

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the shareholders of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position as at 30 September 2017, the related consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2017, consolidated statement of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2017, and condensed notes to the interim consolidated financial statements of Siam Steel International Public Company Limited and subsidiaries. I have also reviewed the separate statement of financial position as at 30 September 2017, and the related separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2017, statement of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2017, and condensed notes to the interim financial statements of Siam Steel International Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

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

Miss Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Bangkok

14 November 2017

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

| | Consolidated F/S | | Separate F/S | | |
|--|-----------------------------|------------------|-----------------------------|------------------|------------------|
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 | |
| | (Unaudited but Reviewed) | (Audited) | (Unaudited but Reviewed) | (Audited) | |
| Notes | | | | | |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 335,340 | 380,030 | 139,321 | 195,606 |
| Trade accounts receivable from sales and services | | | | | |
| - general customers - net | 6 | 297,364 | 424,935 | 162,895 | 244,254 |
| - related companies | 5, 6 | 11,049 | 6,009 | 13,034 | 7,186 |
| Trade accounts receivable from construction work | | | | | |
| - general customers | 6 | - | 30,158 | - | 30,158 |
| Unbilled accrued income - general customers | | - | 5,768 | - | 5,768 |
| Inventories - net | 7, 21 | 356,239 | 401,084 | 258,029 | 277,589 |
| Receivables from and advances to related companies | 5 | 4,797 | 984 | 30,601 | 2,812 |
| Short - term loans to indirect subsidiary company | 5 | - | - | 375,000 | 465,000 |
| Assets hold for sale | | 10,812 | - | 10,812 | - |
| Other current assets | | 35,968 | 48,307 | 24,004 | 31,639 |
| Total current assets | | 1,051,569 | 1,297,275 | 1,013,696 | 1,260,012 |
| NON - CURRENT ASSETS | | | | | |
| Restricted deposits with banks | | 4,620 | 525 | 4,504 | 261 |
| Retentions receivable | | 6,402 | 17,141 | 6,402 | 17,141 |
| Investments | | | | | |
| - Subsidiary companies - net | 8 | - | - | 194,399 | 194,399 |
| - Associated companies | 8 | 767,101 | 758,984 | 162,627 | 162,627 |
| - Other companies - net | 8 | 49,712 | 52,149 | 49,712 | 49,712 |
| Goodwill | | 618 | 618 | - | - |
| Property, plant and equipment - net | 9, 21 | 1,145,797 | 1,178,361 | 535,845 | 561,435 |
| Assets not used in operation - net | | 165,400 | 168,815 | 165,400 | 168,815 |
| Income tax withheld at sources | | 29,510 | 22,569 | 15,104 | 11,998 |
| Deferred income tax asset - net | | 97,543 | 100,739 | 91,838 | 95,505 |
| Other non - current assets | | 18,556 | 21,682 | 9,792 | 9,655 |
| Total non - current assets | | 2,285,259 | 2,321,583 | 1,235,623 | 1,271,548 |
| TOTAL ASSETS | | 3,336,828 | 3,618,858 | 2,249,319 | 2,531,560 |

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

| | Notes | Consolidated F/S | | Separate F/S | |
|--|-------|--------------------------|------------------|--------------------------|------------------|
| | | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| | | (Unaudited but Reviewed) | (Audited) | (Unaudited but Reviewed) | (Audited) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Short - term loans from financial institutions | 10 | 187,771 | 385,334 | 97,771 | 385,334 |
| Short - term loans from other person | 11 | 138,000 | 103,000 | - | - |
| Short - term loans from related companies | 5 | 57,000 | - | 90,000 | - |
| Current portion of | | | | | |
| - Long - term loans from financial institutions | 12 | 5,784 | 5,784 | 5,784 | 5,784 |
| - Liabilities under employee benefits obligation | | 10,599 | 10,094 | 10,370 | 9,864 |
| Trade accounts payable - general suppliers | | 103,009 | 130,868 | 84,979 | 94,536 |
| Payables to and advances from related companies | 5 | 42,376 | 42,569 | 10,191 | 10,045 |
| Advances and deposits from customers | | | | | |
| - general customers | | 10,491 | 43,824 | 10,128 | 40,699 |
| - related companies | 5 | 3,659 | 8,283 | 5,377 | 10,124 |
| Other current liabilities | 13 | 107,378 | 123,586 | 90,438 | 102,982 |
| Total current liabilities | | 666,067 | 853,342 | 405,038 | 659,368 |
| NON - CURRENT LIABILITIES | | | | | |
| Long - term loans from financial institutions - net | 12 | 217,691 | 230,319 | 217,691 | 230,319 |
| Liabilities under employee benefits obligation - net | | 30,344 | 29,858 | 26,561 | 26,502 |
| Other non - current liabilities | | 21,561 | 26,118 | 11,241 | 15,799 |
| Total non - current liabilities | | 269,596 | 286,295 | 255,493 | 272,620 |
| TOTAL LIABILITIES | | 935,663 | 1,139,637 | 660,531 | 931,988 |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital - common share at Baht 1 par value | | | | | |
| - Registered 593,125,849 shares | | 593,126 | 593,126 | 593,126 | 593,126 |
| - Issued and paid - up 593,125,849 shares | | 593,126 | 593,126 | 593,126 | 593,126 |
| Share premium | | 72,404 | 72,404 | 72,404 | 72,404 |
| Retained earnings | | | | | |
| - Appropriated for legal reserve | | 59,312 | 59,312 | 59,312 | 59,312 |
| - Unappropriated | | 1,505,988 | 1,561,712 | 863,946 | 874,730 |
| Other components of equity | | (18,092) | 2,492 | - | - |
| Shareholders' equity attributable | | | | | |
| to the Company's shareholders | | 2,212,738 | 2,289,046 | 1,588,788 | 1,599,572 |
| Non - controlling interests | | 188,427 | 190,175 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 2,401,165 | 2,479,221 | 1,588,788 | 1,599,572 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 3,336,828 | 3,618,858 | 2,249,319 | 2,531,560 |

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

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

(Unaudited but reviewed)

(Unit : Thousand Baht)

| | Notes | Consolidated F/S | | Separate F/S | |
|--|-------|------------------|--------------------|------------------|------------------|
| | | 2017 | 2016 (Restated) | 2017 | 2016 |
| Revenues | | | | | |
| Sales and services - net | 5, 15 | 331,721 | 430,321 | 200,420 | 288,783 |
| Construction work | 15 | - | 39,610 | - | 39,610 |
| Total revenues | | 331,721 | 469,931 | 200,420 | 328,393 |
| Cost of goods sold | | | | | |
| Costs of sales and services | 5, 15 | (252,869) | (327,603) | (142,958) | (208,123) |
| Cost of construction | 15 | - | (33,545) | - | (33,545) |
| Total cost of goods sold | | (252,869) | (361,148) | (142,958) | (241,668) |
| Gross profit | | 78,852 | 108,783 | 57,462 | 86,725 |
| Gain on foreign exchange rates | | 493 | 1,004 | 230 | 973 |
| Other income | 5 | 12,950 | 7,476 | 22,815 | 20,726 |
| Profit before expenses | | 92,295 | 117,263 | 80,507 | 108,424 |
| Selling expenses | | (34,858) | (32,700) | (37,954) | (35,027) |
| Administrative expenses | 5, 20 | (77,560) | (100,434) | (43,331) | (57,969) |
| Reversal of allowance for doubtful debts and bad debt | | - | 10 | - | 10 |
| Total expenses | | (112,418) | (133,124) | (81,285) | (92,986) |
| Profit (loss) from operations | | (20,123) | (15,861) | (778) | 15,438 |
| Share of profit from investments in associated companies - net | 8 | 10,933 | 17,814 | - | - |
| Profit (loss) before finance costs and income tax | | (9,190) | 1,953 | (778) | 15,438 |
| Finance costs | 5, 15 | (10,632) | (7,596) | (7,826) | (6,793) |
| Profit (loss) before income tax | | (19,822) | (5,643) | (8,604) | 8,645 |
| Income tax | | 677 | (271) | (1,371) | (1,175) |
| Profit (loss) for the period | | (19,145) | (5,914) | (9,975) | 7,470 |
| Other comprehensive income | | | | | |
| Items subsequently reclassifiable to profit or loss | | | | | |
| Exchange differences on translating foreign operations | 20 | (12,923) | 921 | - | - |
| Total comprehensive income (loss) for the period | | (32,068) | (4,993) | (9,975) | 7,470 |
| Profit (loss) for the period attributable to : | | | | | |
| Equity holders of the Company | | (16,789) | 1,373 | (9,975) | 7,470 |
| Non - controlling interests | | (2,356) | (7,287) | - | - |
| Total | | (19,145) | (5,914) | (9,975) | 7,470 |
| Total comprehensive income (loss) for the period attributable to: | | | | | |
| Equity holders of the Company | | (29,712) | 2,294 | (9,975) | 7,470 |
| Non - controlling interests | | (2,356) | (7,287) | - | - |
| Total | | (32,068) | (4,993) | (9,975) | 7,470 |
| Basic earnings per share | | | | | |
| Profit (loss) (Baht per share) | | (0.028) | 0.002 | (0.017) | 0.013 |
| 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
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

(Unit : Thousand Baht)

| | Notes | Consolidated F/S | | Separate F/S | |
|--|-------|------------------|--------------------|------------------|------------------|
| | | 2017 | 2016 (Restated) | 2017 | 2016 |
| Revenues | | | | | |
| Sales and services - net | 5, 15 | 1,168,761 | 1,221,838 | 687,051 | 727,909 |
| Construction work | 15 | 29,912 | 115,326 | 29,912 | 115,326 |
| Total revenues | | 1,198,673 | 1,337,164 | 716,963 | 843,235 |
| Cost of goods sold | | | | | |
| Costs of sales and services | 5, 15 | (915,371) | (933,653) | (523,676) | (527,644) |
| Cost of construction | 15 | (25,904) | (98,544) | (25,904) | (98,544) |
| Total cost of goods sold | | (941,275) | (1,032,197) | (549,580) | (626,188) |
| Gross profit | | 257,398 | 304,967 | 167,383 | 217,047 |
| Dividend income | 5 | 3,821 | 4,037 | 38,589 | 29,923 |
| Other income | 5 | 38,871 | 24,159 | 72,288 | 61,661 |
| Profit before expenses | | 300,090 | 333,163 | 278,260 | 308,631 |
| Selling expenses | | (107,824) | (106,393) | (115,658) | (113,054) |
| Administrative expenses | 5, 20 | (248,831) | (319,663) | (135,962) | (199,958) |
| Loss from foreign exchange rates | | (1,543) | (1,185) | (1,954) | (264) |
| Reversal of allowance (allowance) for doubtful debts and bad debt | | (2,163) | 70 | (2,052) | 70 |
| Reversal of allowance for decline value of investment | | - | - | - | 15 |
| Total expenses | | (360,361) | (427,171) | (255,626) | (313,191) |
| Profit (loss) from operations | | (60,271) | (94,008) | 22,634 | (4,560) |
| Share of profit from investments in associated companies - net | 8 | 42,273 | 56,976 | - | - |
| Profit (loss) before finance costs and income tax | | (17,998) | (37,032) | 22,634 | (4,560) |
| Finance costs | 5, 15 | (31,529) | (22,137) | (23,820) | (19,906) |
| Profit (loss) before income tax | | (49,527) | (59,169) | (1,186) | (24,466) |
| Income tax | | (3,425) | (2,717) | (3,667) | (3,760) |
| Profit (loss) for the period | | (52,952) | (61,886) | (4,853) | (28,226) |
| Other comprehensive income | | | | | |
| Items subsequently reclassifiable to profit or loss | | | | | |
| Exchange differences on translating foreign operations | 20 | (20,584) | 64,669 | - | - |
| Total comprehensive income (loss) for the period | | (73,536) | 2,783 | (4,853) | (28,226) |
| Profit (loss) for the period attributable to : | | | | | |
| Equity holders of the Company | | (49,793) | (53,861) | (4,853) | (28,226) |
| Non - controlling interests | | (3,159) | (8,025) | - | - |
| Total | | (52,952) | (61,886) | (4,853) | (28,226) |
| Total comprehensive income (loss) for the period attributable to: | | | | | |
| Equity holders of the Company | | (70,377) | 10,808 | (4,853) | (28,226) |
| Non - controlling interests | | (3,159) | (8,025) | - | - |
| Total | | (73,536) | 2,783 | (4,853) | (28,226) |
| Basic earnings per share | | | | | |
| Profit (loss) (Baht per share) | | (0.084) | (0.091) | (0.008) | (0.048) |
| Weighted average number of common shares (share) | | 593,125,849 | 593,125,849 | 593,125,849 | 593,125,849 |

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

| | Attributable to shareholders of the Company | | | | | | | Total equity | |
|--|---|--|---------------|-------------------|----------------|--|---------------------------|------------------------------|-----------|
| | Note | Issued and paid - up share capital | Share premium | Retained earnings | | Other components of equity | Company's shareholders | Non-controlling interests | Total |
| | | | | Legal reserve | Unappropriated | Exchange differences on translating foreign operation | | | |
| Consolidated F/S | | | | | | | | | |
| Balance as at 1 January 2016 | | 593,126 | 72,404 | 59,312 | 1,610,539 | - | 2,335,381 | 187,993 | 2,523,374 |
| Dividend paid | | - | - | - | (7,117) | - | (7,117) | - | (7,117) |
| Dividend paid by subsidiary to non-controlling interest | | - | - | - | - | - | - | (1,127) | (1,127) |
| Non-controlling interests increase | | - | - | - | - | - | - | 8,000 | 8,000 |
| Transactions with owners | | - | - | - | (7,117) | - | (7,117) | 6,873 | (244) |
| Total comprehensive income (loss) for the period - Restated | | - | - | - | (53,861) | 64,669 | 10,808 | (8,025) | 2,783 |
| Comprehensive income (loss) for the period - Restated | | - | - | - | (53,861) | 64,669 | 10,808 | (8,025) | 2,783 |
| Balance as at 30 September 2016 - Restated | | 593,126 | 72,404 | 59,312 | 1,549,561 | 64,669 | 2,339,072 | 186,841 | 2,525,913 |
| Balance as at 1 January 2017 | | 593,126 | 72,404 | 59,312 | 1,561,712 | 2,492 | 2,289,046 | 190,175 | 2,479,221 |
| Dividend paid | 14 | - | - | - | (5,931) | - | (5,931) | - | (5,931) |
| Dividend paid by subsidiary to non-controlling interest | 14 | - | - | - | - | - | - | (589) | (589) |
| Non-controlling interests increase | | - | - | - | - | - | - | 2,000 | 2,000 |
| Transactions with owners | | - | - | - | (5,931) | - | (5,931) | 1,411 | (4,520) |
| Total comprehensive loss for the period | | - | - | - | (49,793) | (20,584) | (70,377) | (3,159) | (73,536) |
| Comprehensive loss for the period | | - | - | - | (49,793) | (20,584) | (70,377) | (3,159) | (73,536) |
| Balance as at 30 September 2017 | | 593,126 | 72,404 | 59,312 | 1,505,988 | (18,092) | 2,212,738 | 188,427 | 2,401,165 |

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

| | Note | Issued and paid - up share capital | Share premium | Retained earnings | | Total |
|--|------|--|---------------|-------------------|----------------|-----------|
| | | | | Legal reserve | Unappropriated | |
| Separate F/S | | | | | | |
| Balance as at 1 January 2016 | | 593,126 | 72,404 | 59,312 | 886,088 | 1,610,930 |
| Dividend paid | | - | - | - | (7,117) | (7,117) |
| Transactions with owners | | - | - | - | (7,117) | (7,117) |
| Total comprehensive loss for the period | | - | - | - | (28,226) | (28,226) |
| Comprehensive loss for the period | | - | - | - | (28,226) | (28,226) |
| Balance as at 30 September 2016 | | 593,126 | 72,404 | 59,312 | 850,745 | 1,575,587 |
| Balance as at 1 January 2017 | | 593,126 | 72,404 | 59,312 | 874,730 | 1,599,572 |
| Dividend paid | 14 | - | - | - | (5,931) | (5,931) |
| Transactions with owners | | - | - | - | (5,931) | (5,931) |
| Total comprehensive loss for the period | | - | - | - | (4,853) | (4,853) |
| Comprehensive loss for the period | | - | - | - | (4,853) | (4,853) |
| Balance as at 30 September 2017 | | 593,126 | 72,404 | 59,312 | 863,946 | 1,588,788 |

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

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

| | (Unit : Thousand Baht) | | | |
|---|------------------------|--------------------|---------------|--------------|
| | Consolidated F/S | | Separate F/S | |
| | 2017 | 2016 (Restated) | 2017 | 2016 |
| Cash flows from operating activities | | | | |
| Loss before income tax | (49,527) | (59,169) | (1,186) | (24,466) |
| Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities: | | | | |
| Depreciation | 34,018 | 31,339 | 28,864 | 28,923 |
| Reversal of allowance for doubtful debts and bad debt | 2,163 | (70) | 2,052 | (70) |
| Allowance (reversal of allowance) for decline value of inventories | 2,679 | (1,226) | (321) | (1,226) |
| Reversal of allowance for decline value of investment | - | - | - | (15) |
| Gain on sales of investment | (2,563) | - | - | - |
| Gain on sales of assets | (1,552) | (30) | (95) | (5) |
| Loss from disposal of assets | 8 | 2 | 8 | 2 |
| Unrealized loss (gain) on foreign exchange | 20,354 | (540) | (52) | (540) |
| Dividend income | (3,821) | (4,037) | (38,589) | (29,923) |
| Finance costs | 31,529 | 22,137 | 23,820 | 19,906 |
| Equity in income of associated companies - net | (42,273) | (56,976) | - | - |
| Employee benefits obligation expenses | 1,380 | 1,522 | 953 | 1,187 |
| Cash provided from (used in) operations before changes in operating assets and liabilities | (7,605) | (67,048) | 15,454 | (6,227) |
| Decrease (increase) in operating assets; | | | | |
| Trade accounts receivable from sales and services | | | | |
| - general customers | 125,444 | 45,461 | 79,344 | (16,123) |
| - related companies | (5,040) | 2,960 | (5,848) | 16,652 |
| Trade accounts receivable from construction work | | | | |
| - general customers | 30,158 | 3,979 | 30,158 | 3,979 |
| Unbilled accrued income - general customers | 5,768 | (36,187) | 5,768 | (36,187) |
| Inventories | 42,166 | (72,493) | 19,880 | (46,962) |
| Receivables from and advances to related companies | (3,813) | (1,125) | (27,789) | 1,439 |
| Other current assets | 12,337 | (3,366) | 7,632 | 6,700 |
| Retentions receivable | 10,739 | (2,066) | 10,740 | (2,066) |
| Other non - current assets | 3,126 | 10,222 | (137) | 9,260 |
| Increase (decrease) in operating liabilities; | | | | |
| Trade accounts payable - general suppliers | (27,858) | 3,838 | (9,556) | 13,137 |
| Trade accounts payables and advances from related companies | (1,043) | 9,277 | 147 | (6,696) |
| Advances and deposits from customers | | | | |
| - general customers | (33,317) | 28,985 | (30,555) | 38,159 |
| - related companies | (4,624) | 7,501 | (4,748) | (4,747) |
| Other current liabilities | (20,211) | 33,895 | (12,522) | 30,396 |
| Paid employee benefit obligation | (937) | - | (937) | - |
| Other non - current liabilities | (4,557) | 11,487 | (4,557) | 1,164 |
| Cash provided from (used in) operations | 120,733 | (24,680) | 72,474 | 1,878 |

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

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

| | Consolidated F/S | | Separate F/S | |
|--|------------------|--------------------|------------------|------------------|
| | 2017 | 2016 (Restated) | 2017 | 2016 |
| Cash provided from (used in) operations (continued) | 120,733 | (24,680) | 72,474 | 1,878 |
| Cash paid for interest | (23,712) | (21,082) | (20,858) | (19,213) |
| Income tax payment | (7,151) | (4,059) | (3,106) | - |
| Net cash provided from (used in) operating activities | 89,870 | (49,821) | 48,510 | (17,335) |
| Cash flows from investing activities | | | | |
| Decrease (increase) in restricted deposits with banks | (4,095) | 2,586 | (4,243) | 2,684 |
| Acquisition of assets | (22,215) | (636,194) | (3,282) | (32,211) |
| Acquisition of assets for sale | (7,396) | - | (7,396) | - |
| Proceeds from sales of assets | 1,899 | 30 | 96 | 5 |
| Decrease (increase) in short - term loans to indirect subsidiary company | - | - | 90,000 | (440,000) |
| Decrease in long - term loans to related company | - | - | - | 100,000 |
| Cash received from (paid for) investment in subsidiary company | - | 7,810 | - | (50,000) |
| Cash received from sale investment | 5,000 | - | - | - |
| Cash received from non - controlling interest of subsidiary company | 2,000 | 8,000 | - | - |
| Cash received from investment in joint venture | - | 15 | - | 15 |
| Dividend income | 37,977 | 28,750 | 38,589 | 29,923 |
| Cash paid for investment in solar power plant project | - | 92,076 | - | - |
| Net cash provided from (used in) investing activities | 13,170 | (496,927) | 113,764 | (389,584) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in short - term loans from financial institution | (200,000) | 255,793 | (290,000) | 199,793 |
| Increase in short - term loans from related companies | 57,000 | - | 90,000 | 56,000 |
| Increase in short - term loans from other parties | 35,000 | 103,000 | - | - |
| Cash paid for long-term loans from financial institution | (12,627) | - | (12,628) | - |
| Dividend paid | (5,931) | (7,117) | (5,931) | (7,117) |
| Dividend paid from subsidiary company | (588) | (1,127) | - | - |
| Net cash provided from (used in) financing activities | (127,146) | 350,549 | (218,559) | 248,676 |
| Exchange differences on translating foreign operations | (20,584) | 64,669 | - | - |
| Decrease in cash and cash equivalents - net | (44,690) | (131,530) | (56,285) | (158,243) |
| Cash and cash equivalents at beginning of period | 380,030 | 379,516 | 195,606 | 242,871 |
| Cash and cash equivalents at end of period | 335,340 | 247,986 | 139,321 | 84,628 |

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2017 (Unaudited but reviewed)

(With comparative information as at 31 December 2016 (Audited))

1. NATURE OF OPERATIONS

Siam Steel International Public Company Limited was incorporated as a public company in Thailand, and has been listed on the Stock Exchange of Thailand. The principal activities of the Company and its subsidiaries is the manufacturing and sale of steel office equipment and furniture parts, and construction services. In addition, the Company has invested into the alternative energy sector, however, has not started production.

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

2.1 Basis for interim financial statements preparation

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

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

These interim financial statements have been approved by the Company's Board of Directors on 14 November 2017.

2.2 Basis of consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right. There is no significant change in the composition of the group during the current period, except for:

Siam Forest Management Co., Ltd., an indirect subsidiary company, increased their paid-up share capital from Baht 15,000,000 to Baht 20,000,000 (2,000,000 shares at par value of Baht 10 each). The holding percentage did not change.

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

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

As of 30 September 2017 and 31 December 2016, the total assets of subsidiaries represent 35.55% and 32.00%, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 30 September 2017 and 2016, represent 40.76% and 30.52%, respectively, of the total revenues in the consolidated financial statement and total revenues of subsidiaries for the nine-month periods ended 30 September 2017 and 2016, represent 41.11% and 38.58%, respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended 31 December 2016.

5. TRANSACTIONS WITH RELATED COMPANIES

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

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

| | In Thousand Baht | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Trade accounts receivable from sales and services | | | | |
| Subsidiary companies | - | - | 2,015 | 1,635 |
| Associated companies | 44 | 124 | 44 | 100 |
| Related companies | 11,005 | 5,885 | 10,975 | 5,451 |
| Total trade accounts receivable from sales and services – related companies | <u>11,049</u> | <u>6,009</u> | <u>13,034</u> | <u>7,186</u> |
| Receivables from and advances | | | | |
| Subsidiary companies | - | - | 25,804 | 1,828 |
| Associated companies | 506 | 973 | 506 | 973 |
| Related companies | 4,291 | 11 | 4,291 | 11 |
| Total receivables from and advances – related companies | <u>4,797</u> | <u>984</u> | <u>30,601</u> | <u>2,812</u> |
| There is no interest charge for the above receivables and advances. | | | | |
| Short-term loans to | | | | |
| Indirect subsidiary company | - | - | 375,000 | 465,000 |

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

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

On 11 December 2015, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., an indirect subsidiary company, to acquire a renewable energy - solar power plant project which is expected to start production in 2017, for a total amount of Baht 440.00 million. Bangphra Green Energy Co., Ltd. drew down on the loan 2 times, Baht 100.00 million and Baht 340.00 million, on 16 December 2015 and 31 January 2016, respectively. The loan is repayable within one year commencing the date the loan is fully withdrawn, and bears interest at 8% per annum commencing from first withdrawal date. On 2 January 2017, the Company entered into a memorandum with Bangphra Green Energy Co., Ltd. (BPG), to expand the repayment loan to be on 30 December 2017 with bears interest at 8% per annum for loan amount of Baht 240.00 million and 8.5% per annum for loan amount of Baht 200.00 million.

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

| | In Thousand Baht | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Short – term loans from | | | | |
| Subsidiary company | - | - | 90,000 | - |
| Related companies | 57,000 | - | - | - |
| Total short – term loans from related companies | 57,000 | - | 90,000 | - |

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

| | In Thousand Baht | | | |
|--|---------------------|----------|----------|----------------------|
| | Consolidated F/S | | | |
| | 31 December 2016 | Increase | Decrease | 30 September 2017 |
| Short – term loans from related companies | - | 57,000 | - | 57,000 |

As at 30 September 2017, a subsidiary entered into a loan agreement with a related company for Baht 10.00 million. The loan is repayable on 10 July 2018 and has an interest rate of 1.475% per annum.

As at 30 September 2017, an indirect subsidiary company has issued promissory notes to a related company of Baht 47.00 million. The loan is repayable on demand and has an interest rate of 6% per annum.

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

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

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

| | In Thousand Baht | | | |
|-------------------------|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Accounts payable | | | | |
| Associated companies | 28,497 | 36,308 | 2,474 | 5,530 |
| Related companies | 8,342 | 5,174 | 3,120 | 3,368 |

| | In Thousand Baht | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Total accounts payable - related companies | 36,839 | 41,482 | 5,594 | 8,898 |
| Advances from | | | | |
| Subsidiary company | - | - | 900 | 60 |
| Associated company | - | 60 | - | 60 |
| Related companies | 5,537 | 1,027 | 3,697 | 1,027 |
| Total advances from related companies | 5,537 | 1,087 | 4,597 | 1,147 |
| Total account payable and advances from related companies | 42,376 | 42,569 | 10,191 | 10,045 |
| Advances and deposits from customers | | | | |
| Subsidiary companies | - | - | 1,718 | 1,841 |
| Related companies | 3,659 | 8,283 | 3,659 | 8,283 |
| Total advances and deposits from customers - related companies | 3,659 | 8,283 | 5,377 | 10,124 |
| Key management personnel compensation | | | | |
| Accrued bonus | 1,493 | 1,916 | 1,323 | 1,689 |
| Post-employment benefits | 3,650 | 4,553 | 3,377 | 4,236 |
| Total key management personnel compensation | 5,143 | 6,469 | 4,700 | 5,925 |

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

| | The Policy of Pricing |
|---|----------------------------------|
| Sales and services | Cost plus margin or agreed price |
| Income from sales of raw materials, factory supplies and others | Cost plus margin |
| Rental revenue | Agreed price |
| Interest income | Agreed rate |
| Purchases of raw materials | Cost plus margin or agreed price |
| Purchases of finished goods | Agreed price |
| Administrative expenses | Cost plus margin or agreed price |
| Interest expense | Agreed rate |

| | In Thousand Baht | | | |
|--|--|--------------|--------------|--------------|
| | Consolidated F/S | | Separate F/S | |
| | For the three-month periods ended 30 September | | | |
| | 2017 | 2016 | 2017 | 2016 |
| Sales | 22,559 | 11,578 | 26,368 | 12,568 |
| Income from sales of raw materials, factory supplies and others | 4,195 | 5,962 | 6,099 | 7,418 |
| Rental revenue | 3,689 | 3,767 | 6,288 | 6,288 |
| Interest income | - | - | 7,814 | 8,732 |
| Purchases of raw materials | 1,503 | 4,317 | 1,503 | 4,317 |
| Purchases of finished goods | 66,145 | 84,254 | 4,411 | 6,683 |
| Administrative expenses and other expenses | 8,552 | 17,642 | 2,614 | 4,769 |
| Interest expense | - | 698 | - | - |
| <u>Key management personnel compensation</u> | | | | |
| Current employee benefits | 6,086 | 6,086 | 5,397 | 5,397 |
| Post-employment benefits | 83 | 97 | 67 | 64 |
| Total | <u>6,169</u> | <u>6,183</u> | <u>5,464</u> | <u>5,461</u> |

| | In Thousand Baht | | | |
|--|---|---------------|---------------|---------------|
| | Consolidated F/S | | Separate F/S | |
| | For the nine-month periods ended 30 September | | | |
| | 2017 | 2016 | 2017 | 2016 |
| Sales | 62,545 | 40,596 | 73,247 | 58,960 |
| Income from sales of raw materials, factory supplies and others | 18,690 | 16,638 | 22,570 | 20,014 |
| Rental revenue | 12,493 | 11,145 | 20,289 | 18,553 |
| Interest income | 25 | - | 24,606 | 25,677 |
| Dividend income | 3,821 | 4,037 | 38,589 | 29,923 |
| Purchases of raw materials | 4,406 | 11,249 | 4,406 | 11,249 |
| Purchases of finished goods | 205,354 | 228,421 | 21,279 | 24,836 |
| Administrative expenses and other expenses | 33,449 | 37,086 | 8,650 | 10,519 |
| Interest expense | 25 | 1,933 | - | - |
| <u>Key management personnel compensation</u> | | | | |
| Current employee benefits | 18,258 | 17,345 | 16,191 | 15,278 |
| Post-employment benefits | 248 | 238 | 200 | 192 |
| Total | <u>18,506</u> | <u>17,583</u> | <u>16,391</u> | <u>15,470</u> |

6. TRADE ACCOUNTS RECEIVABLE

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

| | In Thousand Baht | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Trade accounts receivable from sales and services | | | | |
| <u>Trade accounts receivable – general customers – net</u> | | | | |
| Current | 184,900 | 274,936 | 122,450 | 191,406 |
| Overdue: | | | | |
| Less than 3 months | 87,164 | 84,396 | 29,318 | 11,920 |
| 3 months – 6 months | 12,284 | 20,216 | 5,476 | 6,294 |
| 6 months – 12 months | 9,879 | 11,754 | 3,789 | 3,094 |
| Over 12 months | 3,569 | 49,944 | 2,183 | 47,851 |
| Total | 297,796 | 441,246 | 163,216 | 260,565 |
| <u>Less</u> Allowance for doubtful accounts | (432) | (16,311) | (321) | (16,311) |
| Net | 297,364 | 424,935 | 162,895 | 244,254 |
| <u>Trade accounts receivable - related companies</u> | | | | |
| Current | 11,049 | 5,576 | 12,328 | 7,186 |
| Overdue: | | | | |
| Less than 3 months | - | 433 | 706 | - |
| Total | 11,049 | 6,009 | 13,034 | 7,186 |
| Trade accounts receivable – construction work | | | | |
| <u>Trade accounts receivable – general customers</u> | | | | |
| Current | - | 30,158 | - | 30,158 |

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

| | In Thousand Baht | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| THB | 304,048 | 421,806 | 171,453 | 242,302 |
| USD | 3,876 | 9,342 | 3,876 | 9,342 |
| AUD | - | 43,723 | - | 43,723 |
| JPY | 921 | 2,542 | 921 | 2,542 |
| Total | 308,845 | 477,413 | 176,250 | 297,909 |
| <u>Less</u> Allowance for doubtful accounts | (432) | (16,311) | (321) | (16,311) |
| Net | 308,413 | 461,102 | 175,929 | 281,598 |

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

| | In Thousand Baht | |
|---|------------------|--------------|
| | Consolidate F/S | Separate F/S |
| Balance as at 1 January 2017 | 16,311 | 16,311 |
| <u>Add</u> Allowance for doubtful accounts | 111 | - |
| <u>Less</u> Reversal of allowance for doubtful accounts | (15,930) | (15,930) |
| Bad debt return | (60) | (60) |
| Balance as at 30 September 2017 | 432 | 321 |

7. INVENTORIES - NET

| | In Thousand Baht | | | |
|--|------------------|-------------|--------------|-------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2017 | 2016 | 2017 | 2016 |
| Finished goods | 186,823 | 209,537 | 81,278 | 81,451 |
| Work in process | 75,379 | 84,543 | 75,379 | 84,543 |
| Raw materials and supplies | 143,401 | 153,945 | 143,401 | 153,945 |
| Goods in transit | 1,342 | 1,286 | - | - |
| Total | 406,945 | 449,311 | 300,058 | 319,939 |
| <u>Less</u> Allowance for decline in value of inventories | (50,706) | (48,027) | (42,029) | (42,350) |
| Net | 356,239 | 401,284 | 258,029 | 277,589 |

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

| | In Thousand Baht | |
|---|------------------|--------------|
| | Consolidate F/S | Separate F/S |
| Balance as at 1 January 2017 | 48,027 | 42,350 |
| <u>Add</u> Allowance for decline in value in the period | 8,677 | - |
| <u>Less</u> Reversal of allowance for decline in value | (5,998) | (321) |
| Balance as at 30 September 2017 | 50,706 | 42,029 |

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 30 September 2017 and 31 December 2016, the balances of investments in subsidiaries, associated companies and related companies are as follows:

| | | (In Thousand Baht) | | | | | | | | | |
|--|---|--------------------|----------------------------|-------------|--------------|-------------|---------------|-------------|-----------------|-------------|---------|
| | | Consolidated F/S | | | | | | | | | |
| Type of business | Paid-up share capital | | Percentage of shareholding | | Cost method | | Equity method | | Dividend Income | | |
| | 30 | 31 December | 30 | 31 December | 30 | 31 December | 30 | 31 December | 30 | 31 December | |
| | September | 2016 | September | 2016 | 30 September | 31 December | September | 2016 | September | 2016 | |
| <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 | 114,435 | 111,337 | 2,112 | 1,408 |
| Siam Steel Service Center Public Company Limited | Steel cutting services and manufacturing of element steel parts | 639,998 | 639,998 | 22.76 | 22.76 | 127,428 | 127,428 | 647,718 | 642,659 | 32,044 | 23,305 |
| | | | | | | 162,627 | 162,627 | 762,153 | 753,996 | 34,156 | 24,713 |
| <u>Indirect associated company – equity method</u> | | | | | | | | | | | |
| Lucky-Kingdom Center Co., Ltd. | Investment in shares | 12,000 | 12,000 | 24 | 24 | 4,800 | 4,800 | 4,948 | 4,988 | - | - |
| Total investments in associated companies by equity method | | | | | | 167,427 | 167,427 | 767,101 | 758,984 | 34,156 | 24,713 |
| <u>Related companies - cost method</u> | | | | | | | | | | | |
| Formica (Thailand) Co., Ltd. | Manufacturing of melamine laminated product | 199,150 | 199,150 | 5 | 5 | 38,052 | 38,052 | | | - | - |
| Panasonic Eco Solutions Steel (Thailand) Co., Ltd. | Manufacturing of electrical conduit pipes | 170,000 | 170,000 | 5 | 5 | 11,660 | 11,660 | | | 3,821 | 4,037 |
| Total investment in related companies | | | | | | 49,712 | 49,712 | | | 3,821 | 4,037 |
| <u>Other company - cost method</u> | | | | | | | | | | | |
| Siam Auto Bags Co., Ltd. | Sales parts and accessories of car | - | 39,900 | - | 6.39 | - | 5,000 | | | | |
| <u>Less</u> Allowance for decline value of investments | | | | | | | | | | | (2,563) |
| Net | | | | | | - | 2,437 | | | | |
| Total investment by cost method – net | | | | | | 49,712 | 52,149 | | | | |

(In Thousand Baht)

| Type of business | Separate F/S | | | | | | | | |
|--|---|---------------------|----------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|---------------|
| | Paid-up share capital | | Percentage of shareholding | | Cost method | | Dividend Income | | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 | |
| <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 | 612 | 1,173 |
| Siam Steel OC Co., Ltd. | Distribution of finished buildings, wall and relating products | 20,000 | 20,000 | 51 | 51 | 10,200 | 10,200 | - | - |
| Siam International Energy Co., Ltd. | Investment in alternative energy | 160,000 | 160,000 | 99.99 | 99.99 | 160,000 | 160,000 | - | - |
| Total investment in subsidiary companies | | | | | | <u>194,399</u> | <u>194,399</u> | <u>612</u> | <u>1,173</u> |
| <u>Associated companies</u> | | | | | | | | | |
| Siam Okamura Steel Co., Ltd. | Manufacturing of steel furniture | 88,000 | 88,000 | 40 | 40 | 35,199 | 35,199 | 2,112 | 1,408 |
| Siam Steel Service Center Public Company Limited | Steel cutting services and manufacturing of element steel parts | 639,998 | 639,998 | 22.76 | 22.76 | 127,428 | 127,428 | 32,044 | 23,305 |
| Total investment in associated companies | | | | | | <u>162,627</u> | <u>162,627</u> | <u>34,156</u> | <u>24,713</u> |
| <u>Related companies</u> | | | | | | | | | |
| Formica (Thailand) Co., Ltd. | Manufacturing of melamine laminated products | 199,150 | 199,150 | 5 | 5 | 38,052 | 38,052 | - | - |
| Panasonic Eco Solutions Steel (Thailand) Co., Ltd. | Manufacturing of electrical conduit pipes | 170,000 | 170,000 | 5 | 5 | 11,660 | 11,660 | 3,821 | 4,037 |
| Total investments in related companies | | | | | | <u>49,712</u> | <u>49,712</u> | <u>3,821</u> | <u>4,037</u> |

As at 30 September 2017 and 31 December 2016, the fair value of the investment in Siam Steel Service Center Public Company Limited, which is listed on the Stock Exchange of Thailand, amount of Baht 561.88 million (closing price Baht 3.86 per share, 145,565,600 common shares) and Baht 575.34 million (closing price Baht 39.50 per share, 14,565,600 common shares), respectively. For other investments in associates and joint venture are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.

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

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

| | In Thousand Baht | |
|--|------------------|--------------|
| | Consolidated F/S | Separate F/S |
| Net book value as at 1 January 2017 | 758,984 | 162,627 |
| Share of profits of investment - equity method | 42,273 | - |
| Dividend income | (34,156) | - |
| Net book value as at 30 September 2017 | 767,101 | 162,627 |

9. PROPERTY, PLANT AND EQUIPMENT - NET

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

| | In Thousand Baht | |
|--|------------------|--------------|
| | Consolidated F/S | Separate F/S |
| Net book value as at 1 January 2017 | 1,178,361 | 561,435 |
| Purchase during the period | 22,215 | 3,282 |
| Disposal during the period – net book value | (355) | (8) |
| Depreciation for the period | (34,018) | (28,864) |
| Exchange differences from translation of foreign operation | (20,406) | - |
| Net book value as at 30 September 2017 | 1,145,797 | 535,845 |

10. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

| | In Thousand | | | | | |
|---------------------|-------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| | Interest rate per annum | | Consolidated F/S | | Separate F/S | |
| | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 | 30 September 2017 | 31 December 2016 |
| Promissory Notes | 5.25 – 6.50 | 5.25 – 5.50 | 187,771 | 385,334 | 97,771 | 385,334 |

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

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

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

11. SHORT - TERM LOANS FROM OTHER PERSON

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

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

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

| | In Thousand | |
|--|-----------------------------------|---------------------|
| | Consolidated F/S and Separate F/S | |
| | 30 September 2017 | 31 December 2016 |
| Long-term loans from financial institutions | 223,475 | 236,103 |
| <u>Less</u> Current portion of long - term loans from financial institutions | (5,784) | (5,784) |
| Long-term loans from financial institutions - net | 217,691 | 230,319 |

As at 30 September 2017 and 31 December 2016, long-term loans from financial institutions with interest at a rate of MLR – 0.5% per annum are collateralized by the pledge of 88,842,800 shares of an associated company. In addition, the Company has to deposit dividends received from such shares into a bank account accumulatively until it reach Baht 10.00 million as addition collateral. The Company also has to pledge shares belonging to the Company’s directors of 25,000,000 shares as collateral for this loan. This loan is repayable within December 2020.

13. OTHER CURRENT LIABILITIES

| | In Thousand Baht | | | |
|---|------------------|----------------|---------------|----------------|
| | Consolidated F/S | | Separate F/S | |
| | 30 September | 30 December | 30 September | 30 December |
| | 2017 | 2016 | 2017 | 2016 |
| Accrued construction costs | 50,412 | 41,041 | 50,412 | 41,041 |
| Accrued employee expenses | 22,433 | 35,230 | 17,557 | 27,030 |
| Accrued compensation for defective products | - | 10,411 | - | 10,411 |
| Accrued incentive expenses | 4,472 | 6,138 | 4,472 | 6,138 |
| Accrued rental and utilities expenses | 2,273 | 2,143 | 2,223 | 2,103 |
| Accrued transportation | 1,666 | 2,135 | 1,666 | 2,135 |
| Accrued consulting service | 577 | 168 | 577 | 168 |
| Other liabilities | 25,545 | 26,320 | 13,531 | 13,956 |
| Total | 107,378 | 123,586 | 90,438 | 102,982 |

14. DIVIDEND

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

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

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

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

15. SEGMENTAL FINANCIAL INFORMATION

| | In Thousand Baht | | | | | |
|--------------------------------------|--|----------------|------------|--------------|------------------|------------------|
| | For the three-month periods ended 30 September | | | | | |
| | Domestic | | Export | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Consolidated | | | | | | |
| Sales and services – net | 316,278 | 410,026 | 15,443 | 20,295 | 331,721 | 430,321 |
| Costs of sales and services | (238,054) | (310,017) | (14,815) | (17,586) | (252,869) | (327,603) |
| Gross profit | <u>78,224</u> | <u>100,009</u> | <u>628</u> | <u>2,709</u> | <u>78,852</u> | <u>102,718</u> |
| Revenues from construction work | - | 39,610 | - | - | - | 39,610 |
| Costs of construction work | - | (33,545) | - | - | - | (33,545) |
| Gross profit | <u>-</u> | <u>6,065</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,065</u> |
| Total gross profit | <u>78,224</u> | <u>106,074</u> | <u>628</u> | <u>2,709</u> | <u>78,852</u> | <u>108,783</u> |
| Depreciation | | | | | (11,094) | (10,351) |
| Interest expense | | | | | (10,632) | (7,596) |
| Loss before income tax | | | | | (19,822) | (5,643) |
| Property, plant and equipment – net | | | | | 1,145,797 | 581,926 |
| Assets not used in operation – net | | | | | 165,400 | 168,815 |
| Other assets | | | | | 2,025,631 | 2,720,995 |
| Total assets as at 30 September | | | | | <u>3,336,828</u> | <u>3,471,736</u> |
| Total liabilities as at 30 September | | | | | <u>935,663</u> | <u>1,011,275</u> |

| In Thousand Baht | | | | | | |
|---|------------------|------------------|-----------------|-----------------|------------------|------------------|
| For the nine-month periods ended 30 September | | | | | | |
| | Domestic | | Export | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Consolidated | | | | | | |
| Sales and services – net | 1,116,116 | 1,176,182 | 52,645 | 45,656 | 1,168,761 | 1,221,838 |
| Cost of sales and services | <u>(866,788)</u> | <u>(894,227)</u> | <u>(48,583)</u> | <u>(39,426)</u> | <u>(915,371)</u> | <u>(933,653)</u> |
| Gross profit | <u>249,328</u> | <u>281,955</u> | <u>4,062</u> | <u>6,230</u> | <u>253,390</u> | <u>288,185</u> |
| Revenues from construction work | 29,912 | 115,326 | - | - | 29,912 | 115,326 |
| Costs of construction work | <u>(25,904)</u> | <u>(98,544)</u> | <u>-</u> | <u>-</u> | <u>(25,904)</u> | <u>(98,544)</u> |
| Gross profit | <u>4,008</u> | <u>16,782</u> | <u>-</u> | <u>-</u> | <u>4,008</u> | <u>16,782</u> |
| Total gross profit | <u>253,336</u> | <u>298,737</u> | <u>4,062</u> | <u>6,230</u> | <u>257,398</u> | <u>304,967</u> |
| Depreciation | | | | | (34,018) | 31,339 |
| Interest expense | | | | | (31,529) | 22,137 |
| Loss before income tax | | | | | (49,526) | (59,169) |
| Property, plant and equipment – net | | | | | 1,145,797 | 581,926 |
| Assets not used in operation – net | | | | | 165,400 | 168,815 |
| Other assets | | | | | <u>2,025,631</u> | <u>2,720,995</u> |
| Total assets as at 30 September | | | | | <u>3,336,828</u> | <u>3,471,736</u> |
| Total liabilities as at 30 September | | | | | <u>935,663</u> | <u>1,011,275</u> |

| In Thousand Baht | | | | | | |
|--|------------------|------------------|-----------------|-----------------|------------------|------------------|
| For the three-month periods ended 30 September | | | | | | |
| | Domestic | | Export | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Separate | | | | | | |
| Sales and services – net | 184,978 | 268,488 | 15,442 | 20,295 | 200,420 | 288,783 |
| Cost of sales and services | <u>(128,143)</u> | <u>(190,537)</u> | <u>(14,815)</u> | <u>(17,586)</u> | <u>(142,958)</u> | <u>(208,123)</u> |
| Gross profit | <u>56,835</u> | <u>77,951</u> | <u>627</u> | <u>2,709</u> | <u>57,462</u> | <u>80,660</u> |
| Revenues from construction work | - | 39,610 | - | - | - | 39,610 |
| Costs of construction work | <u>-</u> | <u>(33,545)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(33,545)</u> |
| Gross profit | <u>-</u> | <u>6,065</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,065</u> |
| Total gross profit | <u>56,835</u> | <u>84,016</u> | <u>627</u> | <u>2,709</u> | <u>57,462</u> | <u>86,725</u> |
| Depreciation | | | | | (9,357) | (9,508) |
| Interest expense | | | | | (7,826) | (6,793) |
| Profit (loss) before income tax | | | | | (8,604) | 8,645 |
| Property, plant and equipment – net | | | | | 535,845 | 569,501 |
| Assets not used in operation – net | | | | | 165,400 | 168,815 |
| Other assets | | | | | <u>1,548,074</u> | <u>1,666,027</u> |
| Total assets as at 30 September | | | | | <u>2,249,319</u> | <u>2,404,343</u> |
| Total liabilities as at 30 September | | | | | <u>660,531</u> | <u>828,756</u> |

| | In Thousand Baht | | | | | |
|--------------------------------------|---|----------------|--------------|--------------|------------------|------------------|
| | For the nine-month periods ended 30 September | | | | | |
| | Domestic | | Export | | Total | |
| 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Separate | | | | | | |
| Sales and services – net | 634,406 | 682,253 | 52,645 | 45,656 | 687,051 | 727,909 |
| Cost of sales and services | (475,093) | (488,218) | (48,583) | (39,426) | (523,676) | (527,644) |
| Gross profit | <u>159,313</u> | <u>194,035</u> | <u>4,062</u> | <u>6,230</u> | <u>163,375</u> | <u>200,265</u> |
| Revenues from construction work | 29,912 | 115,326 | - | - | 29,912 | 115,326 |
| Costs of construction work | (25,904) | (98,544) | - | - | (25,904) | (98,544) |
| Gross profit | <u>4,008</u> | <u>16,782</u> | <u>-</u> | <u>-</u> | <u>4,008</u> | <u>16,782</u> |
| Total gross profit | <u>163,321</u> | <u>210,817</u> | <u>4,062</u> | <u>6,230</u> | <u>167,383</u> | <u>217,047</u> |
| Depreciation | | | | | (28,864) | (28,923) |
| Interest expense | | | | | (23,820) | (19,906) |
| Profit (loss) before income tax | | | | | (1,186) | (24,466) |
| Property, plant and equipment – net | | | | | 535,845 | 569,501 |
| Assets not used in operation – net | | | | | 165,400 | 168,815 |
| Other assets | | | | | <u>1,548,074</u> | <u>1,666,027</u> |
| Total assets as at 30 September | | | | | <u>2,249,319</u> | <u>2,404,343</u> |
| Total liabilities as at 30 September | | | | | <u>660,531</u> | <u>828,756</u> |

16. GUARANTEE

As at 30 September 2017, the Company has outstanding guarantees of approximately Baht 89.39 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the Company.

As at 30 September 2017, the subsidiary has outstanding guarantees of approximately Baht 3.73 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the subsidiary companies.

17. COMMITMENT

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

| | In Thousand Baht |
|---------------|------------------|
| Within 1 year | 16,502 |
| 2 - 3 year | 12,737 |

18. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Exchange Risk

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

As at 30 September 2017, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

| <u>Foreign currency</u> | <u>Financial assets</u> | <u>Financial liabilities</u> | <u>Average exchange rate as at 30 September 2017</u> |
|-------------------------|-----------------------------|----------------------------------|--|
| | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) |
| USD | 1,087 | 23 | 33.36835 |
| JPY | 3,749 | 798 | 0.296429 |

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

19. LITIGATION

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

20. CORRECTION OF ERROR

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

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

| In Thousand Baht | | | |
|--|------------------------|-------------|----------------|
| The Statement of profit or loss and other comprehensive income for the three-month period ended 30 September 2016 | | | |
| Consolidate financial statements | | | |
| | As previously reported | Adjustments | Restated |
| Administrative expenses | (100,345) | (89) | (100,434) |
| Loss for the period | (5,825) | (89) | (5,914) |
| Exchange differences from translation foreign operation | - | 921 | 921 |
| Comprehensive loss for the period | (5,825) | (832) | (4,993) |
| Profit (loss) for the period attributable to : | | | |
| Equity holders of the Company | 1,375 | (2) | 1,373 |
| Non - controlling interests | (7,200) | (87) | (7,287) |
| Total | (5,825) | (89) | (5,914) |
| Total comprehensive income (loss) for the period attributable to: | | | |
| Equity holders of the Company | 1,375 | 919 | 2,294 |
| Non - controlling interests | (7,200) | (87) | (7,287) |
| Total | (5,825) | 832 | (4,993) |
| Basic earnings per share | | | |
| Loss (Baht/share) | 0.002 | - | 0.002 |

| In Thousand Baht | | | |
|---|---------------------------|---------------|-----------------|
| The Statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2016 | | | |
| Consolidate financial statements | | | |
| | As previously reported | Adjustments | Restated |
| Administrative expenses | (320,446) | 783 | (319,663) |
| Loss for the period | (62,669) | 783 | (61,886) |
| Exchange differences from translation foreign operation | - | 64,669 | 64,669 |
| Comprehensive income (loss) for the period | (62,669) | 65,452 | 2,783 |
| Profit (loss) for the period attributable to : | | | |
| Equity holders of the Company | (54,902) | 1,041 | (53,861) |
| Non - controlling interests | (7,767) | (258) | (8,025) |
| Total | (62,669) | 783 | (61,886) |
| Total comprehensive income (loss) for the period attributable to: | | | |
| Equity holders of the Company | (54,902) | 65,710 | 10,808 |
| Non - controlling interests | (7,767) | (258) | (8,025) |
| Total | (62,669) | 65,452 | 2,783 |
| Basic earnings per share | | | |
| Loss (Baht/share) | (0.093) | 0.002 | (0.091) |

21. RECLASSIFICATION

Certain amounts in the statement of financial position as at 31 December 2016 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 AND SEPARATE F/S | | |
| | As reclassified | As previously reported |
| Inventories | 401,084 | 404,234 |
| Property, Plant And Equipment | 1,178,361 | 1,175,511 |

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

| | (Unit : Thousand Baht) | | | |
|---|------------------------|--------------------|---------------|--------------|
| | Consolidated F/S | | Separate F/S | |
| | 2017 | 2016 (Restated) | 2017 | 2016 |
| Cash flows from operating activities | | | | |
| Loss before income tax | (49,527) | (59,169) | (1,186) | (24,466) |
| Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities: | | | | |
| Depreciation | 34,018 | 31,339 | 28,864 | 28,923 |
| Reversal of allowance for doubtful debts and bad debt | 2,163 | (70) | 2,052 | (70) |
| Allowance (reversal of allowance) for decline value of inventories | 2,679 | (1,226) | (321) | (1,226) |
| Reversal of allowance for decline value of investment | - | - | - | (15) |
| Gain on sales of investment | (2,563) | - | - | - |
| Gain on sales of assets | (1,552) | (30) | (95) | (5) |
| Loss from disposal of assets | 8 | 2 | 8 | 2 |
| Unrealized loss (gain) on foreign exchange | 20,354 | (540) | (52) | (540) |
| Dividend income | (3,821) | (4,037) | (38,589) | (29,923) |
| Finance costs | 31,529 | 22,137 | 23,820 | 19,906 |
| Equity in income of associated companies - net | (42,273) | (56,976) | - | - |
| Employee benefits obligation expenses | 1,380 | 1,522 | 953 | 1,187 |
| Cash provided from (used in) operations before changes in operating assets and liabilities | (7,605) | (67,048) | 15,454 | (6,227) |
| Decrease (increase) in operating assets; | | | | |
| Trade accounts receivable from sales and services | | | | |
| - general customers | 125,444 | 45,461 | 79,344 | (16,123) |
| - related companies | (5,040) | 2,960 | (5,848) | 16,652 |
| Trade accounts receivable from construction work | | | | |
| - general customers | 30,158 | 3,979 | 30,158 | 3,979 |
| Unbilled accrued income - general customers | 5,768 | (36,187) | 5,768 | (36,187) |
| Inventories | 42,166 | (72,493) | 19,880 | (46,962) |
| Receivables from and advances to related companies | (3,813) | (1,125) | (27,789) | 1,439 |
| Other current assets | 12,337 | (3,366) | 7,632 | 6,700 |
| Retentions receivable | 10,739 | (2,066) | 10,740 | (2,066) |
| Other non - current assets | 3,126 | 10,222 | (137) | 9,260 |
| Increase (decrease) in operating liabilities; | | | | |
| Trade accounts payable - general suppliers | (27,858) | 3,838 | (9,556) | 13,137 |
| Trade accounts payables and advances from related companies | (1,043) | 9,277 | 147 | (6,696) |
| Advances and deposits from customers | | | | |
| - general customers | (33,317) | 28,985 | (30,555) | 38,159 |
| - related companies | (4,624) | 7,501 | (4,748) | (4,747) |
| Other current liabilities | (20,211) | 33,895 | (12,522) | 30,396 |
| Paid employee benefit obligation | (937) | - | (937) | - |
| Other non - current liabilities | (4,557) | 11,487 | (4,557) | 1,164 |
| Cash provided from (used in) operations | 120,733 | (24,680) | 72,474 | 1,878 |

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