

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Siam Steel International Public Company Limited

Opinion

I have audited the consolidated financial statements of Siam Steel Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and I have also audited the separate financial statements of Siam Steel Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2017, the separate statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and cash flows for the year then ended and the separate financial position as at 31 December 2017, and its separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in the audit
<p><i>Recognition of deferred tax assets</i></p> <p>As at 31 December 2017, the Group and Company had booked deferred tax assets of Baht 97.99 million and Baht 89.65 million, respectively. The deferred tax assets are mainly derived from the Company's taxable loss carry forward not exceeding five years amounting Baht 99.70 million. The Company have not recognized a portion of deferred tax assets of Baht 75.64 million on the remaining cumulative tax losses. The Group and Company will recognise deferred tax assets on tax losses carried forwards only when it is that it can generate taxable profits to utilize tax losses carried forward.</p> <p>In calculating deferred tax assets recognised from tax losses carried forward, management is required to exercise judgment in relation to the future forecast on taxable income to be reliable which factors may be changed according to the economic and market conditions in the future.</p> <p>I have focused on this matter because the audit of such balances requires significant judgment since the outcome of management's forecasts is subject to uncertainties of future economic and market conditions.</p> <p>The Group and Company disclosed deferred tax assets in note 15 to financial statements.</p>	<p>I determined the sufficiency and appropriateness of audit evidence by performing the following procedures:</p> <ul style="list-style-type: none"> - Assessed the methodology that management used to estimate revenue, expenses and operating results in the future. - Discussed with management to understand the business plans and the assumption used. - Evaluated the reasonableness of underlying assumptions that management applied in forecasting by comparing the past results in budgeting and the business growth rate in normal situation. - Verified the mathematical accuracy of the business forecasts. - Tested the appropriateness of deferred tax calculation by comparing future tax benefit that the Company can utilise from the forecasted profits. - Assessed the adequacy and appropriateness of the disclosures relating to the deferred tax assets.

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Ms. Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

28 February 2018

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	425,070,778	380,030,060	213,592,578	195,606,366
Trade accounts receivable from sales and services					
- general customers - net	7	300,819,709	424,935,182	150,814,846	244,254,223
- related companies	6, 7	8,299,292	6,008,816	9,393,199	7,186,486
Trade accounts receivable from construction work					
- general customers	7	-	30,157,994	-	30,157,994
Unbilled accrued income - general customers		-	5,767,890	-	5,767,890
Inventories - net	8	287,419,819	401,083,659	204,620,926	277,588,655
Receivables from and advances to related companies	6	4,773,958	983,632	69,274,307	2,811,585
Short - term loan to indirect subsidiary company	6	-	-	185,000,000	465,000,000
Assets for sale		10,811,715	-	10,811,715	-
Other current assets	9	48,593,450	48,307,109	27,660,194	31,639,131
Total current assets		1,085,788,721	1,297,274,342	871,167,765	1,260,012,330
NON - CURRENT ASSETS					
Restricted deposit with bank	10	487,895	525,116	404,299	261,098
Retentions receivable		6,382,056	17,140,864	6,382,056	17,140,864
Investments					
- Subsidiary companies - net	11	-	-	194,399,200	194,399,200
- Associated companies	11	774,439,728	758,984,151	162,627,400	162,627,400
- Other companies - net	11	49,712,400	52,149,012	49,712,400	49,712,400
Goodwill	2	618,265	618,265	-	-
Advance for purchase of assets		8,745,870	-	8,745,870	-
Property, plant and equipment - net	13	1,203,998,043	1,178,361,233	527,199,714	561,434,908
Assets not used in operation - net	14	165,399,730	168,814,743	165,399,730	168,814,743
Income tax withheld at sources		25,860,250	22,569,167	9,819,275	11,997,718
Deferred income tax asset - net	15	97,990,140	100,739,351	89,648,971	95,504,963
Other non - current assets		17,159,095	21,681,488	9,549,390	9,654,825
Total non - current assets		2,350,793,472	2,321,583,390	1,223,888,305	1,271,548,119
TOTAL ASSETS		3,436,582,193	3,618,857,732	2,095,056,070	2,531,560,449

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions	16	-	385,334,189	-	385,334,189
Short - term loans from other person	17	100,000,000	103,000,000	-	-
Short - term loans from related companies	6	57,000,000	-	-	-
Current portion of					
- Long - term loan from financial institutions	18	5,784,000	5,784,000	5,784,000	5,784,000
- Liabilities under employee benefits obligation	20	13,132,578	10,093,889	12,916,345	9,864,504
Trade accounts payable - general suppliers		102,303,672	130,868,197	75,042,109	94,535,670
Payables to and advances from related companies	6	30,891,525	42,653,099	10,196,797	10,129,063
Advances and deposits from customers					
- general customers		34,134,329	43,823,536	33,865,849	40,698,707
- related companies	6	3,659,205	8,283,182	5,366,955	10,124,372
Other current liabilities	19	116,788,104	123,501,628	101,139,662	102,898,078
Total current liabilities		463,693,413	853,341,720	244,311,717	659,368,583
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions - net	18	216,245,502	230,319,279	216,245,502	230,319,279
Liabilities under employee benefits obligation - net	20	22,447,221	29,857,984	18,265,999	26,501,910
Other non - current liabilities		20,635,765	26,117,931	10,316,305	15,798,470
Total non - current liabilities		259,328,488	286,295,194	244,827,806	272,619,659
TOTAL LIABILITIES		723,021,901	1,139,636,914	489,139,523	931,988,242
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,125,849	593,125,849	593,125,849	593,125,849
- Issued and paid - up 593,125,849 shares		593,125,849	593,125,849	593,125,849	593,125,849
Premium on share capital		72,403,683	72,403,683	72,403,683	72,403,683
Retained earnings					
- Appropriated for legal reserve	21	59,312,585	59,312,585	59,312,585	59,312,585
- Unappropriated		1,513,381,435	1,561,711,975	881,074,430	874,730,090
Other components of equity		11,863,382	2,492,117	-	-
Shareholders' equity attributable to the Company's shareholders		2,250,086,934	2,289,046,209	1,605,916,547	1,599,572,207
Non - controlling interests in subsidiaries	12	463,473,358	190,174,609	-	-
TOTAL SHAREHOLDERS' EQUITY		2,713,560,292	2,479,220,818	1,605,916,547	1,599,572,207
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,436,582,193	3,618,857,732	2,095,056,070	2,531,560,449

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2017	2016	2017	2016
REVENUES					
Sales and services - net	26	1,555,138,202	1,759,510,611	949,484,665	1,025,855,491
Revenues from construction work	26	29,911,824	143,613,117	29,911,824	143,613,117
Total revenues		1,585,050,026	1,903,123,728	979,396,489	1,169,468,608
COSTS					
Costs of sales and services	8, 25, 26	(1,219,160,430)	(1,349,650,378)	(714,674,085)	(747,409,395)
Costs of construction work	25, 26	(25,903,524)	(122,531,109)	(25,903,524)	(122,531,109)
Total costs		(1,245,063,954)	(1,472,181,487)	(740,577,609)	(869,940,504)
Gross income		339,986,072	430,942,241	238,818,880	299,528,104
Gain (loss) on foreign exchange rates		(1,970,277)	(223,508)	(2,571,337)	493,846
Dividend income	11	3,820,570	4,037,310	38,588,812	29,923,165
Other income	24	53,441,715	76,015,840	95,624,175	127,043,037
Income before expenses		395,278,080	510,771,883	370,460,530	456,988,152
Selling expenses		(149,709,122)	(147,632,196)	(159,866,635)	(156,693,218)
Administrative expenses		(337,946,535)	(421,300,543)	(165,961,186)	(255,790,540)
Reversal of allowance for doubtful debts and bad debt		(2,001,773)	(5,575,450)	(2,001,773)	(5,575,450)
Allowance (reversal of allowance) for decline value of investment		-	(113)	-	14,655
Total expenses	25	(489,657,430)	(574,508,302)	(327,829,594)	(418,044,553)
Income (loss) from operations		(94,379,350)	(63,736,419)	42,630,936	38,943,599
Equity in net income of associated companies and joint venture - net		49,611,774	69,760,484	-	-
Income (loss) before finance cost and income tax		(44,767,576)	6,024,065	42,630,936	38,943,599
Finance cost		(731,876)	(36,649,362)	(30,752,051)	(27,983,482)
Income (loss) before income tax		(45,499,452)	(30,625,297)	11,878,885	10,960,117
Income tax	15	(8,188,329)	(3,460,170)	(4,605,560)	(4,885,416)
Income (loss) for the year		(53,687,781)	(34,085,467)	7,273,325	6,074,701
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) - net of tax	15	5,001,726	(10,314,902)	5,001,726	(10,314,902)
Items subsequently reclassifiable to profit or loss					
Exchange differences from foreign currency					
financial statement translation - net of tax	15	(26,528,911)	2,492,117	-	-
Comprehensive income (loss) for the year		(21,527,185)	(7,822,785)	5,001,726	(10,314,902)
Comprehensive income (loss) for the year		(75,214,966)	(41,908,252)	12,275,051	(4,240,201)
Attribution of income (loss)					
The Company's shareholders		(47,401,008)	(31,319,432)	7,273,325	6,074,701
Non - controlling interests in subsidiaries		(6,286,773)	(2,766,035)	-	-
Total		(53,687,781)	(34,085,467)	7,273,325	6,074,701
Attribution of comprehensive income (loss)					
The Company's shareholders		(65,871,368)	(39,216,981)	12,275,051	(4,240,201)
Non - controlling interests in subsidiaries		(9,343,598)	(2,691,271)	-	-
Total		(75,214,966)	(41,908,252)	12,275,051	(4,240,201)
Basic earnings per share					
Income (loss) (Baht per share)		(0.08)	(0.05)	0.01	0.01
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit : Baht)

		Shareholders' equity of the Company									
		Retained earnings				Other components of equity					
						Other comprehensive income					
						Surplus from change				Non-controlling	
Note	Paid - up	Premium on	Appropriated for	Unappropriated	in proportion of investment	Exchange differences on	Total	Total	interests	Total	
	share capital	share capital	legal reserve		in subsidiary company	translating financial statement					
Consolidated F/S											
	Balance as at 1 January 2016	593,125,849	72,403,683	59,312,585	1,610,538,558	-	-	-	2,335,380,675	187,992,755	2,523,373,430
	Dividend payment	22	-	-	-	(7,117,485)	-	-	(7,117,485)	-	(7,117,485)
	Dividend payment of subsidiary company	22	-	-	-	-	-	-	-	(1,127,000)	(1,127,000)
	Non-controlling interests increase		-	-	-	-	-	-	-	6,000,125	6,000,125
	Transactions with owners		-	-	-	(7,117,485)	-	-	(7,117,485)	4,873,125	(2,244,360)
	Loss for the year		-	-	-	(31,319,432)	-	-	(31,319,432)	(2,766,035)	(34,085,467)
	Comprehensive income (loss) for the year		-	-	-	(10,389,666)	-	2,492,117	2,492,117	74,764	(7,822,785)
	Comprehensive income (loss) for the year		-	-	-	(41,709,098)	-	2,492,117	2,492,117	(2,691,271)	(41,908,252)
	Balance as at 31 December 2016	593,125,849	72,403,683	59,312,585	1,561,711,975	-	2,492,117	2,492,117	2,289,046,209	190,174,609	2,479,220,818
	Balance as at 1 January 2017	593,125,849	72,403,683	59,312,585	1,561,711,975	-	2,492,117	2,492,117	2,289,046,209	190,174,609	2,479,220,818
	Dividend payment	22	-	-	-	(5,931,258)	-	-	(5,931,258)	-	(5,931,258)
	Dividend payment of subsidiary company in subsidiary company	22	-	-	-	-	-	-	-	(588,043)	(588,043)
	Surplus from change in proportion of investment	2	-	-	-	-	32,843,351	-	32,843,351	254,960,566	287,803,917
	Non-controlling interests increase		-	-	-	-	-	-	-	28,269,824	28,269,824
	Transactions with owners		-	-	-	(5,931,258)	32,843,351	-	32,843,351	26,912,093	309,554,440
	Loss for the year		-	-	-	(47,401,008)	-	-	(47,401,008)	(6,286,773)	(53,687,781)
	Comprehensive income (loss) for the year		-	-	-	5,001,726	-	(23,472,086)	(23,472,086)	(3,056,825)	(21,527,185)
	Comprehensive loss for the year		-	-	-	(42,399,282)	-	(23,472,086)	(23,472,086)	(9,343,598)	(75,214,966)
	Balance as at 31 December 2017	593,125,849	72,403,683	59,312,585	1,513,381,435	32,843,351	(20,979,969)	11,863,382	2,250,086,934	463,473,358	2,713,560,292

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

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unit : Baht)

	Note	Paid - up share capital	Premium on share capital	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Separate F/S						
Balance as at 1 January 2016		593,125,849	72,403,683	59,312,585	886,087,776	1,610,929,893
Dividend paid	22	-	-	-	(7,117,485)	(7,117,485)
Transactions with owners		-	-	-	(7,117,485)	(7,117,485)
Income for the year		-	-	-	6,074,701	6,074,701
Comprehensive loss for the year		-	-	-	(10,314,902)	(10,314,902)
Comprehensive loss for the year		-	-	-	(4,240,201)	(4,240,201)
Balance as at 31 December 2016		593,125,849	72,403,683	59,312,585	874,730,090	1,599,572,207
Balance as at 1 January 2017		593,125,849	72,403,683	59,312,585	874,730,090	1,599,572,207
Dividend paid	22	-	-	-	(5,930,711)	(5,930,711)
Transactions with owners		-	-	-	(5,930,711)	(5,930,711)
Income for the year		-	-	-	7,273,325	7,273,325
Comprehensive income for the year		-	-	-	5,001,726	5,001,726
Comprehensive income for the year		-	-	-	12,275,051	12,275,051
Balance as at 31 December 2017		593,125,849	72,403,683	59,312,585	881,074,430	1,605,916,547

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash flows from operating activities				
Income (loss) before income tax	(45,499,452)	(30,625,297)	11,878,885	10,960,117
Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation	44,705,876	42,731,614	37,743,752	39,377,200
Allowance (reversal of allowance) for doubtful debts and bad debt	6,859,896	(5,575,450)	2,001,773	(5,575,450)
Allowance (reversal of allowance) for decline value of inventories and write - off inventories	8,925,046	4,640,657	188,756	(1,036,241)
Reversal of allowance for decline value of investment	-	-	-	(14,655)
Gain on sales investment	(2,563,388)	-	-	-
Gain on sales of assets	(1,557,591)	(563,311)	(101,647)	(2,736)
Write off advance for purchase of land	1,000,000	-	-	-
Unrealized loss (gain) on foreign exchange	(772,008)	190,151	(15,043)	190,151
Dividend income	(3,820,570)	(4,037,310)	(38,588,812)	(29,923,165)
Finance costs	731,876	36,649,362	30,752,051	27,983,482
Equity in net income of associated companies and joint venture - net	(49,611,774)	(69,760,484)	-	-
Employee benefits obligation expenses	2,084,972	1,687,212	1,272,976	1,584,514
Cash provided from (used in) operations before changes in operating assets and liabilities	(39,517,117)	(24,662,856)	45,132,691	43,543,217
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	117,270,620	54,627,578	91,452,647	33,670,308
- related companies	(2,290,476)	835,917	(2,206,713)	14,431,366
Trade accounts receivable from construction work				
- general customers	30,157,994	(19,564,328)	30,157,994	(19,564,329)
Unbilled accrued income - general customers	5,767,890	(5,607,475)	5,767,890	(5,607,475)
Inventories	104,738,794	(81,602,380)	72,778,973	(47,734,584)
Receivables from and advances to related companies	(3,790,326)	4,884,044	(66,462,722)	4,062,270
Other current assets	(286,341)	(14,349,088)	3,978,937	(2,726,768)
Retention receivable	10,758,808	64,521,989	10,758,808	64,521,989
Other non - current assets	3,522,393	11,059,084	105,435	9,727,159
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	(28,564,525)	8,665,141	(19,493,561)	2,439,604
Payables to and advances from related companies	(12,383,396)	3,158,702	67,734	(7,237,993)
Advances and deposits from customers				
- general customers	(9,689,207)	(550,534)	(6,832,858)	(2,030,994)
- related companies	(4,623,977)	4,623,977	(4,757,417)	4,912,667
Other current liabilities	(7,791,050)	24,360,035	(1,728,466)	7,770,585
Employee benefits obligation	(936,764)	(55)	(936,764)	(55)
Other non - current liabilities	(5,482,166)	17,667,743	(5,482,166)	13,971,598
Cash provided from operations	156,861,154	48,067,494	152,300,442	114,148,565
Interest payment	(33,932,536)	(35,197,583)	(25,384,313)	(26,927,328)
Income tax refunded (payment)	(3,343,614)	(6,705,276)	2,178,443	(2,104,287)
Net cash provided from operating activities	119,585,004	6,164,635	129,094,572	85,116,950

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in restricted deposits with banks	37,221	6,828,756	(143,201)	6,955,584
Acquisition of assets	(63,116,220)	(550,305,261)	(3,516,697)	(34,599,746)
Acquisition of assets for sale	(7,396,702)	-	(7,396,702)	-
Acquisition of advance for purchase of assets	(8,745,870)	-	(8,745,870)	-
Proceeds from sales assets	1,960,768	565,687	109,786	5,000
Decrease (increase) in short - term loans to indirect subsidiary company	-	-	280,000,000	(465,000,000)
Decrease in long-term loan to related company	-	-	-	100,000,000
Cash paid for investment in subsidiary company	(26,269,824)	-	-	(159,999,970)
Cash received from sale investment	292,803,917	7,810,074	-	-
Cash received from non-controlling interest of subsidiary company	28,269,824	6,000,125	-	-
Cash received from investment in joint venture	-	14,768	-	14,655
Dividend income	37,976,767	28,750,246	38,588,812	29,923,165
Net cash provided for (used in) investing activities	255,519,881	(500,335,605)	298,896,128	(522,701,312)
Cash flows from financing activities				
Increase (decrease) in short - term loan from financial institution	(390,000,000)	385,334,189	(390,000,000)	385,334,189
Increase in short - term loan from related companies	57,000,000	-	-	-
Increase (decrease) in short - term loan from other person	(3,000,000)	103,000,000	-	-
Proceed from long - term loan from financial institution	-	56,000,000	-	56,000,000
Repayment for long - term loan from financial institution	(14,073,777)	(43,896,721)	(14,073,777)	(43,896,721)
Dividend paid	(5,931,258)	(7,117,485)	(5,930,711)	(7,117,485)
Dividend paid to non - controlling interests by subsidiary	(588,043)	(1,127,000)	-	-
Net cash provided for (used in) financing activities	(356,593,078)	492,192,983	(410,004,488)	390,319,983
Exchange differences from translation of subsidiary's foreign currency financial statements	26,528,911	2,492,117	-	-
Increase (decrease) in cash and cash equivalents - net	45,040,718	514,130	17,986,212	(47,264,379)
Cash and cash equivalents at beginning of year	380,030,060	379,515,930	195,606,366	242,870,745
Cash and cash equivalents at end of year	425,070,778	380,030,060	213,592,578	195,606,366
Supplemental cash flows information:				
Non - cash transaction:				
1. Capitalized interest to cost of assets	40,292,904	-	-	-
2. Transfer from property, plant , and equipment to asset foreclose	3,415,013	-	3,415,013	-

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

1. GENERAL INFORMATION

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

As at 31 December 2017 and 2016, the Company major shareholders are as follows:

<u>Name</u>	Percentage of Shareholding	
	2017	2016
Mr. Pongsak Pongphundacha	26.73	26.73
Mr. Wanchai Kunanantakul	17.19	17.19
Mr. Surapol Kunanantakul	16.53	16.53
Ms. Nartaya Pongphundacha	2.50	2.49
Mr. Amnuay Witchayawilat	2.39	2.37

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Statement of compliance

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

The Federation of Accounting Professions has issued new and revised TFRS, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2017. The changes were 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 these new and revised TFRS has no material effect on the financial statements.

In addition, the Federation of Accounting Professions has issued new and revised TFRS, interpretations and guidance, which will be effective on or after 1 January 2018. The changes were to align with the corresponding International Financial Reporting Standards with most of the changes relating to the revision of wording and terminology, and the provision of interpretations and accounting guidance to users of the standards. The Company does not plan to adopt these TFRS early. The Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Basis of consolidation

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

Company	Percentage of shareholding		Type of business
	2017	2016	
<u>Subsidiaries</u>			
Siam Okamura International Co., Ltd.	51	51	Distribution of office furniture and furniture used for public
Sri Chareon International Co., Ltd.	99.99	99.99	Distribution of office furniture and furniture parts
Siam Steel OC Co., Ltd.	51	51	Distribution of equipment, office furniture and industrial parts.
Siam International Energy Co., Ltd.	99.99	99.99	Investment in alternative Energy
<u>Indirect subsidiaries- held by</u>			
<u>Siam International Energy Co., Ltd.</u>			
Bangphra Green Energy Co., Ltd.	99.99	99.99	Manufacturing and distribution of solar equipment
Siam New Power Co., Ltd.	99.99	99.99	Investment in alternative energy
Siam Green Energy Plus Co., Ltd.	99.99	99.99	Investment in alternative energy
Siam Wealth Energy Co., Ltd.	99.99	99.99	Investment in alternative energy
Siam International Biomass Co., Ltd.	99.99	99.99	Investment in alternative energy
Siam Biomass Product Co., Ltd.	99.99	99.99	Investment in alternative energy
Siam Forest Management Co., Ltd.	60.00	60.00	Investment in alternative energy
<u>Indirect subsidiaries - held by</u>			
<u>Siam Biomass Product Co., Ltd.</u>			
Siam Biomass Product – South Pra Saeng Co., Ltd.	99.99	99.99	Investment in alternative energy
<u>Indirect subsidiaries - held by</u>			
<u>Bangphra Green Energy Co., Ltd.</u>			
Rich Solar Energy Godo Kaisha Co., Ltd.	50.00	97.00	Investment in alternative energy

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.

On 27 January 2016, Siam International Energy Co., Ltd., purchase 100% of the common share of Bangphra Green Energy Co., Ltd., which invests in a solar plant. Bangphra Green Energy Co., Ltd., therefore, is an indirect subsidiary of the Company.

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

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

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

The Company has prepared the consolidated financial statements to combine Rich Solar Energy Godo Kaisha's financial position. Rich Solar Energy Godo Kaisha will be one of the indirect subsidiaries. The Company will invest in Miyagi Solar Project (owned by Rich Solar Energy Godo Kaisha) through Bangphra Green Energy Limited, a subsidiary in which the Company invested 97% and Bangphra Green Energy Limited will be a TK investor of Miyagi Solar Project located and operated in Japan, Rich Solar Energy Godo Kaisha will be preparing its financial statement dominated in Japanese Yen (JPY). In order for the Company to consolidate its financial statements, the Company needs to translate JPY to Thai Baht (THB). There will be exchange rate differences on the translation of financial statements from foreign currency to local functional currency. This transaction will be recorded in other comprehensive income, a part of comprehensive income in the same period.

At the Board of Director meeting no.1/2017 of Bangphra Green Energy Co., Ltd. held on 14 November 2017, the directors pass a resolution to sold 47% of investment in Rish Solar Energy

Godo Kaisha Co., Ltd to Mitsui Bussan Kaisha Ltd. As at 31 December 2017, the remaining of Bangphra Green Energy's investment is 50%. There are detail as below:

Descriptions	Consolidated F/S			
	Shareholding Percentage (%)	Net assets (Million Baht)	Selling price (Million Baht)	Surplus (deficit) from change in proportion of investment in subsidiary company (Million Baht)
Rich Solar Energy Godo Kaisha Company Limited				
As at 14 November 2017	97	568.61	-	-
Disposal	(47)	(254.96)	287.80	32.84
As at 31 December 2017	50	313.65	-	-

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

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for preparation of separate financial statement.

As of 31 December 2017 and 2016, the total assets of subsidiaries represent 34% and 32%, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the year ended 31 December 2017 and 2016, represent 43% and 43%, respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

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

Sales of goods and services rendered

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

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

Interest income

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

Other income

Other income is recognized on an accrual basis.

Cash and cash equivalents

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

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

Related parties

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

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

Trade accounts receivable and allowance for doubtful accounts

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

Inventories

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

The Company and its subsidiaries value their inventories as follows:

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

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

Investments in related companies

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

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

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

Subsidiaries

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

Loss of control

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

Interests in equity-accounted investees

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

Associated

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

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

Transactions eliminated on consolidation

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

Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. (If any)

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Impairment

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

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

Assets for sale

Disposed assets or asset groups held-for-sale are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets. Management must commit to the sale of the assets and they must be actively marketed at a price that is reasonable compared to their current fair value, with the expectation that sale should be recorded as completed within one year from the date of classification. These disposed assets or asset groups are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

The Company ceases to depreciate plant and equipment from the date the assets meet the criteria for classification as assets held-for-sale.

Assets not used in operation

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

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

Operating leases

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

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

Determining whether an arrangement contains a lease

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

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

Interest-bearing liabilities

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

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Foreign currency transactions

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

Financial Statements of Foreign Subsidiary

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

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

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

Finance costs

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

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

Income tax

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

Current income tax

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

Deferred income tax

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

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

Employee benefits

Short-term employment benefits

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

Post-employment benefits (Defined contribution plan)

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

Post-employment benefits (Defined benefit plan)

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

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

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

Measurement of fair values

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

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

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

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

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

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

Segment reporting

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

Basic earnings per share

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

Use of accounting estimates

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

Provisions for liabilities and charges and contingent assets

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

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

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Construction revenues

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

4.1.2 Allowance for project losses

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

4.1.3 Impairment of receivables

The Company and subsidiaries account for allowance for doubtful accounts equal to the estimated collection losses that may incur should the customers be unable to pay for their

accounts. The estimated losses are based on historical collection experiences couple with a review of outstanding receivables at the reporting date.

4.1.4 Allowance for decline value, slow-moving and defective inventories

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

4.1.5 Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in their fair value. The determination of what is “significant” or “prolonged” requires management judgment.

4.1.6 Plant equipment and computer software

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

4.1.7 Impairment of assets

The Company and subsidiary treat asset as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

4.1.8 Post-employment benefits under defined benefit plans

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

4.1.9 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary

differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.2 Capital risk management

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

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

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash	283	300	173	190
Deposits with financial institutions				
- Current accounts	131	398	101	311
- Savings accounts	424,657	299,332	213,319	155,105
- Fixed accounts	-	80,000	-	40,000
Total	425,071	380,030	213,593	195,606

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

The currencies denomination of cash and cash equivalents as at 31 December 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016

THB	419,946	343,883	208,468	161,746
USD	4,945	33,187	4,945	33,187
JPY	180	2,960	180	673
Total	<u>425,071</u>	<u>380,030</u>	<u>213,593</u>	<u>195,606</u>

6. TRANSACTIONS WITH RELATED COMPANIES

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

Name	Country of incorporation	Type of Business	Relationship
Sri Chareon International Co., Ltd.	Thailand	Distribution of office furniture	Subsidiary company
Siam Okamura International Co., Ltd.	Thailand	Distribution of office furniture and furniture used for public	Subsidiary company
Siam Steel OC Co., Ltd.	Thailand	Distribution of equipment, office furniture and industrial parts.	Subsidiary company
Siam International Energy Co., Ltd.	Thailand	Investment in alternative energy	Subsidiary company
Bangphra Green Energy Co., Ltd.	Thailand	Manufacturing and distribution of solar equipment and investment in solar plant	Indirect subsidiary company
Siam New Power Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Green Energy Plus Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Wealth Energy Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam International Biomass Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Biomass Product Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Forest Management Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Biomass Product – South Pra Sang Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Rich Solar Energy Godo Kaisha Co., Ltd.	Japan	Investment in alternative energy	Indirect subsidiary company
Siam Okamura Steel Co., Ltd.	Thailand	Manufacturing and distribution of office automation furniture for export	Associated company
Siam Steel Service Center Plc.	Thailand	Manufacturing and distribution of primary steel parts for various industries.	Associated company
Unity Service Co., Ltd.	Thailand	Providing of utilities and nursing facilities	Co-director
Formica (Thailand) Ltd.	Thailand	Manufacturing and distribution of plastic laminate products	Co-director
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of electrical appliance and supplies for construction such	Co-director

Name	Country of incorporation	Type of Business	Relationship
		as electric wire, pipe and downstream equipment	
Siam Chitose Co., Ltd	Thailand	Manufacturing and distribution of furniture and furniture parts.	Co-director
Lucky-Kingdom Center (Nakornratchasima) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Lucky-Kingdom Center (Chiangmai) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Union Autoparts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of motorcycles and motorcycle parts.	Co-director
Hirokoh (Thailand) Co., Ltd.	Thailand	Distribution and rental of movable instant office, movable instant restroom	Co-shareholder

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Trade accounts receivable from sales and services				
Subsidiary companies	-	-	1,192	1,635
Associated companies	41	124	32	100
Related companies	8,258	5,885	8,169	5,451
Total trade accounts receivable from sales and services – related companies	<u>8,299</u>	<u>6,009</u>	<u>9,393</u>	<u>7,186</u>
Receivables from and advances				
Subsidiary companies		-	64,500	1,828
Associated companies	488	973	488	973
Related companies	4,286	11	4,286	11
Total receivables from and advances – related companies	<u>4,774</u>	<u>984</u>	<u>69,274</u>	<u>2,812</u>
There is no interest charge for the above receivables and advances.				
Short-term loans to				
Indirect subsidiary company	-	-	185,000	465,000

Movements in short - term loans to indirect subsidiary company and long - term loans to related company as at 31 December 2017 are as follows:

31 December	In Thousand Baht			31 December
	Separate F/S			
	2016	Increase	Decrease	

	In Thousand Baht			
	Separate F/S			
	31 December 2016	Increase	Decrease	31 December 2017
Short - term loans	465,000	-	(280,000)	185,000

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 16 December 2016, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., total amount of Baht 25.00 million. Bangphra Green Energy Co., Ltd., withdraws the loans 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 commencing the date the loan is fully withdrawn, within 30 December 2017, 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. 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.

On 28 December 2017, the Company entered into a memorandum with Bangphra Green Energy Co., Ltd. to expand the repayment loan to be on 31 December 2018 with bears interest at 8.5% per annum for loan amount of Baht 185.00 million

In Thousand Baht	
Consolidated F/S	Separate F/S

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Short – term loans from				
Related companies	57,000	-	-	-

Movements in short - term loans of the indirect subsidiary company for the year ended 31 December 2017 are as follows:

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

As at 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 December 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.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Accounts payable				
Associated companies	22,849	36,308	5,756	5,530
Related companies	6,657	5,258	3,540	3,452
Total account payable from related companies	29,506	41,566	9,296	8,982
Advances from				
Subsidiary companies	-	-	60	60
Associated companies	60	60	60	60
Related companies	1,325	1,027	781	1,027
Total advances from related companies	1,385	1,087	901	1,147
Total account payable and advances from related companies	30,891	42,653	10,197	10,129

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Advances and deposits from customers				
Subsidiary companies	-	-	1,708	1,841
Related companies	3,659	8,283	3,659	8,283
Total advances and deposits from customers				
- related companies	3,659	8,283	5,367	10,124
Key management personnel compensation				
Accrued bonus	1,115	1,916	1,104	1,689
Post employee benefits	4,867	4,553	4,503	4,236
Total key management personnel compensation	5,982	6,469	5,607	5,925

The significant transactions with related companies for the years ended 31 December 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 and other expenses	Cost plus margin or agreed price
Interest expenses	Agreed rate

In Thousand Baht			
Consolidated F/S		Separate F/S	
For the years ended 31 December			
2017	2016	2017	2016

Sales and services income

Subsidiaries	-	-	73,728	26,723
Associated companies	1,058	426	873	335
Related companies	68,980	54,408	68,936	50,598

**Revenues from sales of raw materials,
factory supplies and others**

Subsidiaries	-	-	8,345	8,757
Associated companies	9,068	8,046	6,029	6,242
Related companies	13,935	13,212	13,858	12,342

Rental revenue

Subsidiaries	-	-	10,395	10,084
Related companies	16,307	14,757	16,307	14,757

Interest income

Subsidiaries	-	-	30,537	34,833
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Dividend income

Subsidiaries	-	-	612	1,173
Associated companies	-	-	34,156	24,713
Related companies	3,821	4,037	3,821	4,037

Purchases of finished goods

Subsidiaries	-	-	287	95
Associated companies	253,546	292,182	22,742	22,896
Related companies	25,102	43,683	2,976	7,497

Purchases of raw materials

Subsidiaries	-	-	-	121
Associated companies	507	3,539	507	3,539
Related companies	4,801	12,647	4,801	12,647

Administrative and other expenses

Subsidiaries	-	-	60	-
Associated companies	30,913	41,881	168	38

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Related companies	11,581	14,133	10,943	14,045
<u>Key management personnel compensation</u>				
Current employment benefits	25,459	25,217	22,692	22,439
Post-employment benefits	331	318	267	256
Total	25,790	25,535	22,959	22,695

7. TRADE ACCOUNTS RECEIVABLE

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Trade accounts receivable from sales and services				
<u>Trade accounts receivable</u>				
<u>– general customers – net</u>				
Current	151,111	274,936	96,829	191,406
Overdue:				
Less than 3 months	119,982	84,396	33,631	11,920
3 months – 6 months	21,624	20,216	13,096	6,294
6 months – 12 months	9,337	11,754	5,253	3,094
Over 12 months	3,895	49,944	2,277	47,851
Total	305,949	441,246	151,086	260,565

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<u>Less</u> Allowance for doubtful accounts	(5,129)	(16,311)	(271)	(16,311)
Net	<u>300,820</u>	<u>424,935</u>	<u>150,815</u>	<u>244,254</u>
<u>Trade accounts receivable – related companies</u>				
Current	4,687	5,576	5,394	7,186
Overdue:				
Less than 3 months	3,541	433	3,897	-
3 months – 6 months	-	-	102	-
6 months – 12 months	71	-	-	-
Total	<u>8,299</u>	<u>6,009</u>	<u>9,393</u>	<u>7,186</u>
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 31 December 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2015
THB	305,322	421,806	151,553	242,302
USD	8,926	9,342	8,926	9,342
AUD	-	43,723	-	43,723
JPY	-	2,542	-	2,542
Total	<u>314,248</u>	<u>477,413</u>	<u>160,479</u>	<u>297,909</u>
<u>Less</u> Allowance for doubtful accounts	(5,129)	(16,311)	(271)	(16,311)
Net	<u>309,119</u>	<u>461,102</u>	<u>160,208</u>	<u>281,598</u>

During the year, 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	4,858	-
<u>Less</u> Reversal of allowance for doubtful accounts	(15,930)	(15,930)
Bad debt return	(110)	(110)
Balance as at 31 December 2017	5,129	271

8. INVENTORIES - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Finished goods	143,552	209,337	60,753	81,451
Work in process	49,094	84,543	49,094	84,543
Raw materials and supplies	137,313	153,945	137,313	153,945
Goods in transit	-	1,286	-	-
Total	329,959	449,111	247,160	319,939
<u>Less</u> Allowance for decline value, slow-moving and defective inventories	(42,539)	(48,027)	(42,539)	(42,350)
Net	287,420	401,084	204,621	277,589

Movement in allowance for decline value, slow-moving and defective of inventories for the year 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Beginning balance of the year	48,027	43,386	42,350	43,386
Increase	834	7,210	834	1,533
Decrease	(6,322)	(2,569)	(645)	(2,569)
Ending balance of the year	42,539	48,027	42,539	42,350

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Inventories recognized as an expense in cost of sales of goods:				
- Cost of goods sold	1,224,648	1,345,009	714,485	748,445
- Additional allowance	834	7,210	834	1,533
- Reversal of allowance	(6,322)	(2,569)	(645)	(2,569)
Net	<u>1,219,160</u>	<u>1,349,650</u>	<u>714,674</u>	<u>747,409</u>

9. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
	2017	2016	2017	2016
Prepaid expenses	25,457	35,679	10,307	25,460
Prepaid insurance	1,027	1,144	843	926
Undue input VAT	1,312	4,363	633	874
Refundable value added tax	2,497	-	-	-
Cash advances	12,143	5,312	10,507	2,965
Others	6,157	1,809	5,370	1,414
Total	<u>48,593</u>	<u>48,307</u>	<u>27,660</u>	<u>31,639</u>

10. RESTRICTED DEPOSITS WITH BANK

As at 31 December 2017 and 2016, The company has time deposits totaling Baht 0.40 million and Baht 0.26 million, respectively, are restricted for usage as they have been placed as collaterals for long-term loan from financial institutions as mentioned in Note 18.

As at 31 December 2017 and 2016, The subsidiary company have fixed deposits totaling Baht 0.08 million and Baht 0.26 million, respectively, are restricted for usage as they have been placed as collaterals for bank guarantees in respect of certain agreements required in normal course of business of the subsidiary company.

11. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

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

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

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

		In Thousand Baht									
		Consolidated F/S									
Type of business		Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	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	113,246	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	656,221	642,659	32,044	23,305
						<u>162,627</u>	<u>162,627</u>	<u>769,467</u>	<u>753,996</u>	<u>34,156</u>	<u>24,713</u>
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	4,973	4,988	-	-
Total investments in associated companies						<u>167,427</u>	<u>167,427</u>	<u>774,440</u>	<u>758,984</u>	<u>34,156</u>	<u>24,713</u>
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			-	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			3,821	4,037
Total investment in related companies						<u>49,712</u>	<u>49,712</u>			<u>3,812</u>	<u>4,037</u>
<u>Other company - cost method</u>											
Siam Auto Bags Co., Ltd.	Sales parts and accessories of car	39,900	39,900	6.39	6.39	-	5,000				
<u>Less</u> Allowance for decline value of investments						-	(2,563)				
Net						<u>-</u>	<u>2,437</u>				
Total investment by cost method – net						<u>49,712</u>	<u>52,149</u>				

In Thousand Baht

		Separate F/S							
		Paid-up Share capital		Percentage of shareholding		Cost method		Dividend income	
Type of business		2017	2016	2017	2016	2017	2016	2017	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>
Total dividend income from investments accounted for by cost method								<u>38,589</u>	<u>29,923</u>

Associates and joint ventures

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

	In Thousand Baht			
	Siam Okamura Steel Co., Ltd.		Siam Steel Service Center Public Company Limited	
	2017	2016	2017	2016
Revenue	633,819	641,686	4,386,855	4,150,602
Income for the year	9,521	13,654	250,712	346,858
Other comprehensive income (loss)	-	-	(807)	4,363
Total comprehensive income	9,521	13,654	198,774	282,060
Attributable to non – controlling interest	3,808	5,462	45,241	64,197
Attributable to investee's shareholders	5,713	8,192	153,533	217,863
Current assets	231,452	288,193	2,596,270	2,363,862
Non-current assets	184,941	157,751	1,243,963	1,267,113
Current liabilities	89,050	124,192	973,367	825,892
Non-current liabilities	9,766	8,417	66,293	62,485
Net assets	317,577	313,335	2,800,573	2,742,598
Attributable to non – controlling interest	127,031	125,334	637,410	624,215
Attributable to investee's shareholders	190,546	188,001	2,163,163	2,118,383

As at 31 December 2017 and 2016, the fair value of investment in Siam Steel Service Center Public Company Limited, which listed on the Stock Exchange of Thailand, amount of Baht 556.06 million (closing price Baht 3.82 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 and joint venture for the years ended 31 December 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
<u>Investment in associated companies</u>				
Book value – beginning	758,984	713,929	162,627	162,627
Share of income of investment – equity method	49,612	69,768	-	-
Dividend income	(34,156)	(24,713)	-	-
Book value – net	<u>774,440</u>	<u>758,984</u>	<u>162,627</u>	<u>162,627</u>
<u>Investment in joint venture</u>				
Book value – beginning	-	22	-	-
Share of loss of investment – equity method	-	(7)	-	-
Allowance for impairment of investment	-	(15)	-	-
Book value – net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. NON - CONTROLLING INTERESTS

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

	In Thousand Baht			
	Consolidated F/S			
	Siam Okamura International Co., Ltd.	Siam Steel OC Co., Ltd.	Siam Forest Management Co., Ltd.	Rich Solar Energy Godo Kaisha Co., Ltd.
Non-controlling interest percentage	49%	49%	40%	50%
Current assets	393,126	19,447	1,631	49,057
Non-current assets	25,810	173	8,813	511,658
Current liabilities	57,088	14,984	191	879
Non-current liabilities	3,974	157	-	10,319
Net assets	<u>357,874</u>	<u>4,479</u>	<u>10,253</u>	<u>549,517</u>

	In Thousand Baht			
	Consolidated F/S			
	Siam Okamura International Co., Ltd.	Siam Steel OC Co., Ltd.	Siam Forest Management Co., Ltd.	Rich Solar Energy Godo Kaisha Co., Ltd.
Carrying amount of non- controlling interest	175,358	2,195	4,101	274,759
Revenue	651,767	26,066	6	-
Loss for the year	(11,966)	(6,722)	(4,956)	(11,197)
Comprehensive loss for the year	-	-	-	(37,726)
Loss allocated to non- controlling interest	(5,863)	(3,294)	(1,982)	(5,599)
Comprehensive loss allocated to non- controlling interest	-	-	-	(3,057)
Cash flows provided from operating activities	35,514	1,757	(9,733)	7,356
Cash flows used in investing activities	523	(38)	1,000	26,430
Cash flows used in financing activities	(1,200)	10,000	-	-
Net increase (decrease) in cash and cash equivalents	34,837	11,719	(8,733)	33,786

13. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht									
	Consolidated F/S									
	Land	Buildings and improvements	Leasehold right and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Work in progress	Bearer plant	Machinery and building under installation	Total
<u>At Cost</u>										
1 January 2016	209,152	836,552	1,746	599,968	266,156	26,048	-	-	58,025	1,997,647
Increase	13,515	26,734	-	24,289	4,793	-	540,087	3,150	29,812	642,380
Disposal	-	-	-	-	(976)	(1,416)	-	-	-	(2,392)
Transfer in (out)	-	84,877	-	990	1,139	-	-	-	(87,006)	-
31 December 2016	222,667	948,163	1,746	625,247	271,112	24,632	540,087	3,150	831	2,637,635
Increase	7,445	-	-	38,062	10,204	-	2,761	4,000	643	63,115
Financing costs capitalized during the year	-	-	-	-	-	-	40,293	-	-	40,293
Disposal	-	-	-	-	(5,265)	(2,390)	-	-	(501)	(8,156)
Transfer in (out)	-	600	-	330	-	-	-	-	(930)	-
Exchange differences from translation of subsidiary's foreign currency financial statements	-	-	-	-	-	-	(32,206)	-	-	(32,206)
31 December 2017	230,112	948,763	1,746	663,639	276,051	22,242	550,935	7,150	43	2,700,681
<u>Accumulated depreciation</u>										
1 January 2016	-	585,995	1,746	549,481	247,162	21,730	-	-	-	1,406,114
Increase	-	25,710	-	9,997	6,606	2,940	-	-	-	45,253
Disposal	-	-	-	-	(974)	(1,417)	-	-	-	(2,391)
31 December 2016	-	611,705	1,746	559,478	252,794	23,253	-	-	-	1,448,976
Increase	-	29,547	-	10,770	6,008	901	-	-	-	47,226
Disposal	-	-	-	-	(5,047)	(2,249)	-	-	-	(7,296)
31 December 2017	-	641,252	1,746	570,248	-	21,905	-	-	-	1,488,906

In Thousand Baht										
Consolidated F/S										
	Land	Buildings and improvements	Leasehold right and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Work in progress	Bearer plant	Machinery and building under installation	Total
Allowance for impairments										
1 January 2016	6,517	6,302	-	-	-	-	-	-	-	12,819
Decrease	-	(2,521)	-	-	-	-	-	-	-	(2,521)
31 December 2016	6,517	3,781	-	-	-	-	-	-	-	10,298
Decrease	-	(2,521)	-	-	-	-	-	-	-	(2,521)
31 December 2017	6,517	1,260	-	-	-	-	-	-	-	7,777
Net book value										
31 December 2016	216,150	332,677	-	65,769	18,318	1,379	540,087	3,150	831	1,178,361
31 December 2017	223,595	306,251	-	93,391	22,296	337	550,935	7,150	43	1,203,998
Depreciation for the year 2016										
Cost of goods sold										22,946
Administrative expenses										22,307
<u>Less</u> Allowance for impairments amortization										(2,521)
Total										42,732
Depreciation for the year 2017										
Cost of goods sold										23,798
Administrative expenses										23,428
<u>Less</u> Allowance for impairments amortization										(2,521)
Total										44,705

The indirect subsidiary has pledged land and machines (including present and future structure there on) as collaterals for loan from banks (Note 28).

In Thousand Baht								
Separate F/S								
	Land	Buildings and improvements	Leasehold right and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Machinery and building under installation	Total

In Thousand Baht

Separate F/S

	Land	Buildings and improvements	Leasehold right and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Machinery and building under installation	Total
<u>At Cost</u>								
1 January 2016	209,152	836,552	1,746	599,968	205,677	20,550	58,025	1,931,670
Increase	-	-	-	2,469	2,318	-	29,812	34,599
Disposal	-	-	-	-	(48)	-	-	(48)
Transfer in (out)	-	84,877	-	990	1,139	-	(87,006)	-
31 December 2016	209,152	921,429	1,746	603,427	209,086	20,550	831	1,966,221
Increase	-	-	-	600	2,818	-	99	3,517
Disposal	-	-	-	-	(428)	-	-	(428)
Transfer in (out)	-	600	-	330	-	-	(930)	-
31 December 2017	209,152	922,029	1,746	604,357	211,476	20,550	-	1,969,310
<u>Accumulated depreciation</u>								
1 January 2016	-	585,995	1,746	549,480	197,968	17,447	-	1,352,636
Increase	-	25,621	-	9,941	3,788	2,548	-	41,898
Disposal	-	-	-	-	(46)	-	-	(46)
31 December 2016	-	611,616	1,746	559,421	201,710	19,995	-	1,394,488
Increase	-	28,126	-	8,438	3,147	554	-	40,265
Disposal	-	-	-	-	(420)	-	-	(420)
31 December 2017	-	639,742	1,746	567,859	204,437	20,549	-	1,434,333
<u>Allowance for impairments</u>								
1 January 2016	6,517	6,302	-	-	-	-	-	12,819
Decrease	-	(2,521)	-	-	-	-	-	(2,521)
31 December 2016	6,517	3,781	-	-	-	-	-	10,298
Decrease	-	(2,521)	-	-	-	-	-	(2,521)
31 December 2017	6,517	1,260	-	-	-	-	-	7,777

In Thousand Baht

	Separate F/S							
	Land	Buildings and improvements	Leasehold right and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Machinery and building under installation	Total
Net book value								
31 December 2016	202,635	306,032	-	44,006	7,376	555	831	561,435
31 December 2017	202,635	281,027	-	36,498	7,039	1	-	527,200
Depreciation for the year 2016								
Cost of goods sold								22,946
Administrative expenses								18,952
<u>Less</u> Allowance for impairments amortization								(2,521)
Total								39,377
Depreciation for the year 2017								
Cost of goods sold								23,798
Administrative expenses								16,467
<u>Less</u> Allowance for impairments amortization								(2,521)
Total								37,744

As at 31 December 2017 and 2016, the gross carrying amount of fully depreciated building and equipment which are still in use amounted to Baht 1,105.50 million and Baht 1,035.77 million, respectively, for the consolidated financial statements, and amounted to Baht 1,062.90 million and Baht 999.29 million, respectively, for the separate financial statements.

14. ASSETS NOT USED IN OPERATION - NET

	In Thousand Baht				
	Consolidated and Separate F/S				
	Land	Building and Improvements	Machinery and equipment	Furniture, fixtures and office equipment	Total
Cost					
As at 1 January 2016	41,091	157,023	41,864	3,968	243,946
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
As at 31 December 2016	41,091	157,023	41,864	3,968	243,946
Increase	-	-	-	-	-
Transfer to assets for sale	(3,415)	(4,862)	-	-	(8,277)
Decrease	-	-	-	-	-
As at 31 December 2017	37,676	152,161	41,864	3,968	235,669
Accumulated depreciation					
As at 1 January 2016	-	35,979	36,122	3,030	75,131
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
As at 31 December 2016	-	35,979	36,122	3,030	75,131
Increase	-	-	-	-	-
Transfer to assets for sale	-	(4,862)	-	-	(4,862)
Decrease	-	-	-	-	-
As at 31 December 2017	-	31,117	36,122	3,030	70,269
Net book value					
31 December 2016	41,091	121,044	5,742	938	168,815
31 December 2017	37,676	121,044	5,742	938	165,400

The Company hired an independent appraiser to appraise its assets not used in operation. The appraised value of land and related assets of the Bangna factory amounted to Baht 427.28 million

As at 31 December 2016, the Company's land and buildings are mortgaged as collaterals for credit facilities with a finance institution. On 7 December 2017, the Company released collateralized with land and buildings as mentioned in notes 16.

15. DEFERRED INCOME TAX - NET

Deferred income tax asset and liability are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Deferred income tax asset	116,900	121,652	114,568	115,757
Deferred income tax liability	(18,910)	(20,913)	(24,919)	(20,252)
Deferred income tax - net	97,990	100,739	89,649	95,505

Deferred income tax assets and liabilities as at 31 December 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	1 January 2017	Recognized as income (expense)		31 December 2017
Profit/ (Loss)		Other comprehensive income		
Deferred income tax assets				
From allowance for doubtful accounts of trade accounts receivable from sales and service	237	788	-	1,025
From allowance for decline value in inventories	9,605	(1,097)	-	8,508
From allowance for impairment of investments in related companies	520	(520)	-	-
From reserve for employee benefits obligation	7,979	867	(1,250)	7,596
From loss carried forward not exceed 5 years	103,311	(3,540)	-	99,771
Total	121,652	(3,502)	(1,250)	116,900
Deferred income tax liabilities				
From equity in net income of associated companies and joint venture	37	(37)	-	-
From the difference of depreciation of fixed assets between accounting base and tax base	20,253	4,667	-	24,920
From translation adjustment	623	-	(6,633)	(6,010)
Total	20,913	4,630	(6,633)	18,910
Deferred income tax assets - net	100,739	(8,132)	5,383	97,990

	In Thousand Baht			
	Consolidated F/S			
	Recognized as income (expense)			
	1 January 2016	Profit/ (Loss)	Other comprehensive income	31 December 2016
Deferred income tax assets				
From allowance for doubtful accounts of trade accounts receivable from sales and service	255	(18)	-	237
From allowance for decline value in inventories	8,677	928	-	9,605
From allowance for impairment of investments in related companies	439	81	-	520
From reserve for employee benefits obligation	4,811	591	2,577	7,979
From loss carried forward not exceed 5 years	101,341	1,970	-	103,311
Total	115,523	3,552	2,577	121,652
Deferred income tax liabilities				
From equity in net income of associated companies and joint venture	51	(14)	-	37
From the difference of depreciation of fixed assets between accounting base and tax base	15,094	5,159	-	20,253
From translation adjustment	-	-	623	623
Total	15,145	5,145	623	20,913
Deferred income tax assets - net	100,378	(1,593)	1,954	100,739

	In Thousand Baht			
	Separate F/S			
	Recognized as income (expense)			
	1 January 2017	Profit/ (Loss)	Other comprehensive income	31 December 2017
Deferred income tax assets				
From allowance for doubtful accounts of trade accounts receivable from sales and service	237	(183)	-	54
From allowance for decline value in inventories	8,469	38	-	8,507
From allowance for impairment of investments in subsidiary and related companies	7	(7)	-	-
From reserve for employee benefits obligation	7,273	213	(1,250)	6,236
From loss carried forward not exceed 5 years	99,771	-	-	99,771
Total	115,757	61	(1,250)	114,568
Deferred income tax liabilities				
From the difference of depreciation of fixed assets between accounting base and tax base	20,252	4,667	-	24,919
Deferred income tax assets - net	95,505	(4,606)	(1,250)	89,649

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

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Deductible temporary differences				
Tax losses carried forward not exceeding 5 years	75,635	78,492	75,635	78,492
Total	75,635	78,492	75,635	78,492

Income tax recognized in profit/loss:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Current tax expense				
Current year	56	1,867	-	-
Deferred tax expense				
Movements in temporary differences	8,132	1,593	4,606	4,885
Total income tax expense	8,188	3,460	4,606	4,885

Income tax recognized in other comprehensive income

	In Thousand Baht					
	Consolidate F/S					
	2017			2016		
	Before tax	Tax benefit (expense)	Net of tax	Before tax	Tax benefit (expense)	Net of tax
Foreign currency translation differences for foreign operations	(33,162)	6,633	(26,529)	3,115	(623)	2,492
Defined benefit plan actuarial income (losses)	6,252	(1,250)	5,002	(12,892)	2,577	(10,315)
Other comprehensive income (loss) for the year	(26,910)	5,383	(21,527)	(9,777)	1,954	(7,823)

	In Thousand Baht					
	Separate F/S					
	2017			2016		
	Before Tax	Tax benefit (expense)	Net of tax	Before tax	Tax Benefit (expense)	Net of tax
Defined benefit plan-actuarial income (loss)	6,252	(1,250)	5,002	(12,892)	2,577	(10,315)

Income tax for the years ended 31 December 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Income (loss) before income tax	(45,499)	(30,625)	11,879	10,960
<u>Add</u> Transaction added back under the conditions of the Revenue Code	80,114	68,852	28,350	46,035
<u>Less</u> Other tax exempted income				
- Dividend income	(3,821)	(4,037)	(38,589)	(29,923)
- Others	(57,689)	(190,896)	(40,302)	(190,766)
Net taxable income (loss)	<u>(26,895)</u>	<u>(156,706)</u>	<u>(38,662)</u>	<u>(163,694)</u>
Net taxable income (loss)				
- Net taxable loss of the Company	(38,662)	(163,694)	(38,662)	(163,694)
- Net taxable income of subsidiaries	11,767	8,824	-	-
- Net taxable income of subsidiaries	-	(1,836)	-	-
	<u>(26,895)</u>	<u>(156,706)</u>	<u>(38,662)</u>	<u>(163,694)</u>
Current tax expense under the Revenue Code (income tax rate of 20%)				
- Current tax expense of the Company	-	-	-	-
- Current tax expense of subsidiaries	56	1,867	-	-
	<u>56</u>	<u>1,867</u>	<u>-</u>	<u>-</u>
The amount of deferred income tax expense (benefit) relating to temporary differences	8,132	1,593	4,606	4,885
Income tax expenses (benefit)	<u>8,188</u>	<u>3,460</u>	<u>4,606</u>	<u>4,885</u>

16. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht					
	Interest rate per annum		Consolidated F/S		Separate F/S	
	2017	2016	2017	2016	2017	2016
Promissory notes	-	5.25 – 5.50	-	385,334	-	385,334

Movement in short – term loans from financial institutions for the year ended 31 December 2017 as follow:

	In Thousand Baht			31 December 2017
	Consolidated F/S and Separate F/S			
	31 December 2016	Increase	Decrease	
Promissory notes and deferred interest				
Promissory notes	390,000	110,000	(500,000)	-
Deferred interest	(4,665)	(11,702)	16,368	-
Net	385,334	98,298	(483,632)	-

As at 31 December 2016, the Company has short – term loans from a financial institution amounting to Baht 190.00 million, which is collateralized with land and buildings. This loan is repayable within December 2017. On 7 December 2017, the Company released collateralized with land and buildings.

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

During the year, the Company has short – term loans from financial institution amounting to Baht 110.00 million, with no collateral. This loan is repayable during the year.

17. SHORT - TERM LOANS FROM OTHER PERSON

As at 31 December 2017 and 2016, the indirect subsidiary company has short - term loan from other person is covered by promissory notes of Baht 100.00 million and Baht 103.00 million, respectively. The repayment is due on demand and has interest rates at 6% per annum.

18. LONG -TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 31 December 2017 and 2016, the Company have long-term loan from financial institution as follow:

	In Thousand	
	Consolidated F/S and Separate F/S	
	2017	2016
Long-term loan from financial institutions	222,030	236,103
<u>Less</u> Current portion of long - term loan from financial institutions	(5,784)	(5,784)
Long-term loan from financial institutions - net	<u>216,246</u>	<u>230,319</u>

Movement during the years are as follows:

	In Thousand	
	Consolidated F/S and Separate F/S	
	2017	2016
Balance as at 1 January	236,103	224,000
<u>Add</u> Additional long - term loan from financial institution	-	56,000
<u>Less</u> Paid of long - term loan from financial institution	(14,073)	(43,897)
Balance as at 31 December	<u>222,030</u>	<u>236,103</u>

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

19. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Accrued construction costs	51,441	41,041	51,441	41,041
Accrued employee expenses	26,828	35,230	19,702	27,030
Accrued compensation for defective products	-	10,411	-	10,411
Accrued incentive expenses	5,291	6,138	5,291	6,138
Accrued rental and utilities expenses	1,974	2,059	1,865	2,019
Accrued transportation	1,927	2,135	1,927	2,135
Accrued consulting service	285	168	285	168
Other liabilities	29,042	26,320	20,629	13,956
Total	116,788	123,502	101,140	102,898

20. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Statement of financial position				
Liabilities under employment benefits obligation	35,580	39,952	31,182	36,366
Statement of comprehensive income:				
<i>Recognized in profit or loss:</i>				
Post-employment benefits	2,817	3,010	2,005	2,510
Statement of other comprehensive income:				
<i>Recognized in other comprehensive income:</i>				
Actuarial gain (losses) recognized in the year	(6,252)	12,892	(6,252)	12,892

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

Movements in employee benefits obligation for the year ended 31 December 2017 and 31 December 2016.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Balance as at 1 January	39,952	24,050	36,366	20,964
<i>Recognized in profit or loss</i>				
- Current service cost	2,085	1,687	1,273	1,585
- financial cost	732	1,323	732	926
<i>Recognized in other comprehensive income</i>				
- Actuarial gain (loss)	(6,252)	12,892	(6,252)	12,892
<i>Paid during the year</i>	(937)	-	(937)	-
Balance as at 31 December	35,580	39,952	31,182	36,366
Reclassified to current portion	(13,133)	(10,094)	(12,916)	(9,864)
Net	22,447	29,858	18,266	26,502
Wholly unfunded	35,580	39,952	31,182	36,366

Significant assumptions based on actuarial techniques

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Discount rate : Monthly staff	1.46% - 3.06%	2.57% - 3.34%	2.47	2.57%
: Daily staff	2.77	2.97%	2.77	2.97%
Average future salary increment rate	4.48% - 5.95%	3.56% - 5.34%	4.55% - 5.95%	3.56% - 5.34%
Mortality rate	TMO 2017	TMO 2008	TMO 2017	TMO 2008
Normal retirement age	60 years	60 years	60 years	60 years

Sensitivity analysis

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

	In Thousand Baht	
	31 December 2017	
	Consolidated F/S	Separate F/S
Discount rate (0.5% increment)	(1,024)	(761)
Discount rate (0.5% decrement)	1,087	801
Future salary growth (0.5% increment)	1,032	779
Future salary growth (0.5% decrement)	(984)	(748)
Employee turnover (1.0% increment)	(2,212)	(1,670)
Employee turnover (1.0% decrement)	2,090	1,856

As at 31 December 2017, expected maturity of employee benefits obligation before discount are as follow :

	In Thousand Baht	
	31 December 2017	
	Consolidated F/S	Separate F/S
Within one year	13,133	12,916
Between 2 - 5 years	7,820	7,820
Between 6 - 10 years	12,892	12,892
Between 11 - 15 years	8,759	8,759
More than 16 years	4,138	4,138
Total	46,742	46,525

21. LEGAL RESERVE

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

22. DIVIDEND

Details of Company's dividends declaration and payments for the year ended 31 December 2017 is as follows:

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

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

Details of Subsidiary's dividends declaration and payments for the year ended 31 December 2017 and 31 December 2016 is as follows:

2017	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Annual dividend	Annual General Meeting of the shareholders held on 26 April 2016	200,000	6.00	1,200

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

23. PROVIDENT FUND

The Company established a provident fund under the Provident Fund Act (B.E. 2530). The fund is contributed to by the employees and the Company and is managed by Kasikorn Asset Management. The fund will be paid to the employees upon termination in accordance with the rules of the fund. The Company has contributed to provident fund for the year ended 31 December 2017 and 2016 as follow:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Provident fund	5,141	5,243	4,113	4,263

24. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Income-Energy conservative subsidy	-	42,021	-	42,021
Rental revenue	16,307	14,757	26,702	24,841
Other service income	26,071	12,571	23,908	11,445
Utilities income	4,617	3,784	4,907	4,029
Interest income	2,081	2,112	31,381	35,857
Tax compensation income	1,802	771	1,802	771
Commission income	-	-	6,924	8,079
Profit from sale investment	2,563	-	-	-
Total	53,441	76,016	95,624	127,043

During the year 2016, the Company obtained financial support from Ministry of the Environment, Japan. The Financing Programme for JCM Model Project which reduce CO2 emissions by saving energy and/or introducing renewable energy with leading low carbon technologies.

25. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2017	2016	2017	2016
Raw materials and supplies used	351,411	517,892	351,411	517,892
Changes in inventories of finished goods and work in process	101,234	(82,703)	56,147	(45,448)
Cost of sales in finished goods	501,097	634,640	-	
Salaries, wages and other employee benefits	377,179	403,975	297,334	333,129
Subcontractor expenses	75,407	91,065	75,407	91,065
Reversal of allowance for doubtful debts	2,002	5,575	2,002	5,575
Depreciation	44,705	42,732	37,744	39,377
Rental expenses	22,241	24,439	6,106	7,824
Utilities expenses	23,025	27,459	21,404	26,116
Allowance for decline value of inventories	8,925	4,641	189	(1,036)
Other	227,495	376,975	220,663	313,491
Total	<u>1,734,721</u>	<u>2,046,690</u>	<u>1,068,407</u>	<u>1,287,985</u>

26. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the years ended 31 December					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
Consolidated						
Sales and services - net	1,485,854	1,685,030	69,284	74,480	1,555,138	1,759,510
Costs of sales and services	(1,157,296)	(1,285,214)	(61,864)	(64,436)	(1,219,160)	(1,349,650)
Gross profit	<u>328,558</u>	<u>399,816</u>	<u>7,420</u>	<u>10,044</u>	<u>335,978</u>	<u>409,860</u>
Revenues from construction work	29,912	143,613	-	-	29,912	143,613
Costs of construction work	(25,904)	(122,531)	-	-	(25,904)	(122,531)
Gross profit	<u>4,008</u>	<u>21,082</u>	<u>-</u>	<u>-</u>	<u>4,008</u>	<u>21,082</u>
Total gross profit	<u>332,566</u>	<u>420,898</u>	<u>7,420</u>	<u>10,044</u>	<u>339,986</u>	<u>430,942</u>
Depreciation					44,705	(42,732)
Finance cost					(731)	(36,650)
Loss before income tax					(45,499)	(30,625)
Property, plant and equipment - net					1,203,998	1,178,361
Assets not use in operation - net					165,400	168,815
Other assets					2,067,184	2,271,682
Total assets as at 31 December					<u>3,436,582</u>	<u>3,618,858</u>
Total liabilities as at 31 December					<u>723,022</u>	<u>1,139,637</u>

	In Thousand Baht					
	For the years ended 31 December					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
Separate F/S						
Sales and services - net	880,201	951,375	69,284	74,480	949,485	1,025,855
Costs of sales and services	(652,810)	(682,973)	(61,864)	(64,436)	(714,674)	(747,409)
Gross profit	<u>227,391</u>	<u>268,402</u>	<u>7,420</u>	<u>10,044</u>	<u>234,811</u>	<u>278,446</u>
Revenues from construction work	29,912	143,613	-	-	29,912	143,613
Costs of construction work	(25,904)	(122,531)	-	-	(25,904)	(122,531)
Gross profit	<u>4,008</u>	<u>21,082</u>	<u>-</u>	<u>-</u>	<u>4,008</u>	<u>21,082</u>
Total gross profit	<u>231,399</u>	<u>289,484</u>	<u>7,420</u>	<u>10,044</u>	<u>238,819</u>	<u>299,528</u>
Depreciation					(37,744)	(39,377)
Finance cost					(30,752)	(27,983)

	In Thousand Baht					
	For the years ended 31 December					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
Income before income tax				11,879	10,960	
Property, plant and equipment - net				527,200	561,435	
Assets not use in operation - net				165,400	168,815	
Other assets				1,402,456	1,801,310	
Total assets as at 31 December				<u>2,095,056</u>	<u>2,531,560</u>	
Total liabilities as at 31 December				<u>489,140</u>	<u>931,988</u>	

27. GUARANTEE

As at 31 December 2017, the Company has outstanding guarantees of approximately Baht 80.19 million which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company.

As at 31 December 2017, the subsidiary company has outstanding guarantees of approximately Baht 3.09 million which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company.

As at 31 December 2017 the Company has obligation under a loan agreement of an indirect subsidiary with a bank. The facility amount is Baht of 180.00 million.

28. COMMITMENT

28.1 As at 31 December 2017, subsidiary companies have various operating lease agreement covering its office premises, showroom, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the Company is committed to pay the rental as follow:

	<u>In Thousand Baht</u>
Within 1 year	18,117
2 - 3 year	8,863

28.2 As at 31 December 2017, an indirect subsidiary has obligation under a loan agreement amount of Baht 180.00 million with a bank for construction of factory and payment of machines.

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

29.1 Interest Rate Risk

As at 31 December 2017 and 2016, the Company and subsidiary companies have financial assets and financial liabilities with exposure to interest rate risk as follows:

	In Thousand Baht			
	Consolidated F/S			
	2017			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	424,788	-	283	425,071
Trade accounts receivable from sales and services				
- general customers – net	-	-	300,820	300,820
- related companies	-	-	8,299	8,299
Receivables from and advances to related companies	-	-	4,774	4,774
Restricted deposit with bank	488	-	-	488
Retentions receivable	-	-	6,382	6,382
Short - term loan from other person	-	100,000	-	100,000
Short - term loan from related company	-	57,000	-	57,000
Trade accounts payable - general suppliers	-	-	102,304	102,304
Payables to and advances from related companies	-	-	30,821	30,821
Advances and deposits from customers				
- general customers	-	-	34,134	34,134
- related companies	-	-	3,659	3,659
Loans from financial institutions	222,030	-	-	222,030

	In Thousand Baht			
	Consolidated F/S			
	2016			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	299,333	80,000	697	380,030
Trade accounts receivable from sales and services				
- general customers – net	-	-	424,935	424,935
- related companies	-	-	6,009	6,009
Trade accounts receivable from construction work – general customers - net	-	-	30,158	30,158
Unbilled accrued income - general customers	-	-	5,768	5,768
Receivables from and advances to related companies	-	-	984	984
Restricted deposit with bank	525	-	-	525
Retentions receivable	-	-	17,141	17,141
Short - term loan from other person	-	385,334	-	385,334
Short - term loan from related company	-	103,000	-	103,000
Trade accounts payable - general suppliers	-	-	130,868	130,868
Payables to and advances from related companies	-	-	42,653	42,653
Advances and deposits from customers				
- general customers	-	-	43,823	43,823
- related companies	-	-	8,283	8,283
Loans from financial institutions	236,103	-	-	236,103

	In Thousand Baht			
	Separate F/S			
	2017			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	213,420	-	172	213,592
Trade accounts receivable from sales and services				
- general customers – net	-	-	150,815	150,815
- related companies	-	-	9,393	9,393
Receivables from and advances to related companies	-	-	69,274	69,274
Short - term loan to indirect subsidiary company	-	185,000	-	185,000
Restricted deposit with bank	404	-	-	404
Retentions receivable	-	-	6,382	6,382
Trade accounts payable - general suppliers	-	-	75,042	75,042
Payables to and advances from related companies	-	-	10,197	10,197
Advances and deposits from customers				
- general customers	-	-	33,866	33,866
- related companies	-	-	5,367	5,367
Loans from financial institutions	222,030	-	-	222,030

	In Thousand Baht			
	Separate F/S			
	2016			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	155,105	40,000	501	195,606
Trade accounts receivable from sales and services				
- general customers – net	-	-	244,254	244,254
- related companies	-	-	7,186	7,186
Trade accounts receivable from construction work – general customers - net	-	-	30,158	30,158
Unbilled accrued income - general customers	-	-	5,768	5,768
Receivables from and advances to related companies	-	-	2,811	2,811
Short - term loan to indirect subsidiary company	-	-	465,000	465,000
Restricted deposit with bank	261	-	-	261
Retentions receivable	-	-	17,141	17,141
Short - term loans from financial institution	-	385,334	-	385,334
Trade accounts payable - general suppliers	-	-	94,536	94,536
Payables to and advances from related companies	-	-	10,129	10,129
Advances and deposits from customers				
- general customers	-	-	40,699	40,699
- related companies	-	-	10,124	10,124
Loans from financial institutions	236,103	-	-	236,103

As of 31 December 2017, and 2016, the financial instruments classified by the periods of time from the statement of financial position date to their maturity dates are as follows:

	In Thousand Baht					Interest rate
	Consolidated F/S					
	2017					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	425,071	-	-	-	425,071	0.125-1.20%
Trade accounts receivable from sales and services						
- general customers – net	-	287,859	9,337	3,624	300,820	-
- related companies	-	8,299	-	-	8,299	-
Receivables from and advances to related companies	4,774	-	-	-	4,774	-
Restricted deposit with bank	-	-	-	488	488	1.00%
Retentions receivable	6,382	-	-	-	6,382	-
Short - term loans from other person	100,000	-	-	-	100,000	6.00%
Short - term loans from related company	57,000	-	-	-	57,000	1.475-6.00%
Trade accounts payable - general suppliers	102,304	-	-	-	102,304	-
Payables to and advances from related companies	30,891	-	-	-	30,891	-
Advances and deposits from customers						
- general customers	34,134	-	-	-	34,134	-
- related companies	3,659	-	-	-	3,659	-
Loans from financial institutions	-	2,892	2,892	216,246	222,030	5.25%, MLR – 0.50%

	In Thousand Baht					
	Consolidated F/S					
	2016					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	300,300	80,000	-	-	380,300	0.125-1.30%
Trade accounts receivable from sales and services						
- general customers – net	-	379,548	11,754	33,633	424,935	-
- related companies	-	6,009	-	-	6,009	-
Trade accounts receivable from construction work – general customers - net	-	30,158	-	-	30,158	-
Unbilled accrued income - general customers	5,768	-	-	-	5,768	-
Receivables from and advances to related companies	984	-	-	-	984	-
Restricted deposit with bank	-	-	-	525	525	1.75%
Retentions receivable	17,141	-	-	-	17,141	-
Short - term loans from financial institution	-	388,334	-	-	388,334	4.50-5.50%
Short - term loans from other person	103,000	-	-	-	103,000	8.00%
Trade accounts payable - general suppliers	130,868	-	-	-	130,868	-
Payables to and advances from related companies	42,569	-	-	-	42,569	-
Advances and deposits from customers						
- general customers	43,823	-	-	-	43,823	-
- related companies	8,283	-	-	-	8,283	-
Loans from financial institutions	-	2,892	2,892	230,319	236,103	5.25%, MLR-0.50%

	In Thousand Baht					
	Separate F/S					
	2017					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>						
Cash and cash equivalents	213,592	-	-	-	213,529	0.125-1.20%
Trade accounts receivable from sales and services						
- general customers – net	-	143,556	6,253	2,006	150,815	-
- related companies	-	9,393	-	-	9,393	-
Receivables from and advances to related companies	69,274	-	-	-	69,274	-
Short - term loan to indirect subsidiary company	-	-	185,000	-	185,000	8.50%
Restricted deposit with bank	-	-	-	404	404	1.00%
Retentions receivable	6,382	-	-	-	6,382	-
Trade accounts payable - general suppliers	75,042	-	-	-	75,042	-
Payables to and advances from related companies	10,197	-	-	-	10,197	-
Advances and deposits from customers						
- general customers	33,866	-	-	-	33,866	-
- related companies	5,367	-	-	-	5,367	-
						5.25%,
Loans from financial institutions	-	2,892	2,892	216,246	222,030	MLR-0.50%

	In Thousand Baht					Interest rate
	Separate F/S					
	2016					
	At call	1 - 6 months	7 - 12 months	Over 12 months	Total	
Financial assets / liabilities						
Cash and cash equivalents	155,606	40,000	-	-	195,606	0.125-1.30%
Trade accounts receivable from sales and services						
- general customers – net	-	209,620	3,094	31,540	244,254	-
- related companies	-	7,186	-	-	7,186	-
Trade accounts receivable from construction work – general customers - net	30,158	-	-	-	30,158	-
Unbilled accrued income - general customers	5,768	-	-	-	5,768	-
Receivables from and advances to related companies	2,811	-	-	-	2,811	-
Short - term loan to indirect subsidiary company	-	-	465,000	-	465,000	8.50%
Restricted deposit with bank	-	-	-	261	261	1.75%
Retentions receivable	17,141	-	-	-	17,141	-
Short - term loans from financial institution	-	385,334	-	-	385,334	4.50-5.50%
Trade accounts payable - general suppliers	94,536	-	-	-	94,536	-
Payables to and advances from related companies	10,129	-	-	-	10,129	-
Advances and deposits from customers						
- general customers	40,699	-	-	-	40,699	-
- related companies	10,124	-	-	-	10,124	-
Loans from financial institutions	-	2,892	2,892	230,319	236,103	5.25%, MLR-0.50%

29.2 Foreign Exchange Risk

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

As at 31 December 2017, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 31 December 2017 (Baht per 1 foreign currency unit)
USD	427	2	32.68090
JPY	629	-	0.289806

As at 31 December 2017, the Company's foreign currency denominated assets and liabilities which were not covered by hedging agreement are as follows:

	(Thousand) USD	(Thousand) JPY
	_____	_____
<u>Financial assets</u>		
Cash and cash equivalents	152	629
Trade accounts receivable – net	275	-
<u>Financial liabilities</u>		
Trade accounts payable – net	2	-

29.3 Liquidity Risk

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

29.4 Credit Risk

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

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

29.5 Fair Value of Financial Instruments

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

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

- The Company presents Level 1 fair values for financial assets such as cash and cash equivalents, trade and non-trade receivables - net - the carrying values approximate their fair values due to the relative short-term maturity of these financial instruments.
- The Company presents Level 1 fair values for financial liabilities such as short - term loan from financial institution and trade and non-trade payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short - term maturity of these financial instruments.
- The Company presents Level 2 fair values for long- term investments in shares of subsidiary and associated companies, and general investments the carrying amounts of these financial assets approximate their fair values.

30. LITIGATION

In 2012, a contractor sued the Company as joint defendant with 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 2017: Baht 21.41 million). The Company is in the process of appealing the decision at the Supreme Court.

31. EVENT AFTER THE REPORTING PERIOD

At the meeting on 28 February 2018, the Company's Board of Directors passed a resolution to propose the payment of a dividend from operating result for the year ended 31 December 2017 of Baht 0.01 per share, total amount of Baht 5.93 million on 25 May 2018 to the common shareholders. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

32. 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 F/S	
	As reclassified	As previously reported
Inventories	401,084	404,234
Property, Plant and Equipment - net	1,178,361	1,175,211
Payables to and advances from related companies	42,653	42,569
Other current liabilities	123,502	123,586

	In Thousand Baht	
	SEPARATE F/S	
	As reclassified	As previously reported
Payables to and advances from related companies	10,129	10,045
Other current liabilities	102,898	102,983

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2018.