718
<u>Less</u> Allowance for doubtful accounts	(16,311)	(44,920)	(16,311)	(44,920)
Net	461,102	491,663	281,598	304,798

8. INVENTORIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Finished goods	212,487	158,600	81,451	64,819
Work in process	84,543	55,727	84,543	55,727
Raw materials and supplies	153,945	151,657	153,945	151,658
Goods in transit	1,286	1,524	-	-
Total	452,261	367,508	319,939	272,204
<u>Less</u> Allowance for decline value of inventories	(48,027)	(43,386)	(42,350)	(43,386)
Net	404,234	324,122	277,589	228,818

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to 31 Dec 2015	31 Dec 2016	1 Jul 2015 to 31 Dec 2015	
Inventories recognized as an expense in cost of sales of goods :				
- Cost of goods sold	1,345,009	707,324	748,445	422,358
- Write-down to net realizable value	7,210	7,236	1,533	7,236
- Reversal of write-down	(2,569)	-	(2,569)	-
Net	1,349,650	714,560	747,409	429,594

Movements in allowance for decline value of inventories for the year 2016 and for the period from 1 July 2015 to 31 December 2015 are as follows :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to 31 Dec 2015	31 Dec 2016	1 Jul 2015 to 31 Dec 2015	
Beginning balance of the period/year	43,386	36,150	43,386	36,150
<u>Add</u> Additional allowance	7,210	7,236	1,533	7,236
<u>Less</u> Reversal of allowance	(2,569)	-	(2,569)	-
Ending balance of the period/year	48,027	43,386	42,350	43,386

9. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Prepaid expenses	35,679	27,069	25,460	24,917
Prepaid insurance	1,144	1,451	926	1,141
Undue input VAT	4,363	1,545	874	361
Cash advances	5,312	2,205	2,965	846
Others	1,809	1,674	1,414	1,647
Total	48,307	33,944	31,639	28,912

10. RESTRICTED DEPOSITS WITH BANK

As at 31 December 2016 and 2015, Time deposits totaling Baht 0.26 million and Baht 7.22 million, respectively are restricted for usage as they have been placed as collaterals for long-term loan from financial institution as mentioned in Note 18.

As at 31 December 2016 and 2015, Time deposits totaling Baht 0.53 million and Baht 0.14 million, respectively, are restricted for usage as they have been placed as collaterals for bank guarantees in respect of certain agreements required in normal course of business of the subsidiary.

11. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

Investment in shares of Lucky-Kingdom Center Co., Ltd. is considered as indirect associated company invested by a subsidiary company. Such subsidiary company recognizes its equity in the net operating results of such indirect associated company based on net operating results from unaudited financial statements. However, the equity in such associated company is not significant.

Investments in securities of related companies that are not subsidiaries, not associated companies and/or not joint venture, held as “General investment”, are valued at cost. The Company makes the adjustment to devalue those investments when there is indication of impairment.

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

(In Thousand Baht)

Type of business	Consolidated F/S										
	Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income		
	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	111,337	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	642,659	601,767		
						<u>162,627</u>	<u>162,627</u>	<u>753,996</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	4,988	4,962		
	Total investments in associated companies					<u>167,427</u>	<u>167,427</u>	<u>758,984</u>	<u>713,929</u>		
<u>Joint venture – equity method</u>											
Siam Steel - Kanok Furniture	Interior decoration service	-	100	-	49	-	49	-	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			4,037	-
	Total investment in related companies					<u>49,712</u>	<u>49,712</u>			<u>4,037</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					<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		
	2016	2015	2016	2015	2016	2015	2016	2015	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon 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	1,173	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.	Investment in alternative energy	160,000	-	99.99	-	160,000	-	-	-
Total investment in subsidiary companies						<u>194,399</u>	<u>34,399</u>	<u>1,173</u>	<u>2,193</u>
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	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	23,305	-
Total investment in associated companies						<u>162,627</u>	<u>162,627</u>	<u>24,713</u>	<u>-</u>
<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	127,428	11,660	4,037	-
Total investments in related companies						<u>162,627</u>	<u>49,712</u>	<u>4,037</u>	<u>23,898</u>
<u>Joint venture</u>									
Siam Steel - Kanok Furniture	Interior decoration service	-	100	-	49	-	49	-	-
<u>Less Allowance for decline in value of investments</u>									
Net						<u>-</u>	<u>(49)</u>		
Total dividend income from investments accounted for by cost method								<u>29,923</u>	<u>26,091</u>

Associates and joint ventures

The following table summaries the financial information of the associates and joint venture as included in their own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in these associates and joint venture.

	In Thousand Baht					
	Siam Okamura Steel Co., Ltd.		Siam Steel Service Center Public Company Limited		Siam Steel - Kanok Furniture	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Revenue	641,686	623,199	4,150,602	4,357,502	-	794
Income (loss) for the year/period	13,654	7,841	346,858	244,444	-	767
Other comprehensive income	-	-	4,363	2,228	-	-
Total comprehensive income (loss)	13,654	7,841	282,060	200,136	-	767
Attributable to NCI	5,462	3,136	64,197	45,551	-	376
Attributable to investee's shareholders	8,192	4,705	217,863	154,585	-	391
Current assets	288,193	265,983	2,363,862	2,520,479	-	143
Non-current assets	157,751	162,598	1,267,113	1,338,672	-	-
Current liabilities	124,192	117,392	825,892	1,236,436	-	98
Non-current liabilities	8,417	7,987	62,485	59,778	-	-
Net assets	313,335	303,202	2,742,598	2,562,937	-	45
Attributable to NCI	125,334	121,250	624,215	583,324	-	22
Attributable to investee's shareholders	188,001	181,952	2,118,383	1,979,613	-	23

As at 31 December 2016 and 2015, the fair value of investment in Siam Steel Service Center Public Company Limited, which listed on the Stock Exchange of Thailand, amount of Baht 575.34 million (closing price Baht 39.50 per share, 14,565,600 common shares) and Baht 477.02 million (last quoting price Baht 32.75 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.

Movements in investments in associated companies for the year ended 31 December 2016 and for the period from 1 July 2015 to 31 December 2015 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
<u>Investment in associated companies</u>				
Book value – beginning	713,929	685,836	162,627	162,627
Share of income of investment - equity method	69,768	28,093	-	-
Share of loss of investment - equity method	-	-	-	-
Dividend income	(24,713)	-	-	-
Book value – end	<u>758,984</u>	<u>713,929</u>	<u>162,627</u>	<u>162,627</u>
<u>Investment in joint venture</u>				
Book value – beginning	22	(354)	-	-
Share of income of investment - equity method	-	376	-	-
Share of loss of investment - equity method	(7)	-	-	-
Allowance for impairment of investment	(15)	-	-	-
Book value – end	<u>-</u>	<u>22</u>	<u>-</u>	<u>-</u>

12. NON - CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	In Thousand Baht			
	Consolidated F/S			
	Siam Okamura International Co., Ltd.	Siam Steel OC Co., Ltd.	Siam Forest Management Co., Ltd.	Total
Non-controlling interest percentage	49%	49%	40%	
Current assets	421,248	11,752	13,514	446,514
Non-current assets	26,895	3,919	1,524	32,338
Current liabilities	71,780	4,336	-	76,116
Non-current liabilities	5,323	134	4,828	10,284
Net assets	<u>371,040</u>	<u>11,201</u>	<u>10,211</u>	<u>392,452</u>
Carrying amount of non-controlling interest	<u>181,810</u>	<u>5,488</u>	<u>4,084</u>	<u>191,382</u>
Revenue	729,000	9,650	-	738,650
Income (loss) for the period	1,462	(2,402)	(4,790)	(5,730)
Income (loss) allocated to non-controlling interest	716	(1,177)	(1,916)	(2,377)
Cash flows provided from operating activities	2,469	518	(3,747)	(760)
Cash flows used in investing activities	(907)	(22)	(888)	(1,817)
Cash flows used in financing activities	(2,300)	(318)	15,000	12,382
Net increase (decrease) in cash and cash equivalents	<u>(738)</u>	<u>178</u>	<u>10,365</u>	<u>9,805</u>

13. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht				
	Consolidated F/S				
	1 January 2016	Increase	Decrease	Transfer	
<u>At Cost</u>					
Land	209,152	13,515	-	-	222,667
Buildings and improvements	836,552	26,734	-	84,877	948,163
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	599,968	24,289	-	990	625,247
Furniture, fixtures and office equipment	266,156	4,793	(976)	1,139	271,112
Transportation equipment	26,048	-	(1,416)	-	24,632
Work in progress	-	540,087	-	-	540,087
Machinery and building under installation	58,025	29,812	-	(87,006)	831
Total	<u>1,997,647</u>	<u>639,230</u>	<u>(2,392)</u>	<u>-</u>	<u>2,634,485</u>
<u>Less Accumulated Depreciation</u>					
Buildings and improvements	585,995	25,710	-	-	611,705
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	549,481	9,997	-	-	559,478
Furniture, fixtures and office equipment	247,162	6,806	(974)	-	252,994
Transportation equipment	21,730	2,740	(1,417)	-	23,053
Total	<u>1,406,114</u>	<u>45,253</u>	<u>(2,391)</u>	<u>-</u>	<u>1,448,976</u>
<u>Less Allowance for impairments</u>					
Land	6,517	-	-	-	6,517
Buildings and improvements	6,302	-	(2,521)	-	3,781
Total	<u>12,819</u>	<u>-</u>	<u>(2,521)</u>	<u>-</u>	<u>10,298</u>
Property, plant and equipment – net	<u>578,714</u>				<u>1,175,211</u>
<u>Allocation of depreciation for the year</u>					
Cost	11,565				22,946
Selling and administration expense	11,948				22,307
<u>Less Allowance for impairments amortization</u>	<u>(1,260)</u>				<u>(2,521)</u>
Total	<u>22,253</u>				<u>42,732</u>

	In Thousand Baht				
	Consolidated F/S				
	1 July				31 December
	2015	Increase	Decrease	Transfer	2015
At Cost					
Land	209,152	-	-	-	209,152
Buildings and improvements	836,552	-	-	-	836,552
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	599,968	-	-	-	599,968
Furniture, fixtures and office equipment	265,186	1,807	(837)	-	266,156
Transportation equipment	26,642	450	(1,044)	-	26,048
Machinery and building under installation	700	57,325	-	-	58,025
Total	1,939,946	59,582	(1,881)	-	1,997,647
Less Accumulated Depreciation					
Buildings and improvements	573,141	12,854	-	-	585,995
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	544,040	5,441	-	-	549,481
Furniture, fixtures and office equipment	244,474	3,525	(837)	-	247,162
Transportation equipment	21,075	1,693	(1,038)	-	21,730
Total	1,384,476	23,513	(1,875)	-	1,406,114
Less Allowance for impairments					
Land	6,517	-	-	-	6,517
Buildings and improvements	7,562	-	(1,260)	-	6,302
Total	14,079	-	(1,260)	-	12,819
Property, plant and equipment – Net	541,391				578,714
Allocation of depreciation for the period					
Cost	22,750				11,565
Selling and administration expense	24,527				11,948
Less Allowance for impairments amortization	(2,521)				(1,260)
Total	44,756				22,253

	In Thousand Baht				
	Separate F/S				
	1 January				31 December
	2016	Increase	Decrease	Transfer	2016
<u>At Cost</u>					
Land	209,152	-	-	-	209,152
Buildings and improvements	836,552	-	-	84,877	921,429
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	599,968	2,469	-	990	603,427
Furniture, fixtures and office equipment	205,677	2,318	(48)	1,139	209,086
Transportation equipment	20,550	-	-	-	20,550
Machinery and building under installation	58,025	29,812	-	(87,006)	831
Total	1,931,670	34,599	(48)	-	1,966,221
<u>Less Accumulated Depreciation</u>					
Buildings and improvements	585,995	25,621	-	-	611,616
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	549,480	9,941	-	-	559,421
Furniture, fixtures and office equipment	197,968	3,788	(46)	-	201,710
Transportation equipment	17,447	2,548	-	-	19,995
Total	1,352,636	41,898	(46)	-	1,394,488
<u>Less Allowance for impairments</u>					
Land	6,517	-	-	-	6,517
Buildings and improvements	6,302	-	(2,521)	-	3,781
Total	12,819	-	(2,521)	-	10,298
Property, plant and equipment – net	566,215				561,435
<u>Allocation of depreciation for the year</u>					
Cost	11,565				22,946
Selling and administration expense	10,332				18,952
<u>Less Allowance for impairments amortization</u>	(1,260)				(2,521)
Total	20,637				39,377

	In Thousand Baht				31 December 2015
	Separate F/S				
	1 July 2015	Increase	Decrease	Transfer	
At Cost					
Land	209,152	-	-	-	209,152
Buildings and improvements	836,552	-	-	-	836,552
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	599,968	-	-	-	599,968
Furniture, fixtures and office equipment	205,133	1,335	(791)	-	205,677
Transportation equipment	20,877	-	(327)	-	20,550
Machinery and building under installation	700	57,325	-	-	58,025
Total	1,874,128	58,660	(1,118)	-	1,931,670
Less Accumulated Depreciation					
Buildings and improvements	573,141	12,854	-	-	585,995
Leasehold right and improvements	1,746	-	-	-	1,746
Machinery and equipment	544,040	5,440	-	-	549,480
Furniture, fixtures and office equipment	196,632	2,126	(790)	-	197,968
Transportation equipment	16,297	1,477	(327)	-	17,447
Total	1,331,856	21,897	(1,117)	-	1,376,636
Less Allowance for impairments					
Land	6,517	-	-	-	6,517
Buildings and improvements	7,562	-	(1,260)	-	6,302
Total	14,079	-	(1,260)	-	12,819
Property, plant and equipment – net	528,193				566,215
Allocation of depreciation for the period					
Cost	22,750				11,565
Selling and administration expense	21,355				10,332
Less Allowance for impairments amortization	(2,521)				(1,260)
Total	41,584				20,637

As at 31 December 2016 and 2015, the gross carrying amount of fully depreciated building and equipment which are still in use amounted to Baht 1,035.77 million and Baht 1,036.39 million, respectively, for the consolidated financial statements, and amounted to Baht 999.29 million and Baht 991.54 million, respectively, for the separate financial statements.

14. ASSETS NOT USED IN OPERATION

	In Thousand Baht			
	Consolidated and Separate F/S			
	1 January 2016	Increase	Decrease	31 December 2016
At Cost				
Land	41,091	-	-	41,091
Buildings and improvements	157,023	-	-	157,023
Machinery and equipment	41,864	-	-	41,864
Furniture, fixtures and office equipment	3,968	-	-	3,968
Total	243,946	-	-	243,946
<u>Less Accumulated Depreciation</u>				
Buildings and improvements	35,979	-	-	35,979
Machinery and equipment	36,122	-	-	36,122
Furniture, fixtures and office equipment	3,030	-	-	3,030
Total	75,131	-	-	75,131
Assets not use in operation - net	168,815			168,815

	In Thousand Baht			
	Consolidated and Separate F/S			
	1 July 2015	Increase	Decrease	31 December 2015
At Cost				
Land	41,091	-	-	41,091
Buildings and improvements	157,023	-	-	157,023
Machinery and equipment	41,864	-	-	41,864
Furniture, fixtures and office equipment	3,979	-	(11)	3,968
Total	243,957	-	(11)	243,946
<u>Less Accumulated Depreciation</u>				
Buildings and improvements	35,979	-	-	35,979
Machinery and equipment	36,122	-	-	36,122
Furniture, fixtures and office equipment	3,040	-	(10)	3,030
Total	75,141	-	(10)	75,131
Assets not use in operation - net	168,816			168,815

In September 2016, the Company hired an independent appraiser to appraise its assets not used in operation. The appraised value of land and related assets of the Bangna factory amounted to Baht 427.28 million. As at 31 December 2016, the Company considers the fair value of its land and buildings of Prakanong branch by comparing the appraised price from the Treasury Department which is approximately Baht 41.47 million (net of estimated selling expenses). The fair values is higher than the net book value. The Company, therefore, does not set allowance for impairment.

As at 31 December 2016, the Company's land and buildings are mortgaged as collaterals for credit facilities with a financial institution as mentioned in Notes 16.

15. INCOME TAX

Deferred income tax asset and liability are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deferred income tax asset	121,652	115,523	115,757	112,905
Deferred income tax liability	(20,913)	(15,145)	(20,252)	(15,093)
Deferred income tax - net	100,739	100,378	95,505	97,812

Deferred income tax assets and liabilities as at 31 December 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	Recognized as income (expense)			
	1 January	Other		31 December
2016	Profit/ (Loss)	comprehensive income	2016	
Deferred income tax assets				
From allowance for doubtful accounts of trade accounts receivable from sales and service	255	(18)	-	237
From allowance for decline value in inventories	8,677	928	-	9,605
From allowance for impairment of investments in related companies	439	81	-	520
From reserve for employee benefits obligation	4,811	591	2,577	7,979
From loss carried forward not exceed 5 years	101,341	1,970	-	103,311
Total	115,523	3,552	2,577	121,652

	In Thousand Baht			
	Consolidated F/S			
	Recognized as income (expense)			
		Other		
	1 January	Profit/ (Loss)	comprehensive	31 December
	2016		income	2016
Deferred income tax liabilities				
From equity in net income of associated companies and joint venture	51	(14)	-	37
From the difference of depreciation of fixed assets between accounting base and tax base	15,094	5,159	-	20,253
From translation adjustment	-	-	623	623
Total	15,145	5,145	623	20,913
Deferred income tax assets - net	100,378	1,593	623	100,739

	In Thousand Baht			
	Consolidated F/S			
	Recognized as income (expense)			
		Other		
	1 July	Profit/ (Loss)	Comprehensive	31 December
	2015		income	2015
Deferred income tax assets				
From allowance for doubtful accounts of trade accounts receivable from sales and service	261	(6)	-	255
From allowance for doubtful accounts of trade accounts receivable from construction work	96	(96)	-	-
From allowance for decline value in inventories	7,230	1,447	-	8,677
From allowance for impairment of investments in related companies	-	439	-	439
From reserve for employee benefits obligation	4,652	159	-	4,811
From loss carried forward not exceed 5 years	101,244	97	-	101,341
Total	113,483	2,040	-	115,523
Deferred income tax liabilities				
From equity in net income of associated companies and joint venture	51	-	-	51
From the difference of depreciation of fixed assets between accounting base and tax base	12,523	2,571	-	15,094
Total	12,574	2,571	-	15,145
Deferred income tax assets - net	100,909	(531)	-	100,378

	In Thousand Baht			
	Separate F/S			
	Recognized as income (expense)			
		Other		
	1 January	Profit/ (Loss)	comprehensive	31 December
	2016		income	2016
<u>Deferred income tax assets</u>				
From allowance for doubtful accounts of trade accounts receivable from sales and service	255	(18)	-	237
From allowance for decline value in inventories	8,677	(208)	-	8,469
From allowance for impairment of investments in subsidiary and related companies	10	(3)	-	7
From reserve for employee benefits obligation	4,194	502	2,577	7,273
From loss carried forward not exceed 5 years	99,771	-	-	99,771
Total	112,907	273	2,577	115,757
<u>Deferred income tax liabilities</u>				
From the difference of depreciation of fixed assets between accounting base and tax base	15,094	5,158	-	20,252
Deferred income tax assets - net	97,813	(4,885)	2,577	95,505

	In Thousand Baht			
	Separate F/S			
	Recognized as income (expense)			
		Other		
	1 July	Profit/ (Loss)	comprehensive	31 December
	2015		income	2015
<u>Deferred income tax assets</u>				
From allowance for doubtful accounts of trade accounts receivable from sales and service	261	(6)	-	255
From allowance for doubtful accounts of trade accounts receivable from construction work	188	(188)	-	-
From allowance for decline value in inventories	7,230	1,447	-	8,677
From allowance for impairment of investments in subsidiary and related companies	12,610	(12,600)	-	10
From reserve for employee benefits obligation	4,074	120	-	4,194
From loss carried forward not exceed 5 years	99,771	-	-	99,771
Total	124,134	(11,227)	-	112,907
<u>Deferred income tax liabilities</u>				
From the difference of depreciation of fixed assets between accounting base and tax base	12,523	2,571	-	15,094
Deferred income tax assets - net	111,611	(13,798)	-	97,813

Deferred tax assets have not been recognised in respect of the following items:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deductible temporary differences				
Tax losses carried forward not exceeding 5 years	78,942	45,753	78,942	45,753
Total	78,942	45,753	78,942	45,753

Income tax recognised in profit/ loss:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Current tax expense				
Current year	1,867	2,025	-	-
Deferred tax expense				
Movements in temporary differences	1,593	531	4,885	13,798
Total income tax expense	3,460	2,556	4,885	13,798

Income tax recognised in other comprehensive income

	In Thousand)					
	Consolidate F/S					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Operations Actuarial losses	3,115	(623)	2,492	-	-	-
Foreign currency translation differences for foreign operations	(12,892)	2,577	(10,315)	-	-	-
Other Comprehensive loss for the year	(9,777)	1,954	(7,823)	-	-	-

	In Thousand					
	Separate F/S					
	2016			2015		
	Tax			Tax		
Before Tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax	
Defined benefit plan-actuarial losses	(12,892)	2,577	(10,315)	-	-	-

Income tax expenses for the year ended 31 December 2016 and for the period from 1 July 2015 to 31 December 2015 are as follows :-

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Income (loss) before income tax	(43,654)	62,838	10,960	30,840
<u>Add</u> Transaction added back under the conditions of the Revenue Code	53,237	14,169	46,035	13,508
<u>Less</u> Other tax exempted income				
- Dividend income	(29,923)	(26,091)	(29,923)	(26,091)
- Others	(190,871)	(37,336)	(190,766)	(14,317)
<u>Less</u> Recognition of impairment in a subsidiary that reduced its registered share capital for reduction its deficits (Note 13), which was formerly added back for tax purpose	-	(63,000)	-	(63,000)
Net taxable income (loss)	(211,211)	(49,420)	(163,694)	(59,060)
Net taxable income (loss)				
- Net taxable loss of the Company	(163,694)	(59,060)	(163,694)	(59,060)
- Net taxable income of subsidiaries	9,335	10,126	-	-
- Net taxable income of subsidiary	(56,852)	(486)	-	-
	(211,211)	(49,420)	(163,694)	(59,060)
Current tax expense under the Revenue Code (income tax rate of 20%)				
- Current tax expense of the Company	-	-	-	-
- Current tax expense of subsidiaries	1,867	2,025	-	-
	1,867	2,025	-	-

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to	31 Dec 2016	31 Dec 2015	
The amount of deferred income tax expense (benefit) relating to temporary differences	1,592	531	4,884	13,798
Income tax expenses	3,460	2,556	4,884	13,798

16. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand			
	Interest rate per annum		Consolidated F/S and Separate F/S	
	2016	2015	2016	2015
Promissory notes	4.50 - 5.50	-	385,334	-
Total			385,334	-

As at 31 December 2016, a part of short – term loan from financial institutions in amount of Baht 190.00 million with collaterals of land and buildings. This loan is repayable within June 2017.

17. SHORT - TERM LOANS FROM OTHER PERSON

As at 31 December 2016, the indirect subsidiary company has short - term loan from other person is covered by promissory notes of Baht 103.00 million. The repayment is due on demand and has interest rates at 8% per annum.

18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2016 and 2015, the Company have long-term loan from financial institution as follow :

	In Thousand	
	Consolidated F/S and Separate F/S	
	2016	2015
Long-term loan from financial institutions	236,103	224,000
<u>Less</u> Current portion of Long - term loan from financial institutions	(5,784)	-
Long-term loan from financial institutions- net	<u>230,319</u>	<u>224,000</u>

Movement during the years are as follows:

	In Thousand	
	Consolidated F/S and Separate F/S	
	2016	2015
Beginning long-term loan from financial institution	224,000	-
<u>Add</u> Additional long-term loan from financial institution	56,000	224,000
<u>Less</u> Paid of long-term loan from financial institution	(43,897)	-
Total long-term loan from financial institution	<u>236,103</u>	<u>224,000</u>

As at 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 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.

19. DIVIDEND PAYMENT

Details of Company's dividends declaration and payments for the year ended 31 December 2016 is as follows :

2016	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Annual dividend	Annual General Meeting of the shareholders held on 28 April 2016	593,125,849	0.012	7,117

Details of Subsidiary's dividends declaration and payments for the year ended 31 December 2016 and and 31 December 2015 is as follows:

Siam Okamura International Co., Ltd.

2016	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Annual dividend	Annual General Meeting of the shareholders held on 26 April 2016	200,000	11.50	2,300

2015	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Annual dividend	Annual General Meeting of the shareholders held on 22 October 2015	200,000	21.50	4,300

20. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Accrued construction costs	41,041	27,884	41,041	27,884
Accrued employee expenses	35,230	28,408	27,030	23,152
Accrued compensation for defective products	10,411	8,808	10,411	8,808
Accrued incentive expenses	6,138	5,913	6,138	5,913
Accrued rental and utilities expenses	2,143	2,198	2,103	2,198
Accrued transportation	2,135	1,613	2,135	1,613
Accrued consulting service	168	5,149	168	5,149
Other liabilities	26,320	19,235	13,956	13,854
Total	123,586	99,208	102,982	88,571

21. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Statement of financial position				
Liabilities under employment benefits obligation	39,952	24,050	36,366	20,964
Statement of comprehensive income:				
<i>Recognized in profit or loss:</i>				
Post-employment benefits	3,010	889	2,510	697
Statement of other comprehensive income:				
<i>Recognized in other comprehensive income:</i>				
Actuarial losses recognized in the year	12,892	-	12,892	-

The Company had established a defined benefit pension plan under the Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movements in employee benefits obligation :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to	31 Dec 2016	1 Jul 2015 to	
	31 Dec 2015		31 Dec 2015	
Beginning balance of the period/year	24,050	23,260	20,964	20,366
<i>Recognised in profit or loss</i>				
- Current service cost	1,687	482	1,585	353
- financial cost	1,323	407	926	344
<i>Recognised in other comprehensive income</i>				
- Actuarial loss	12,922	-	12,892	-
<i>Paid during the year</i>	-	(99)	-	(99)
Ending balance of the period/year	39,952	24,050	36,366	20,964
Reclassified to current portion	(10,094)	-	(9,864)	-
Net	29,858	24,050	26,502	20,964
Wholly unfunded	39,952	24,050	36,366	20,964

Significant assumptions based on actuarial techniques

Significant assumptions based on actuarial techniques as at report date are as follows;

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Discount rate : Monthly staff	2.57% - 3.34%	2.09% - 4.36%	2.57%	4.34%
: Daily staff	2.97%	4.30 %	2.97%	4.30%
Average future salary increment rate	3.56%-5.34%	4.34% - 6.16%	3.56%-5.34%	4.34% - 6.09%
Mortality rate	TMO 2008	TMO 2008	TMO 2008	TMO 2008
Normal retirement age	60 years	60 years	60 years	60 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht	
	31 December 2016	
	Consolidated F/S	Separate F/S
Discount rate (0.5% increment)	(1,407)	(1,113)
Discount rate (0.5% decrement)	1,501	1,183
Future salary growth (0.5% increment)	1,630	1,295
Future salary growth (0.5% decrement)	(1,538)	(1,227)
Employee turnover (0.5% increment)	(3,403)	(2,752)
Employee turnover (0.5% decrement)	3,401	3,122

22. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve reaches not less than 10% of the authorized capital.

23. PROVIDENT FUND

The Company established a provident fund under the Provident Fund Act (B.E. 2530). The fund is contributed to by the employees and the Company and is managed by Kasikorn Asset Management. The fund will be paid to the employees upon termination in accordance with the rules of the fund. The Company has contributes to provident fund for the year ended 31 December 2016 and for the period from 1 July 2015 to 31 December 2015 as follow :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Provident fund	5,243	2,331	4,263	1,831

24. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to	31 Dec 2016	1 Jul 2015 to	
	31 Dec 2015		31 Dec 2015	
Income-Energy conservative subsidy	42,021	-	42,021	-
Rental revenue	14,757	7,143	24,841	11,874
Other service income	12,571	6,344	11,445	5,778
Utilities income	3,784	2,030	4,029	2,160
Interest income	2,112	1,404	35,857	939
Tax compensation income	771	903	771	903
Commission income	-	-	8,079	3,289
Total	76,016	17,824	127,043	24,943

During the year , the Company obtained financially support from Ministry of the Environment, Japan. The Financing Programme for JCM Model Project which reduce CO2 emissions by saving energy and/or introducing renewable energy with leading low carbon technologies.

25. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the	For the	For the	For the
	year ended	period from	year ended	period from
31 Dec 2016	1 Jul 2015 to	31 Dec 2016	1 Jul 2015 to	
	31 Dec 2015		31 Dec 2015	
Raw materials and supplies used	517,892	219,760	517,892	219,760
Changes in inventories of finished goods and work in process	(83,620)	15,523	(45,448)	22,267
Salaries, wages and other employee benefits	403,975	172,243	333,129	138,491
Subcontractor expenses	91,065	30,012	91,065	30,012
Reversal of allowance for doubtful debts	5,575	(200)	5,575	(200)
Depreciation	42,732	22,253	39,377	20,638
Rental expenses	24,439	6,206	7,824	2,928
Utilities expenses	27,459	13,306	26,116	12,569
Allowance for decline value of inventories	4,641	7,236	(1,036)	7,236
Reversal of allowance for impairment of investments	-	-	(15)	(2,000)
Other	982,532	512,533	313,506	201,950
Total	2,046,690	998,872	1,287,985	653,651

26. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	Domestic		Export		Total	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Consolidated						
Sales and services - net	1,685,030	862,370	74,480	75,271	1,759,510	937,641
Costs of sales and services	(1,285,214)	(646,058)	(64,436)	(68,562)	(1,349,650)	(714,620)
Gross profit	<u>399,816</u>	<u>216,312</u>	<u>10,044</u>	<u>6,709</u>	<u>409,860</u>	<u>223,021</u>
Revenues from construction work	143,613	52,867	-	-	143,613	52,867
Costs of construction work	(122,531)	(44,365)	-	-	(122,531)	(44,365)
Gross profit	<u>21,082</u>	<u>8,502</u>	<u>-</u>	<u>-</u>	<u>21,082</u>	<u>8,502</u>
Total gross profit	<u>420,898</u>	<u>224,814</u>	<u>10,044</u>	<u>6,709</u>	<u>430,942</u>	<u>231,523</u>
Gain (loss) on exchange rate					(224)	2,406
Depreciation					42,732	22,253
Allowance for doubtful debts					(5,575)	201
Income (loss) before income tax					<u>(30,625)</u>	<u>62,838</u>
Trade accounts receivable from sales and services - net					430,944	481,069
Inventories - net					404,234	324,122
Property, plant and equipment - net					1,175,211	578,714
Assets not use in operation - net					168,815	168,815
Other assets					1,439,654	1,535,635
Total assets					<u>3,618,858</u>	<u>3,088,355</u>

	In Thousand Baht					
	Domestic		Export		Total	
	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015	For the year ended 31 Dec 2016	For the period from 1 Jul 2015 to 31 Dec 2015
Separate F/S						
Sales and services - net	951,375	504,842	74,480	73,915	1,025,855	578,757
Costs of sales and services	(682,973)	(362,212)	(64,436)	(67,383)	(747,409)	(429,595)
Gross profit	268,402	142,630	10,044	6,532	278,446	149,162
Revenues from construction work	143,613	52,867	-	-	143,613	52,867
Costs of construction work	(122,531)	(44,365)	-	-	(122,531)	(44,365)
Gross profit	21,082	8,502	-	-	21,082	8,502
Total gross profit	289,484	151,132	10,044	6,532	229,528	157,664
Gain on exchange rate					494	3,026
Depreciation					39,377	20,638
Allowance for doubtful debts					(5,575)	(200)
Income before income tax					10,960	30,840
Trade accounts receivable from sales and services - net					251,441	294,203
Inventories - net					277,589	228,818
Property, plant and equipment - net					561,435	566,215
Assets not use in operation - net					168,815	168,815
Other assets					1,272,280	852,201
Total assets					2,531,560	2,110,252

27. GUARANTEE

As at 31 December 2016, the Company has outstanding guarantees of approximately Baht 89.39 million which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company.

As at 31 December 2016, the subsidiary has outstanding guarantees of approximately Baht 11.55 million which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company.

28. COMMITMENT

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

28.2 As at 31 December 2016, subsidiary company has various operating lease agreement 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:

	<u>In Thousand Baht</u>
Within 1 year	17,237
2 - 3 year	24,994

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

29.1 Interest Rate Risk

The interest rate risk arises from future movements in market interest rates that will affect the results of the Company and its subsidiaries operations and their cash flows. The Company's and subsidiaries' exposure to interest rate risk relate primarily to their cash and cash equivalents, short - term investment, and restricted deposit with bank as follows :

	<u>In Thousand Baht</u>			
	<u>Consolidated F/S</u>			
	<u>2016</u>			
	<u>Floating rate</u>	<u>Fixed rate</u>	<u>None - interest</u>	<u>Total</u>
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	299,333	80,000	697	380,030
Restricted deposit with bank	525	-	-	525
Short term loan from financial institutions	-	385,334	-	385,334
Short - term loan from other person	-	103,000	-	103,000
Long-term loan from financial institutions	236,103	-	-	236,103

	<u>In Thousand Baht</u>			
	<u>Consolidated F/S</u>			
	<u>2015</u>			
	<u>Floating rate</u>	<u>Fixed rate</u>	<u>None - interest</u>	<u>Total</u>
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	378,962	-	554	379,516
Restricted deposit with bank	137	7,217	-	7,354
Long-term loan to related company	-	100,000	-	100,000
Long-term loan from financial institution	224,000	-	-	224,000

	In Thousand Baht			
	Separate F/S			
	2016			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	155,105	40,000	501	195,606
Restricted deposit with bank	261	-	-	261
Short-term loan to indirect subsidiary	-	465,000	-	465,000
Short term loan from financial institutions	-	385,334	-	385,334
Long-term loan from financial institutions	236,103	-	-	236,103
	In Thousand Baht			
	Separate F/S			
	2015			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	242,427	-	444	242,871
Restricted deposit with bank	7,217	-	-	7,217
Short-term loan to related company	-	100,000	-	100,000
Long-term loan from financial institution	224,000	-	-	224,000

As of 31 December 2016 and 2015, the financial instruments classified by the periods of time from the statement of financial position date to their maturity dates are as follows :

	In Thousand Baht					
	Consolidated F/S					
	2016					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	300,030	80,000	-	-	380,030	0.125 - 1.30%
Restricted deposit with bank	-	-	-	525	525	1.75%
Short -term loan from other person	103,000	-	-	-	103,000	8.00%
Short term loan from financial institutions	-	385,334	-	-	385,334	4.50 – 5.50%
Long-term loan from financial institutions	-	-	5,784	230,319	236,103	5.25%, MLR – 0.5%

	In Thousand Baht					
	Consolidated F/S					
	2016					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	379,516	-	-	-	379,516	0.125 - 0.90%
Restricted deposit with bank	-	-	-	7,354	7,354	1.50%
Long-term loan to related company	-	-	-	100,000	100,000	8.00%
Long-term loan from financial institution	-	-	-	224,000	224,000	MLR - 0.5%

	In Thousand Baht					
	Separate F/S					
	2016					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	155,606	40,000	-	-	195,606	0.125 - 1.30%
Restricted deposit with bank	-	-	-	261	261	1.75%
Short-term loan to indirect subsidiary	-	-	465,000	-	465,000	8.00%
Short term loan from financial institutions	-	385,334	-	-	385,334	4.50%- 5.50%
Long-term loan from financial institutions	-	-	5,784	230,319	236,103	5.25%, MLR - 0.5%

	In Thousand Baht					
	Separate F/S					
	2015					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	242,871	-	-	-	242,871	0.125 - 0.90%
Restricted deposit with bank	-	-	-	7,217	7,217	1.50%
Long-term loan to related company	-	-	-	100,000	100,000	8.00%
Long-term loan from financial institution	-	-	-	224,000	224,000	MLR - 0.5%

29.2 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 December 2016, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 31 December 2016 (Baht per 1 foreign currency unit)
USD	1,193	3	35.83065
JPY	8,639	712	0.307951
AUD	356	330	25.93620

As at 31 December 2016, the Company's foreign currency denominated assets and liabilities which were not covered by hedging agreement are as follows:

	USD (Thousand)	JPY (Thousand)	AUD (Thousand)
<u>Financial assets</u>			
Cash and cash equivalents	931	2,210	-
Trade accounts receivable - net	262	6,429	356
<u>Financial liabilities</u>			
Advances from customers	3	712	-
Other current liabilities	-	-	330

29.3 Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Company within the normal terms of trade. To manage this risk, the Company and its subsidiaries periodically assess the financial viability of customers.

29.4 Credit Risk

Credit risk is the risk that a counter party is unable or unwilling to meet a commitment that it entered into with the Company and its subsidiaries. To manage this risk, the Company and its subsidiaries periodically assess the financial viability of customers.

The carrying amount of accounts receivable recorded in the statement of financial positions, net of allowance for doubtful accounts, is the maximum exposure to credit risk.

29.5 Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length basis. Fair values are obtained from quoted market prices.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents, trade and non-trade receivables - net - the carrying values approximate their fair values due to the relative short-term maturity of these financial instruments.
- Short - term loan from financial institution and trade and non-trade payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short - term maturity of these financial instruments.

Long - term investments in shares of subsidiaries and associated companies, and general investments - the carrying amounts of these financial assets approximate their fair values.

30. LITIGATION

In 2012, a contractor sued the Company as joint defendant with other party for compensation totaling approximately Baht 41.53 million, plus interest at the rate of 7.50 percent 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. However, during this period 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 percent per annum from 27 March 2012 to the payment date. As at 31 December 2016, the Company set up provision for such liabilities in its accounts and has recorded addition expense totaling of Bath 19.58 million to statement of profit or loss for the year ended 31 December 2016. The Company is in the process of appealing the decision at the Supreme Court.

31. RECLASSIFICATION

Certain amounts in the statement of financial position as at 31 December 2015 have been reclassified to conform to the current year's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

	In Thousand Baht	
	CONSOLIDATED	
	As reclassified	As previously reported
Other - current liabilities	99,208	105,832
Other non - current liabilities	8,450	1,827

	In Thousand Baht	
	SEPARATE F/S	
	As reclassified	As previously reported
Other - current liabilities	88,571	95,194
Other non - current liabilities	8,450	1,827

32. EVENT AFTER THE REPORTING PERIOD

At the meeting on 28 February 2017, the Company's Board of Directors passed a resolution to propose the payment of a dividend of Baht 0.01 per share, total amount of Baht 5.93 million on 26 May 2016 to the common shareholders, from operating result for the year ended 31 December 2016. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2017.