

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and the Shareholders of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position as at 31 March 2018, and the related consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in shareholders' equity and cash flows for the three-month period ended 31 March 2018, and condensed notes to the interim financial statements of Siam Steel International Public Company Limited and subsidiaries. I have also reviewed the separate statement of financial position as at 31 March 2018, and the related separate statements of profit or loss and other comprehensive income, the statements of changes in shareholders' equity and cash flows for the three-month period ended 31 March 2018, 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 No. 34, "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion 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 No. 34, "Interim financial reporting".

Miss Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

15 May 2018

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		638,796	425,071	233,269	213,593
Trade accounts receivable from sales and services					
- general customers - net	6	346,395	300,820	155,284	150,815
- related companies	5, 6	5,034	8,299	19,765	9,393
Trade accounts receivable from construction work					
- general customers	6	10,085	-	10,085	-
Inventories - net	7	288,256	287,420	215,780	204,621
Advance for purchase of inventories		30,338	8,746	30,338	8,746
Receivables from and advances to related companies	5	6,522	4,774	89,346	69,274
Short - term loans to indirect subsidiary company	5	-	-	185,000	185,000
Assets hold for sale		-	10,812	-	10,812
Other current assets		44,229	48,593	22,073	27,660
Total current assets		1,369,655	1,094,535	960,940	879,914
NON - CURRENT ASSETS					
Restricted deposits with banks		1,543	488	1,392	404
Retentions receivable		2,905	6,382	2,905	6,382
Investments					
- Subsidiary companies - net	8	-	-	194,399	194,399
- Associated companies	8	783,722	774,440	162,627	162,627
- Other companies	8	49,712	49,712	49,712	49,712
Goodwill		618	618	-	-
Property, plant and equipment - net	9	1,468,105	1,203,998	550,763	527,200
Assets not used in operation - net		165,400	165,400	165,400	165,400
Income tax withheld at sources		22,631	25,860	11,630	9,819
Deferred income tax asset - net		-	97,990	-	89,649
Other non - current assets		38,313	17,159	1,142	9,550
Total non - current assets		2,532,949	2,342,047	1,139,970	1,215,142
TOTAL ASSETS		3,902,604	3,436,582	2,100,910	2,095,056

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from other person		100,000	100,000	-	-
Short - term loans from related companies	5	58,200	57,000	-	-
Current portion of					
- Long - term loans from financial institutions	10	5,784	5,784	5,784	5,784
- Liabilities under employee benefits obligation		13,626	13,133	13,409	12,916
Trade accounts payable - general suppliers		105,846	102,304	81,117	75,042
Payables to and advances from related companies	5	68,589	30,891	14,206	10,197
Advances and deposits from customers					
- general customers		70,496	34,134	70,496	33,866
- related companies	5	3,659	3,659	6,221	5,367
Other current liabilities	11	57,941	116,788	42,450	101,140
Total current liabilities		484,141	463,693	233,683	244,312
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions - net	10	795,843	216,246	214,800	216,246
Liabilities under employee benefits obligation - net		21,476	22,447	17,128	18,266
Deferred income tax liability - net		5,753	-	11,322	-
Other non - current liabilities		20,731	20,636	10,410	10,316
Total non - current liabilities		843,803	259,329	253,660	244,828
TOTAL LIABILITIES		1,327,944	723,022	487,343	489,140

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</u>				
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	59,313	59,313	59,313	59,313
- Unappropriated	1,517,966	1,513,381	888,724	881,074
Other components of equity	16,332	11,863	-	-
Shareholders' equity attributable				
to the Company's shareholders	2,259,141	2,250,087	1,613,567	1,605,917
Non - controlling interests	315,519	463,473	-	-
TOTAL SHAREHOLDERS' EQUITY	2,574,660	2,713,560	1,613,567	1,605,917
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,902,604	3,436,582	2,100,910	2,095,056

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Revenues					
Sales and services - net	5, 14	419,026	456,847	200,141	264,383
Construction work	14	9,425	19,015	9,425	19,015
Total revenues		428,451	475,862	209,566	283,398
Cost of goods sold					
Costs of sales and services	5, 7, 14	(316,068)	(352,548)	(139,751)	(199,291)
Cost of construction	14	(8,444)	(16,627)	(8,444)	(16,627)
Total cost of goods sold		(324,512)	(369,175)	(148,195)	(215,918)
Gross profit		103,939	106,687	61,371	67,480
Dividend income	12	-	-	2,372	-
Other income	5, 13	116,693	16,941	124,184	29,694
Profit before expenses		220,632	123,628	187,927	97,174
Selling expenses		(27,184)	(35,257)	(29,492)	(37,633)
Administrative expenses	5	(86,636)	(85,428)	(44,541)	(46,918)
Loss from foreign exchange rates	6	(8,795)	(1,327)	(672)	(1,451)
Total expenses		(122,615)	(122,012)	(74,705)	(86,002)
Profit from operations		98,017	1,616	113,222	11,172
Share of profit from investments in associated companies - net	8	11,042	21,164	-	-
Profit before finance costs and income tax		109,059	22,780	113,222	11,172
Finance costs	5, 14	(2,764)	(10,562)	(4,601)	(8,429)
Profit before income tax		106,295	12,218	108,621	2,743
Income tax		(103,896)	(3,648)	(100,971)	(1,102)
Profit for the period		2,399	8,570	7,650	1,641
Other comprehensive income					
Items subsequently reclassifiable to profit or loss					
Exchange differences on translating foreign operations - net of tax		8,938	(440)	-	-
Total comprehensive income for the period		11,337	8,130	7,650	1,641

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Profit (loss) for the period attributable to :				
Equity holders of the Company	4,585	7,463	7,650	1,641
Non - controlling interests	(2,186)	1,107	-	-
Total	2,399	8,570	7,650	1,641
Total comprehensive income for the period attributable to:				
Equity holders of the Company	9,054	7,023	7,650	1,641
Non - controlling interests	2,283	1,107	-	-
Total	11,337	8,130	7,650	1,641
Basic earnings per share				
Profit (Baht per share)	0.008	0.013	0.013	0.003
Weighted average number of common shares (share)	593,125,849	593,125,849	593,125,849	593,125,849

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

Attributable to shareholders of the Company										
Notes	Issued and paid - up share capital	Share premium	Retained earnings		Other components of equity			Non-controlling interests	Total	
			Legal reserve	Unappropriated	Other comprehensive income					
					Surplus from change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total			
Consolidated F/S										
	Balance as at 1 January 2017	593,126	72,404	59,313	1,561,712	-	2,492	2,492	2,289,047	190,175
	Profit for the period	-	-	-	7,463	-	-	-	7,463	1,107
	Comprehensive loss for the period	-	-	-	-	-	(440)	(440)	(440)	-
	Comprehensive income (loss) for the period	-	-	-	7,463	-	(440)	(440)	7,023	1,107
	Balance as at 31 March 2017	593,126	72,404	59,313	1,569,175	-	2,052	2,052	2,296,070	191,282
	Balance as at 1 January 2018	593,126	72,404	59,313	1,513,381	32,843	(20,980)	11,863	2,250,087	463,473
	Dividend payment of subsidiary company in subsidiary company	12	-	-	-	-	-	-	-	(588)
	Non-controlling interests decrease	8	-	-	-	-	-	-	-	(149,649)
	Transactions with owners	-	-	-	-	-	-	-	-	(150,237)
	Profit (loss) for the period	-	-	-	4,585	-	-	-	4,585	(2,186)
	Comprehensive income for the period	-	-	-	-	-	4,469	4,469	4,469	4,469
	Comprehensive income for the period	-	-	-	4,585	-	4,469	4,469	9,054	2,283
	Balance as at 31 March 2018	593,126	72,404	59,313	1,517,966	32,843	(16,511)	16,332	2,259,141	315,519

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Issued and paid - up share capital	Share premium	Retained earnings		Total
			Legal reserve	Unappropriated	
Separate F/S					
Balance as at 1 January 2017	593,126	72,404	59,313	874,730	1,599,573
Profit for the period	-	-	-	1,641	1,641
Comprehensive income for the period	-	-	-	1,641	1,641
Balance as at 31 March 2017	593,126	72,404	59,313	876,371	1,601,214
Balance as at 1 January 2018	593,126	72,404	59,313	881,074	1,605,917
Profit for the period	-	-	-	7,650	7,650
Comprehensive income for the period	-	-	-	7,650	7,650
Balance as at 31 March 2018	593,126	72,404	59,313	888,724	1,613,567

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash flows from operating activities				
Gain before income tax	106,295	12,218	108,621	2,743
Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities:				
Depreciation	11,172	11,662	8,387	9,964
Reversal of allowance for doubtful debts and bad debt	(60)	-	(60)	-
Allowance (reversal of allowance) for decline value of inventories	27	(5,710)	-	(33)
Gain on sales of assets	(89,093)	(609)	(89,093)	(2)
Unrealized loss (gain) on foreign exchange	39	70	18	(373)
Dividend income	-	-	(2,372)	-
Finance costs	2,764	10,562	4,602	8,429
Share of profit from investments in associated companies - net	(11,042)	(21,164)	-	-
Employee benefits obligation expenses	478	454	317	318
Cash provided from (used in) operations before changes in operating assets and liabilities	20,580	7,483	30,420	21,046
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	(45,537)	26,986	(4,431)	37,485
- related companies	3,265	(7,183)	(10,372)	(6,835)
Trade accounts receivable from construction work				
- general customers	(10,085)	30,158	(10,085)	30,158
Unbilled accrued income - general customers	-	(6,992)	-	(6,992)
Inventories	(864)	5,456	(11,159)	(11,831)
Advances for purchase of inventories	(30,338)	-	(30,338)	-
Receivables from and advances to related companies	3,997	(5,986)	(14,326)	(5,206)
Other current assets	4,365	4,317	5,586	(6,795)
Retentions receivable	3,477	(7,083)	3,477	(7,083)
Other non - current assets	(21,154)	(11)	8,410	(275)
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	3,545	(4,981)	6,078	(3,016)
Trade accounts payables and advances from related companies	37,158	(8,196)	4,009	2,229
Advances and deposits from customers				
- general customers	56,362	(20,955)	56,630	(17,831)
- related companies	-	(2,080)	854	(2,080)
Other current liabilities	(61,091)	(26,907)	(58,674)	(20,067)
Paid employee benefit obligation	(1,163)	(40)	(1,163)	(40)
Other non - current liabilities	94	(179)	94	(179)
Cash provided from (used in) operations	(37,389)	(16,193)	(24,990)	2,688

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash provided from (used in) operations (continued)	(37,389)	(16,193)	(24,990)	2,688
Cash paid for interest	(20)	(5,550)	(4,417)	(3,596)
Income tax payment	(3,441)	(2,993)	(1,811)	(1,387)
Cash received form refund tax	4,283	-	-	-
Net cash provided from (used in) operating activities	(36,567)	(24,736)	(31,218)	(2,295)
Cash flows from investing activities				
Increase in restricted deposits with banks	(1,055)	(1,274)	(988)	(1,320)
Acquisition of assets	(269,175)	(9,833)	(28,991)	(1,084)
Proceeds from assets held for sale	79,145	-	79,145	-
Proceeds from sales of assets	802	750	802	3
Decrease in short - term loans to indirect subsidiary company	-	-	-	90,000
Indirect subsidiary an return investment to non-controlling interests	(149,649)	-	-	-
Dividend income	-	-	2,372	-
Net cash provided from (used in) investing activities	(339,932)	(10,357)	52,340	87,599
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institution	582,120	(190,000)	-	(191,951)
Increase in short - term loans from other parties	-	35,000	-	-
Increase in short - term loans from related parties	1,200	47,000	-	-
Cash paid for long-term loans from financial institution	(1,446)	(1,446)	(1,446)	(1,446)
Dividend paid from subsidiary company	(588)	-	-	-
Net cash provided from (used in) financing activities	581,286	(109,446)	(1,446)	(193,397)
Exchange differences on translating foreign operations	8,938	(440)	-	-
Increase (decrease) in cash and cash equivalents - net	213,725	(144,979)	19,676	(108,093)
Cash and cash equivalents at beginning of period	425,071	380,030	213,593	195,606
Cash and cash equivalents at end of period	638,796	235,051	233,269	87,513
Supplemental cash flows information:				
Non - cash transaction:				
1. Capitalized interest to cost of assets	4,792	-	-	-
2. Advance for purchase assets	3,000	-	3,000	-
3. Advance from customers	20,000	-	20,000	-

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2018 (Unaudited but reviewed)

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 Group has invested into the alternative energy sector.

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 ended 31 March 2018 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2017) "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 2017.

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

These interim financial statements have been approved by the Company's Board of Directors on 15 May 2018.

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 the return of capital by Rich Solar Energy Godo Kaisha Co., Ltd, an indirect subsidiary company, as described in note 8.

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 31 March 2018 and 31 December 2017, the total assets of subsidiaries represent 42.43% and 33.94%, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 March 2018 and 2017, represent 53.19% and 38.55%, respectively, of the total revenues in the consolidated financial statement.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. The Company and subsidiaries have adopted the revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2018. The changes were principally to align with the corresponding International Financial Reporting Standards, with most of the changes relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of the revised Thai Financial Reporting Standards has no material effect on these interim financial statements of the Company and subsidiaries.

During the period, the Federation of Accounting Professions issued the Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which is effective from 1 January 2019. Thai Financial Reporting Standard No. 15 presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 "Revenue", Thai Accounting Standard No. 11 "Construction Contracts", and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which limited in detail under existing Thai Financial Reporting Standards. The Company and subsidiaries will adopt this new standard when it becomes effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

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 2017.

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 31 March 2018 and 31 December 2017, the account balances with related companies are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade accounts receivable from sales and services				
Subsidiary companies	-	-	14,959	1,192
Associated companies	296	41	55	32
Related companies	4,738	8,258	4,751	8,169
Total trade accounts receivable from sales and services – related companies	<u>5,034</u>	<u>8,299</u>	<u>19,765</u>	<u>9,393</u>
Receivables from and advances				
Subsidiary companies	-	-	82,824	64,500
Associated companies	2,241	488	2,241	488
Related companies	4,281	4,286	4,281	4,286
Total receivables from and advances – related companies	<u>6,522</u>	<u>4,774</u>	<u>89,346</u>	<u>69,274</u>
There is no interest charge for the above receivables and advances.				
Short-term loans to				
Indirect subsidiary company	-	-	185,000	185,000

Movements in short - term loans to indirect subsidiary company for the three-month period ended 31 March 2018 are as follows:

	In Thousand Baht			
	Separate F/S			
	31 December 2017	Increase	Decrease	31 March 2018
Short - term loans	185,000	-	-	185,000

The Company has entered into a memorandum with Bangphra Green Energy Co., Ltd. to extend the repayment of a loan to 31 December 2018 with an interest rate of 8.50% per annum for loan amount of Baht 185.00 million

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Short – term loans from				
Related companies	58,200	57,000	-	-

Movements in short - term loans of the indirect subsidiary company for the three-month period ended 31 March 2018 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	31 December 2017	Increase	Decrease	31 March 2018
Short-term loans from related companies	57,000	3,000	1,800	58,200

As at 31 March 2018 and 31 December 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 31 March 2018 and 31 December 2017, an indirect subsidiary company has issued promissory notes to a related company of Baht 45.20 million and 47.00 million, respectively. The loan is repayable on demand and has an interest rate of 6.00% per annum.

As at 31 March 2018, an indirect subsidiary company has issued promissory notes to a related company of Baht 3.00 million. The loan is repayable on demand and has an interest rate of 2.50% per annum.

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Payables				
Associated companies	23,118	22,849	5,308	5,756
Related companies	43,442	6,657	7,965	3,540
Total accounts payable - related companies	66,560	29,506	13,273	9,296
Advances from				
Subsidiary company	-	-	67	60
Associated company	60	60	60	60
Related companies	1,969	1,325	806	781
Total advances from related companies	2,029	1,385	933	901
Total payables and advances from related companies	68,589	30,891	14,206	10,197
Advances and deposits from customers				
Subsidiary companies	-	-	2,562	1,708
Related companies	3,659	3,659	3,659	3,659
Total advances and deposits from customers - related companies	3,659	3,659	6,221	5,367
Key management personnel compensation				
Accrued bonus	473	1,115	441	1,104
Post-employment benefits	4,946	4,867	4,570	4,503
Total key management personnel compensation	5,419	5,982	5,011	5,607

The significant transactions with related companies for the three-month periods ended 31 March 2018 and 2017 and pricing policy are as follows:

	The Policy of Pricing
Sales	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 31 March			
	2018	2017	2018	2017
Sales	6,146	17,217	14,841	21,314
Income from sales of raw materials, factory supplies and others	4,265	10,155	5,008	10,919
Rental revenue	3,877	5,114	6,476	7,713
Interest income	-	25	3,877	8,817
Dividend income	-	-	2,373	-
Purchases of raw materials	1,976	1,580	1,976	1,580
Purchases of finished goods	87,485	74,399	11,078	10,523
Administrative expenses	7,763	11,149	2,459	3,050
Interest expense	690	147	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	6,559	6,086	5,838	5,397
Post-employment benefits	78	83	67	67
Total	<u>6,637</u>	<u>6,169</u>	<u>5,905</u>	<u>5,464</u>

6. TRADE ACCOUNTS RECEIVABLE

As at 31 March 2018 and 31 December 2017, the aged analysis of trade accounts receivable are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade accounts receivable from sales and services				
<u>Trade accounts receivable</u>				
<u>– general customers – net</u>				
Current	187,508	151,111	120,099	96,829
Overdue:				
Less than 3 months	134,547	119,982	23,186	33,631
3 months – 6 months	13,760	21,624	2,476	13,096
6 months – 12 months	9,476	9,337	6,956	5,253
Over 12 months	6,173	3,895	2,778	2,277
Total	<u>351,464</u>	<u>305,949</u>	<u>155,495</u>	<u>151,086</u>
<u>Less</u> Allowance for doubtful accounts	(5,069)	(5,129)	(211)	(271)
Net	<u>346,395</u>	<u>300,820</u>	<u>155,284</u>	<u>150,815</u>
<u>Trade accounts receivable</u>				
<u>- related companies</u>				
Current	5,034	4,687	16,222	5,394
Overdue:				
Less than 3 months	-	3,541	3,525	3,897
During 3 – 6 months	-	-	18	102
During 6 -12 months	-	71	-	-
Total	<u>5,034</u>	<u>8,299</u>	<u>19,765</u>	<u>9,393</u>
Trade accounts receivable – construction work				
<u>Trade accounts receivable</u>				
<u>– general customers</u>				
Current	<u>10,085</u>	<u>-</u>	<u>10,085</u>	<u>-</u>

The currency denomination of trade accounts receivable as at 31 March 2018 and 31 December 2017 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
THB	362,020	305,322	180,782	151,553
USD	4,237	8,926	4,237	8,926
JPY	326	-	326	-
Total	366,583	314,248	185,345	160,479
<u>Less</u> Allowance for doubtful accounts	(5,069)	(5,129)	(211)	(271)
Net	361,514	309,119	185,134	160,208

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 2018	5,129	271
<u>Less</u> Bad debt reversal	(60)	(60)
Balance as at 31 March 2018	5,069	211

7. INVENTORIES - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Finished goods	144,625	143,552	72,452	60,753
Work in process	52,937	49,094	52,937	49,094
Raw materials and supplies	133,113	137,313	132,930	137,313
Goods in transit	147	-	-	-
Total	330,822	329,959	258,319	247,160
<u>Less</u> Allowance for decline in value, slow – moving and defective inventories	(42,566)	(42,539)	(42,539)	(42,539)
Net	288,256	287,420	215,780	204,621

During the period, the movement of allowance for decline value, slow – moving and defective of inventories are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	42,539	42,350
Increase	27	-
Balance as at 31 March 2018	<u>42,566</u>	<u>42,539</u>

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 31 March 2018 and 31 December 2017, 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	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<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	109,773	113,246	1,760	2,112
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	669,102	656,221	-	32,044
						<u>162,627</u>	<u>162,627</u>	<u>778,875</u>	<u>769,467</u>	<u>1,760</u>	<u>34,156</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	4,847	4,973	-	-
Total investments in associated companies by equity method						<u>167,427</u>	<u>167,427</u>	<u>783,722</u>	<u>774,440</u>	<u>1,760</u>	<u>34,156</u>
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			-	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			-	3,821
Total investment in related companies						<u>49,712</u>	<u>49,712</u>			<u>-</u>	<u>3,821</u>

During the period, Rich Solar Energy Godo Kaisha Co., Ltd , an indirect subsidiary, reduced its capital from Baht 603.59 million to Baht 301.17 million, and obtained a financing to complete the construction of the power plant through a long – term loan from a financial institution of Baht 582.12 million (refer to note 10). The amount of capital returned for the Group was Baht 152.77 million and a further amount was paid to non – controlling interest of Baht 149.65 million. There was no change in the Company's, indirect holding of 50%.

		In Thousand Baht							
		Separate F/S							
Type of business		Paid-up share capital		Percentage of shareholding		Cost method		Dividend Income	
		31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
		2018	2017	2018	2017	2018	2017	2018	2017
<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	612
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>612</u>
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	1,760	2,112
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
Total investment in associated companies						<u>162,627</u>	<u>162,627</u>	<u>1,760</u>	<u>34,156</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
Total investments in related companies						<u>49,712</u>	<u>49,712</u>	<u>-</u>	<u>3,821</u>

As at 31 March 2018 and 31 December 2017, the fair value of the investment in Siam Steel Service Center Public Company Limited, which is listed on the Stock Exchange of Thailand, amounted to Baht 524.04 million (closing price Baht 3.60 per share, 145,565,600 common shares) and Baht 556.06 million (closing price Baht 3.82 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 three-month period ended 31 March 2018 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	774,440	162,627
Share of profits of investment - equity method	11,042	-
Dividend income	(1,760)	-
Net book value as at 31 March 2018	783,722	162,627

9. PROPERTY, PLANT AND EQUIPMENT - NET

Movements in property, plant and equipment for the three-month period ended 31 March 2018 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	1,203,998	527,200
Purchase during the period	267,384	31,991
Disposal during the period – net book value	(41)	(41)
Depreciation for the period	(11,172)	(8,387)
Financing costs capitalized during the period	4,792	-
Exchange differences from translation of foreign operation	3,144	-
Net book value as at 31 March 2018	1,468,105	550,763

10. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 31 March 2018 and 31 December 2017, the Company has long-term loans from financial institutions as follow :

	In Thousand			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Long-term loans from financial institutions	220,584	222,030	220,584	222,030
<u>Add</u> Additional long - term loan from financial institution	582,120	-	-	-
<u>Less</u> Exchange differences from translation of foreign operation	(1,077)	-	-	-
Total	801,627	222,030	220,584	222,030
<u>Less</u> Current portion of long - term loans from financial institutions	(5,784)	(5,784)	(5,784)	(5,784)
Long-term loans from financial institutions - net	795,843	216,246	214,800	216,246

As at 31 March 2018 and 31 December 2017, 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 reaches 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.

As at 31 March 2018, an indirect subsidiary company has long-term loans from financial institutions which have details as below:

	Maximum amount	Interest rate	Repayment
Senior loan A	Yen 1,120 million	TIBOR + 0.425% per annum	First repayment date is 30 June 2019 and final repayment date is 30 June 2037.
Senior loan B	Yen 4,480 million	1.250% per annum	Repayment date is 30 June and 31 December each year.
Consumption tax loan	Yen 340 million	TIBOR + 0.400% per annum	Refund of consumption tax

In addition, the indirect subsidiary company has to maintain financial ratios as determined in loan agreement. Financing these loans are to complete the construction of power plant project and returned to the investors as disclosed in note 8.

11. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Accrued employee expenses	12,219	26,828	10,179	19,702
Accrued construction costs	10,172	51,441	10,172	51,441
Accrued incentive expenses	4,194	5,291	4,194	5,291
Accrued transportation	2,227	1,927	2,227	1,927
Accrued rental and utilities expenses	2,235	1,974	2,049	1,865
Accrued consulting service	298	285	298	285
Other liabilities	26,596	29,042	13,331	20,629
Total	57,941	116,788	42,450	101,140

12. DIVIDEND

Details of subsidiary's dividends declaration and payments for the three – month period ended 31 March 2018 is as follows:

	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)			
				Portion of the Company	Portion of non-controlling interest	Total	Paid date
Annual dividend	Annual General Meeting of the shareholders held on 23 March 2018	200,000	6.00	612	588	1,200	20 April 2018

13. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2018	2017	2018	2017
Profit from sell asset and asset held for sale	89,093	609	89,093	2
Reversal of provision in litigation	18,294	706	18,294	706
Rental revenue	5,076	5,114	7,675	7,713
Other service income	2,290	7,996	2,268	8,385
Utilities income	1,137	876	1,198	940
Interest income	559	353	4,214	8,886
Tax compensation income	244	1,287	244	1,287
Commission income	-	-	1,198	1,775
Total	116,693	16,941	124,184	29,694

During the period, the Company has gain from sell assets for sale in amount of THB 88.33 million.

14. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht							
	For the three-month periods ended 31 March							
	Domestic		Export		Related transactions		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Consolidated F/S								
Sales and services - net	405,957	439,557	22,086	21,684	(9,017)	(4,394)	419,026	456,847
Costs of sales and services	(307,179)	(338,522)	(18,079)	(18,854)	9,190	4,828	(316,068)	(352,548)
Gross profit	98,778	101,035	4,007	2,830	173	434	102,958	104,299
Revenues from construction work	9,425	19,015	-	-	-	-	9,425	19,015
Costs of construction work	(8,444)	(16,627)	-	-	-	-	(8,444)	(16,627)
Gross profit	981	2,388	-	-	-	-	981	2,388
Total gross profit	99,759	103,423	4,007	2,830	173	434	103,939	106,687
Depreciation							11,172	11,662
Finance cost							2,764	10,562
Profit before income tax							106,295	12,218

	In Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
Separate F/S						
Sales and services - net	178,055	242,699	22,086	21,684	200,141	264,383
Costs of sales and services	(121,672)	(180,437)	(18,079)	(18,854)	(139,751)	(199,291)
Gross profit	56,383	62,262	4,007	2,830	60,390	65,092
Revenues from construction work	9,425	19,015	-	-	9,425	19,015
Costs of construction work	(8,444)	(16,627)	-	-	(8,444)	(16,627)
Gross profit	981	2,388	-	-	981	2,388
Total gross profit	57,364	64,650	4,007	2,830	61,371	67,480
Depreciation					8,387	9,964
Finance cost					4,601	8,429
Profit before income tax					108,621	2,743

15. GUARANTEE

As at 31 March 2018, the Company has outstanding guarantees of approximately Baht 144.07 million which were issued by certain local banks the normal course of business of the Company.

As at 31 March 2018, the subsidiary has outstanding guarantees of approximately Baht 0.97 million which were issued by certain local banks the normal course of business of the subsidiary companies.

16. COMMITMENT

As at 31 March 2018, the subsidiary companies have 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 companies are committed to pay the rental as follow:

	In Thousand Baht
Within 1 year	16,502
2 - 3 year	4,486

17. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Exchange Risk

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

As at 31 March 2018, 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 March 2018 (Baht per 1 foreign currency unit)
USD	571	2	31.2318
JPY	1,753	-	0.2939

As at 31 March 2018, the above foreign currency denominated assets and liabilities were not covered by hedging instruments.

18. EVENT AFTER THE REPORTING PERIOD

At the shareholders' general meeting held on 27 April 2018, the Company's shareholder passed a resolution to pay a dividend of Baht 0.01 per share to common shareholders, from operating result for the year ended 31 December 2017, total amount of Baht 5.93 million. The dividend will be paid on 25 May 2018

19. LITIGATION

In 2012, a contractor sued the Company as joint defendant with another party for repayment 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 2018, the Supreme Court determined that the company has to pay compensation after fine deduction totaling in amount of Baht 5.70 million, plus interest at the rate of 7.50% per annum from 27 March 2012 to the payment date. The Company reversed the provision and recorded in other income in the statement of profit or loss for the three – month period ended 31 March 2018 in amount of Baht 18.29 million (Note 13).