

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position of Siam Steel International Public Company Limited and its subsidiaries as at September 30, 2020 and the related consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2020, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the nine-month period ended September 30, 2020 and selected explanatory notes, and I have also reviewed the statement of financial position of Siam Steel International Public Company Limited as at September 30, 2020 and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2020, statement of changes in sharehloer’s equity and statement of cash flows for the nine-month period ended September 30, 2020 and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting standards No. 34 “Interim Financial Reporting”.

EMPHASIS MATTERS

I draw attention to the notes to the financial statements as follows:

1) In Note 3.2 to the interim financial statements, the Company had restated retrospectively of revenue recognition from consignment therefore, the Company had to adjust retrospectively the consolidated financial statements and separate financial statements for the three-month and nine-month periods ended September 30, 2019 that were comparative data.

2) In Note 12 to the interim financial statements on investment in subsidiaries regarding the Company had purchase investment in an associated company until changing status to a subsidiary during the first quarter of 2020, presently the Company is currently in the process of valuation of the fair value of the assets acquired and liabilities received as at the acquisition date. This valuation is currently in the process of being prepared, which will be completed within the period of 12 months from the date of acquisition as stipulated in the financial reporting standards No. 3 : Business Combinations. During this valuation period, the Company will retrospectively adjust the estimate previously recognized as at the acquisition date to reflect the additional information obtained regarding the facts and circumstances prevailing as at the acquisition date.

3) In Note 3.3 to the interim financial statements due to the impact from pandemic situation of COVID-19, the Group had prepared the interim financial information for the three-month and nine-month periods ended September 30, 2020 by applying the accounting guidelines on temporary relief measures for additional accounting options to support the impact of the pandemic situation of COVID-19 announced by the Federation of Accounting Professions.

My conclusion is not modified in respect of this matter.

(Miss Wannisa Ngambuathong)

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited

Bangkok, Thailand

November 13, 2020

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

ASSETS

		In Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		As at September	As at December	As at September	As at December	
Note		30, 2020	31, 2019	30, 2020	31, 2019	
CURRENT ASSETS						
	Cash and cash equivalents	636,547	826,018	185,620	278,149	
	Trade accounts receivable from sales and services					
	- general companies	7	160,478	242,703	125,162	120,478
	- related companies	6, 7	7,506	5,306	3,239	7,312
	Other current receivables					
	- general companies		30,669	29,463	-	-
	- related companies	6	314	1,602	246,343	339,509
	Trade accounts receivable from construction work	7	-	23,940	-	23,940
	Current contract assets		10,870	19,077	10,870	19,077
	Inventories	8	249,144	219,639	128,126	170,220
	Advance for purchase of inventories		69,818	89,163	69,818	89,163
	Short-term loan to related companies	6	-	-	285,000	185,000
	Other current financial assets	9	10,000	-	5,000	-
	Other current assets	6	59,752	75,953	67,052	59,870
	Total current assets		1,235,098	1,532,864	1,126,230	1,292,718

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

ASSETS (CONT.)

		In Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		As at September	As at December	As at September	As at December	
Note		30, 2020	31, 2019	30, 2020	31, 2019	
NON-CURRENT ASSETS						
	Restricted deposit with bank	10	6,547	5,034	6,454	4,912
	Trade and other non-current receivables		55,929	53,868	55,929	47,534
	Other non-current financial assets	11	49,712	-	49,712	-
	Investment					
	- subsidiaries companies	12	-	-	245,173	186,207
	- associated companies	12	809,688	782,752	137,227	162,627
	- other companies	12	-	49,712	-	49,712
	Property, plant and equipment	13, 26	3,021,862	2,787,032	964,123	883,582
	Right-of-use assets	14	213,151	-	13,151	-
	Goodwill	12	895	-	-	-
	Deferred tax assets	15	6,240	11,842	2,115	3,885
	Other non-current assets		15,422	16,557	399	692
	Total non-current assets		4,179,446	3,706,797	1,474,283	1,339,151
	TOTAL ASSETS		5,414,544	5,239,661	2,600,513	2,631,869

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT SEPTEMBER 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
	Note	30, 2020	31, 2019	30, 2020	31, 2019
CURRENT LIABILITIES					
Short-term loans from financial institutions	16	61,506	-	21,506	-
Short-term loans from related companies	6	86,950	53,500	-	-
Trade accounts payable - general companies		103,033	159,639	76,013	130,598
Trade and other current payables - related companies	6	14,562	42,989	84,220	88,926
Other current payable - general companies		109,967	127,651	109,967	125,905
Current contract liabilities		3,096	14,265	3,096	14,265
Current portion of					
- Long-term loan from financial institutions	17	243,891	260,950	160,010	189,508
- Lease liabilities	18	16,546	253	3,789	-
Current provisions for employee benefits		15,299	19,655	15,082	19,439
Other current liabilities		256,518	264,918	60,049	64,171
Total current liabilities		911,368	943,820	533,732	632,812
NON-CURRENT LIABILITIES					
Long-term loans from financial institutions	17	1,483,364	1,396,182	8,629	12,967
Lease liabilities	6, 18	176,545	595	9,689	-
Non-current provisions for employee benefits		46,901	38,991	28,191	34,397
Other non-current liabilities		43,366	35,743	43,363	35,741
Total non-current liabilities		1,750,176	1,471,511	89,872	83,105
TOTAL LIABILITIES		2,661,544	2,415,331	623,604	715,917

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
Note		30, 2020	31, 2019	30, 2020	31, 2019
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
	- Registered 593,125,849 shares	593,126	593,126	593,126	593,126
	- Issued and paid - up 593,125,849 shares	593,126	593,126	593,126	593,126
	Premium on ordinary shares	72,404	72,404	72,404	72,404
Retained earnings					
	- Appropriated legal reserve	59,313	59,313	59,313	59,313
	- Unappropriated	1,679,198	1,743,340	1,252,066	1,191,109
	Other components of equity	22,901	13,061	-	-
Total shareholder's equity of the parent company		2,426,942	2,481,244	1,976,909	1,915,952
Non-controlling interests		326,058	343,086	-	-
TOTAL SHAREHOLDERS' EQUITY		2,753,000	2,824,330	1,976,909	1,915,952
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,414,544	5,239,661	2,600,513	2,631,869

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

In Thousand Baht					
Consolidated financial statements					
Separate financial statements					
2020					
2019					
(Restated)					
(Restated)					
REVENUES					
Sales and services income	6, 20	421,519	651,138	261,761	389,408
Construction income	20	9,518	20,779	9,518	20,779
Total revenues		431,037	671,917	271,279	410,187
Cost					
Cost of sales and services	6, 20	(311,278)	(496,401)	(185,313)	(305,172)
Cost of construction	20	(8,562)	(18,642)	(8,562)	(18,642)
Total cost		(319,840)	(515,043)	(193,875)	(323,814)
Gross profit		111,197	156,874	77,404	86,373
Dividend income	6, 11, 12	5,477	-	5,477	-
Other income	6	15,033	22,651	17,852	31,287
Gain on foreign exchange rates		3,738	247	-	10
Profit before expenses		135,445	179,772	100,733	117,670
Selling expenses		(40,395)	(70,029)	(40,137)	(46,597)
Administrative expenses	6	(93,047)	(68,151)	(53,696)	(38,584)
Other expense - loss from the fire	26	(51,153)	-	-	-
Loss on foreign exchange rates		-	-	(728)	-
Total expenses		(184,595)	(138,180)	(94,561)	(85,181)
Profit (loss) from operations		(49,150)	41,592	6,172	32,489
Finance costs	6, 20	(9,826)	(11,138)	(3,787)	(4,821)
Profit (loss) before equity in net income of associated companies		(58,976)	30,454	2,385	27,668
Equity in net income of associated companies	12	899	7,945	-	-
Profit (loss) before income tax expense		(58,077)	38,399	2,385	27,668
Income tax income (expense)		(1,333)	(2,505)	(1,019)	249
Profit (loss) for the period		(59,410)	35,894	1,366	27,917

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Note			(Restated)		(Restated)
Other comprehensive income					
Items subsequently reclassifiable to profit or loss					
Exchange differences from foreign currency					
financial statement translation, net of tax					
		11,070	(1,828)	-	-
Other comprehensive income (expense) for the period					
		11,070	(1,828)	-	-
Total comprehensive income (expense) for the period					
		(48,340)	34,066	1,366	27,917
Profit (loss) attributable for the period					
Owner of the parent company					
		(61,797)	21,591	1,366	27,917
Non-controlling interests					
		2,387	14,303	-	-
Total					
		(59,410)	35,894	1,366	27,917
Attribution of comprehensive income (expense) for the period					
Owner of the parent company					
		(56,262)	21,342	1,366	27,917
Non-controlling interests					
		7,922	12,724	-	-
Total					
		(48,340)	34,066	1,366	27,917
Earnings per share					
Profit (loss) (Baht per share)					
		(0.104)	0.036	0.002	0.047
Weighted average number of common shares (Thousand share)					
		593,126	593,126	593,126	593,126

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			(Restated)		(Restated)
	Note				
REVENUES					
Sales and services income	6, 20	1,377,034	1,731,442	760,082	955,994
Construction income	20	70,684	38,130	70,684	38,130
Total revenues		1,447,718	1,769,572	830,766	994,124
Cost					
Cost of sales and services	6, 20	(1,015,988)	(1,298,393)	(562,617)	(751,621)
Cost of construction	20	(53,950)	(32,430)	(53,950)	(32,430)
Total cost		(1,069,938)	(1,330,823)	(616,567)	(784,051)
Gross profit		377,780	438,749	214,199	210,073
Dividend income	6, 11, 12	15,534	17,339	78,747	45,044
Other income	6	46,358	63,217	56,958	80,200
Gain on sales of investment in subsidiary	12	-	-	5,843	-
Gain from revalued of investment	12	6,851	-	-	-
Gain on foreign exchange rates		1,604	3,639	-	-
Profit before expenses		448,127	522,944	355,747	335,317
Selling expenses		(121,943)	(167,937)	(116,672)	(126,372)
Administrative expenses	6	(266,224)	(245,012)	(131,019)	(117,826)
Other expense - loss from the fire	26	(51,153)	-	-	-
Loss on sales of investmnet in subsidiary	12	(294)	-	-	-
Loss on foreign exchange rates		-	-	(29)	(375)
Total expenses		(439,614)	(412,949)	(247,720)	(244,573)
Profit from operations		8,513	109,995	108,027	90,744
Finance costs	6, 20	(30,625)	(30,185)	(11,793)	(13,189)
Profit (loss) before equity in net income of associated companies		(22,112)	79,810	96,234	77,555
Equity in net income of associated companies	12	8,852	18,987	-	-
Profit (loss) before income tax expense		(13,260)	98,797	96,234	77,555
Income tax income (expense)		(2,280)	(6,219)	(1,770)	687
Profit (loss) for the period		(15,540)	92,578	94,464	78,242

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019 (Restated)	2020	2019 (Restated)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (loss) on defined employee benefit plan, net of tax		-	1,355	-	-
Items subsequently reclassifiable to profit or loss					
Exchange differences from foreign currency financial statement translation, net of tax		19,680	(6,895)	-	-
Other comprehensive income (expense) for the period		19,680	(5,540)	-	-
Total comprehensive income for the period		4,140	87,038	94,464	78,242
Profit (loss) attributable for the period					
Owner of the parent company		(34,105)	50,179	94,464	78,242
Non-controlling interests		18,565	42,399	-	-
Total		(15,540)	92,578	94,464	78,242
Attribution of comprehensive income (expense) for the period					
Owner of the parent company		(24,265)	48,087	94,464	78,242
Non-controlling interests		28,405	38,951	-	-
Total		4,140	87,038	94,464	78,242
Earnings per share					
Profit (loss) (Baht per share)		(0.058)	0.084	0.159	0.132
Weighted average number of common shares (Thousand share)		593,126	593,126	593,126	593,126

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

		In Thousand Baht									
		Consolidated financial statements									
		Shareholders' equity of the parent company							Non-controlling	Total	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Total	interests	Total
				Appropriated	Unappropriated	Other comprehensive income (expense)					
				- Legal reserve		Surplus from change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total			
	Note	593,126	72,404	59,313	1,743,340	32,843	(19,782)	13,061	2,481,244	343,086	2,824,330
Balance as at January 1, 2020											
Cumulate effect from change in accounting policies due to the adoption of new financial reporting standards	5	-	-	-	(381)	-	-	-	(381)	-	(381)
Balance as at January 1, 2020 - Restated		593,126	72,404	59,313	1,742,959	32,843	(19,782)	13,061	2,480,863	343,086	2,823,949
Loss of control in subsidiary	12	-	-	-	-	-	-	-	-	(159,521)	(159,521)
Non-controlling interest on purchase business	12	-	-	-	-	-	-	-	-	147,312	147,312
Transaction with shareholder											
Dividend	19	-	-	-	(29,656)	-	-	-	(29,656)	-	(29,656)
Dividend paid by subsidiary to non-controlling interest	19	-	-	-	-	-	-	-	-	(33,224)	(33,224)
Comprehensive income (expense) for the period											
Profit (loss) for the period		-	-	-	(34,105)	-	-	-	(34,105)	18,565	(15,540)
Other comprehensive income (expense) for the period		-	-	-	-	-	9,840	9,840	9,840	9,840	19,680
Balance as at September 30, 2020		593,126	72,404	59,313	1,679,198	32,843	(9,942)	22,901	2,426,942	326,058	2,753,000
Balance as at January 1, 2019		593,126	72,404	59,313	1,743,374	32,843	(13,589)	19,254	2,487,471	314,302	2,801,773
Transaction with shareholder											
Dividend		-	-	-	(5,931)	-	-	-	(5,931)	-	(5,931)
Dividend paid by subsidiary to non-controlling interest		-	-	-	-	-	-	-	-	(3,528)	(3,528)
Comprehensive income (expense) for the period											
Profit for the period - Restated		-	-	-	50,179	-	-	-	50,179	42,399	92,578
Other comprehensive income (expense) for the period		-	-	-	1,355	-	(3,447)	(3,447)	(2,092)	(3,448)	(5,540)
Balance as at September 30, 2019 - Restated		593,126	72,404	59,313	1,788,977	32,843	(17,036)	15,807	2,529,627	349,725	2,879,352

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Cash flows from operating activities				
Profit (loss) before income tax expense	(13,260)	98,797	96,234	77,555
Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	134,570	89,352	21,489	17,713
Allowance for doubtful debts and bad debt (reversal)	433	(1,317)	433	(31)
Allowance for decline value of inventories (reversal)	1,792	(8,982)	1,927	-
Goodwill amortization	-	618	-	-
Loss from write-off asset	589	2,265	-	1,416
Provisions (reversal)	-	(2,210)	-	(2,110)
Gain on sales of assets	(73)	(2,143)	(25)	(10,556)
Deferred expenses	-	3,456	-	-
(Gain) loss on sales of investment in subsidiary company	294	-	(5,843)	-
Gain from revalued of investment	(6,851)	-	-	-
Unrealized (gain) loss on foreign exchange rate	2,276	26	1,894	26
Dividend income	(15,534)	(17,339)	(78,747)	(45,044)
Interest income	(1,475)	(4,945)	(12,222)	(14,602)
Finance costs	30,625	30,185	11,793	13,189
Equity in net income of associated companies	(8,852)	(18,987)	-	-
Provision for employee benefits expenses	2,633	2,667	1,591	1,344
Other expense from the fire	51,153	-	-	-
Cash provided from (used in) operations before changes in operating assets and liabilities	178,320	171,443	38,524	38,900
(Increase) decrease in operating assets				
Trade accounts receivable from sales and services				
- general companies	255	(91,233)	(5,486)	(75,024)
- related companies	2,516	(965)	4,073	241
Other current receivables				
- general companies	5,382	27,033	-	-
- related companies	1,289	(28)	665	6,781
Trade accounts receivable from construction work	23,940	-	23,940	-

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Restated)		(Restated)
Current contract assets	8,207	(6,728)	8,207	(6,728)
Inventories	58,271	39,925	40,167	3,087
Advances for purchase of inventories	19,345	(10,755)	19,345	(11,465)
Other current assets	3,334	(16,825)	(7,857)	(13,158)
Trade and other non-current receivables	(26,446)	(18,993)	(5,914)	(18,993)
Other non - current assets	1,650	138	293	382
Increase (decrease) in operating liabilities				
Trade accounts payable - general companies	(72,121)	14,950	(54,576)	17,467
Trade and other current payables - related companies	(15,757)	2,587	(6,620)	14,223
Other current payable - general companies	(15,104)	(33,232)	(15,938)	51,581
Current contract liabilities	(11,168)	3,486	(11,169)	3,486
Other current liabilities	(25,040)	(108,093)	(4,264)	9,657
Employee benefits obligation paid	(12,725)	(210)	(12,710)	(210)
Other non - current liabilities	7,623	21,624	7,622	22,014
Cash provided from (used in) operations	131,771	(5,876)	18,302	42,241
Cash paid for interest	(12,940)	(24,432)	(9,972)	(12,355)
Income tax payment	(3,468)	(8,301)	(3,998)	(2,776)
Cash received from refund tax	-	137,628	-	-
Net cash provided from (used in) operating activities	115,363	99,019	4,332	27,110
Cash flows from investing activities				
(Increase) decrease in restricted deposit with bank	(1,513)	(4,270)	(1,542)	(4,375)
Other current financial assets	(10,000)	-	(5,000)	-
Acquisition of assets	(112,550)	(348,040)	(98,584)	(322,244)
Proceeds from sales of assets	73	2,216	100,025	1,975
Cash receipt (payment) for investment in subsidiary	(191,659)	-	(33,965)	-
Cash receipt (payment) from non-controlling interests in subsidiary	19,849	-	6,243	-

Notes to interim financial statements form an integral part of these statement

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SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)		(Restated)	
(Increase) in short-term loans to related company	-	-	(100,000)	(23,000)
Cash received from interest income	1,023	4,545	1,252	3,323
Dividend income	15,534	17,339	78,747	45,044
Net cash provided from (used in) investing activities	(279,243)	(328,210)	(52,824)	(299,277)
Cash flows from financing activities				
Increase in short-term loan from financial institution	61,506	-	21,506	-
Increase in short-term loans from related parties	49,450	20,500	-	-
Cash paid for short-term loans from related parties	(16,000)	-	-	-
Cash paid for lease liabilities	(4,828)	-	(2,051)	-
Increase in long-term loan from financial institution	-	54,675	-	-
Cash paid for long-term loans from financial institution	(80,188)	(133,503)	(33,836)	(8,936)
Dividend paid	(29,656)	(5,931)	(29,656)	(5,931)
Dividend paid by subsidiary to non-controlling interest	(33,224)	(3,528)	-	-
Net cash provided from (used in) financing activities	(52,940)	(67,787)	(44,037)	(14,867)
Unrealized gain (loss) on exchange rate of cash at banks	(1,874)	-	-	-
Increase in exchange differences on translating foreign operations	29,223	42,150	-	-
Increase (decrease) in cash and cash equivalents-net	(189,471)	(254,828)	(92,529)	(287,034)
Cash and cash equivalents at the beginning of the period	826,018	1,126,632	278,149	581,389
Cash and cash equivalents at the end of the period	636,547	871,804	185,620	294,355
Supplemental cash flows information				
Non - cash transaction				
- Advance for purchase assets	(1,517)	14,942	(1,517)	14,942
- Transfer Inventories be to property	-	589	-	589
- Acquisition of right-of-use assets under lease contract	221,761	-	15,080	-
- Increase in finance lease obligation from purchase of fixed assets	8,159	1,121	-	-
- Transfer non-operating asset to property, plant and equipment	-	2,360	-	2,360
- Sale asset as credit to the related company	-	-	(100,000)	162,533
- Purchase asset by non-cash payment	-	7,210	-	-

Notes to interim financial statements form an integral part of these statement

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. GENERAL INFORMATION

(a) Legal status and address

Siam Steel International Public Company Limited was registered as limited company on August 28, 1979 under Thai law and registered conversion to public company limited on December 27, 1993.

The address of its registered office is as follow :

51 Moo 2 Poochao Road, Bangyaprak, Phrapradaeng, Samuthprakarn.

(b) Nature of the Company’s business

The principal activities of the Company and its subsidiary companies is the manufacturing and sales of steel office equipment and furniture parts, construction services and alternative energy sector.

(c) Major shareholder

As at September 30, 2020 and December 31, 2019, the Company’s major shareholders are as follows :

	Percentage (%)	
	As at September 30, 2020	As at December 31, 2019
Family “Kunanantakul”	35.41	35.41
Family “Pongphundacha”	29.24	29.24
Family “Witchayawilat”	2.41	2.41

2. Basis for consolidated interim financial statements and operation

2.1 There interim financial statements were prepared by consolidating the financial statement of Siam Steel International Public Company Limited and subsidiaries which Siam Steel International Public Company Limited held direct and indirect shares as follows :

Company	Percentage of shareholding (%)		Type of business
	As at September 30, 2020	As at December 31, 2019	
<u>Subsidiary companies</u>			
Siam Okamura International Co., Ltd.	-	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

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Company	Percentage of shareholding (%)		Type of business
	As at September 30, 2020	As at December 31, 2019	
Siam Okamura Steel Co., Ltd.	51	-	Manufacturing of steel office furniture
<u>Indirect subsidiary companies - 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 and investment in solar energy plant project
Siam International Biomass Co., Ltd.	99.99	99.99	Manufacturing and distribution of fuel stick from waste biomass and other for use as fuel
Siam Biomass Product Co., Ltd.	99.99	99.99	Purchase, manufacturing and distribution of fuel stick from waste biomass and other fuel for use as fuel
Siam Forest Management Co., Ltd.	60.00	60.00	Manufacturing and distribution of fuel stick from waste biomass and other for use as fuel
<u>Indirect subsidiary companies - held by</u>			
<u>Siam Biomass Product Co., Ltd.</u>			
Siam Biomass Manufacturing Ltd.	99.99	99.99	Manufacturing and distribution of renewable energy
<u>Indirect subsidiary companies - held by</u>			
<u>Bangphra Green Energy Co., Ltd.</u>			
Rich Solar Energy Godo Kaisha Co., Ltd.	50.00	50.00	Manufacturing and distribution of solar energy

Significant change in the subsidiary and associated during the period for 2020

- 1) On January 31, 2020, the Company had sold some of the ordinary shares held in Siam Okamura International Co., Ltd. for 2% of all ordinary shares of Siam Okamura International Co., Ltd. As a result, the Company had the outstanding shareholding proportion in Siam Okamura International Co., Ltd. at 49 % of all ordinary shares of Siam Okamura International Co., Ltd. After selling the shares, the Company had lost its control due to the status change of Siam Okamura International Co., Ltd. from a subsidiary to an associated company. As a result, the Company had prepared the consolidated financial statements by consolidating the financial statements of Siam Okamura International Co., Ltd. for the period from January 1, 2020 to January 31, 2020 and the Company had prepared the consolidated financial statements that stated the investment in an associated company of Siam Okamura International Co., Ltd. under the equity method from February 1, 2020.

- 2) On January 31, 2020, the Company had increased the investment in ordinary shares of Siam Okamura Steel Co., Ltd. for 11% of all ordinary shares of Siam Okamura Steel Co., Ltd. As a result, the Company had the outstanding shareholding proportion in Siam Okamura Steel Co., Ltd. at 51% of all ordinary shares of Siam Okamura Steel Co., Ltd. After the shares purchase, the Company had changed the status from an associated company to a subsidiary. As a result, the Company had prepared the consolidated financial statements under the equity method for the period from January 1, 2020 to January 31, 2020 and had prepared the consolidated financial statements by consolidating the financial statements of Siam Okamura Steel Co., Ltd. from February 1, 2020.
- 2.2 These interim financial statement were prepared by consolidating the financial statement of Siam Steel International Public Company Limited and subsidiaries and prepared by using the same basis with the financial statement for the year ended December 31, 2019, except for the changes in accounting policy described in Note 4 to interim financial statements.
- 2.3 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.4 The consolidated interim financial statements are prepared by using uniform accounting policies for same accounting transactions or similar events.
- 2.5 The interim financial statements of an overseas subsidiary is translated into Thai Baht at the average exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Exchange differences on translating financial statements” in shareholders’ equity.
- 2.6 Reading significant outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company’s books and share capital of the subsidiaries are eliminated from the consolidated financial statements.
- 2.7 Investments in subsidiaries (at cost) and fair value of the subsidiaries at the date of acquisition have been offset and the difference there of has been shown as asset under the heading of “Goodwill” and to consider impairment loss.
- 2.8 Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control.
- 2.9 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

3.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the financial statements in Thai language version.

- 3.2 The Company has adjusted the previous period’s financial statements as the record for revenue recognition on consignment sales was incorrect. The Company has restated the previous period's financial statements presented for comparative purpose as if the Company has always recorded the revenue recognition on consignment sales from the beginning. The effect on the comprehensive statement of income are as follows:

	In Thousand Baht	
	Consolidated /Separate financial statements For the three-month periods ended September 30, 2019	For the nine-month periods ended September 30, 2019
<u>THE STATEMENTS OF</u>		
<u>COMPREHENSIVE INCOME</u>		
<u>Profit or loss</u>		
Sales and services income increase (decrease)	(976)	(824)
Cost of sales and services increase (decrease)	(370)	(390)
Profit for the period increase (decrease)	<u>(606)</u>	<u>(434)</u>
<u>Earnings per share</u>		
Basic earnings per share of the parent company increase	(0.001)	(0.001)
Weighted average number of common shares (Thousand share)	593,126	593,126

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	In Thousand Baht					
	Consolidated financial statements					
	For the three-month periods ended			For the nine-month periods ended		
	September 30, 2019			September 30, 2019		
	As previously reported	increase (decrease)	Restated	As previously reported	increase (decrease)	Restated
<u>THE STATEMENTS OF COMPREHENSIVE INCOME</u>						
<u>Profit or loss</u>						
Sales and services income	652,114	(976)	651,138	1,732,266	(824)	1,731,442
Cost of sales and services	496,771	(370)	496,401	1,298,783	(390)	1,298,393
Profit for the period	36,500	(606)	35,894	93,012	(434)	92,578
Profit for owner of the parent company	22,197	(606)	21,591	50,613	(434)	50,179
<u>Earnings per share</u>						
Basic earnings per share of the parent company	0.037	(0.001)	0.036	0.085	(0.001)	0.084
Weighted average number of common shares (Thousand share)	593,126	593,126	593,126	593,126	593,126	593,126

	In Thousand Baht					
	Separate financial statements					
	For the three-month periods ended			For the nine-month periods ended		
	September 30, 2019			September 30, 2019		
	As previously reported	increase (decrease)	Restated	As previously reported	increase (decrease)	Restated
<u>THE STATEMENTS OF COMPREHENSIVE INCOME</u>						
<u>Profit or loss</u>						
Sales and services income	390,384	(976)	389,408	956,818	(824)	955,994
Profit for the period	305,542	(370)	305,172	752,011	(390)	751,621
Profit for owner of the parent company	28,523	(606)	27,917	78,676	(434)	78,242

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	In Thousand Baht					
	Separate financial statements					
	For the three-month periods ended			For the nine-month periods ended		
	September 30, 2019			September 30, 2019		
As previously reported	increase (decrease)	Restated	As previously reported	increase (decrease)	Restated	
<u>Earnings per share</u>						
Basic earnings per share of the parent company	0.048	(0.001)	0.047	0.133	(0.001)	0.132
Weighted average number of common shares (Thousand share)	593,126	593,126	593,126	593,126	593,126	593,126

3.3 Financial reporting standards that became effective in the current period

During the period, the Group have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective is cancelled.

The Company has adopted TFRS related to financial instruments the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the interim financial statements.

TFRS 16 Leases

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

As at January 1, 2020, the Group had adopted TFRS 16, which the Group recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Group had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Group as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 5 to the interim financial statements.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

4. SIGNIFICANT ACCOUNTING POLICIES

The Group prepared the interim financial statements with the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

4.1 Financial assets and financial liabilities

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Group business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.

(2) Impairment of financial assets

The Group recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

4.2 Leases

At inception of a contract, the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Leased that have a lease term of 12 months or less from the commencement date and not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 3.3 to the interim financial statements, during the current period, the Group has impacts from the adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards are summarized below.

	In Thousand Baht			
	Consolidated financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Trade accounts receivable from sales and services - general companies	242,703	(381)	-	242,322
Other current assets	75,953	-	(10,555)	65,398
Non-current assets				
Other non-current financial assets	-	49,712	-	49,712
Investment-other companies	49,712	(49,712)	-	-
Right-of-use assets	-	-	215,037	215,037
Current liabilities				
Current portion of lease liabilities	253	-	15,537	15,790
Non-current liabilities				
Long-term loans from financial institutions	1,396,182	-	24,634	1,420,816
Lease liabilities	595	-	164,311	164,906
Unappropriated retained earnings	1,743,340	(381)	-	1,742,959

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	In Thousand Baht			
	Separate financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Trade accounts receivable from sales and services - general companies	120,478	(381)	-	120,097
Other current receivables - related companies	339,509	(3,470)	-	336,039
Non-current assets				
Other non-current financial assets	-	49,712	-	49,712
Investment-other companies	49,712	(49,712)	-	-
Right-of-use assets	-	-	8,431	8,431
Current liabilities				
Current portion of lease liabilities	-	-	1,592	1,592
Non-current liabilities				
Lease liabilities	-	-	6,839	6,839
Unappropriated retained earnings	1,191,109	(3,851)	-	1,187,258

Impairment of financial assets

Trade receivables and other current receivables

The loss allowance for trade receivables and other current receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables and other current receivables</u>		
As at December 31, 2019	3,129	2,233
Amounts restated through opening unappropriated retained earnings	381	3,851
Opening loss allowance as at January 1, 2020	<u>3,510</u>	<u>6,084</u>

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5.1 Leases

Upon initial application of TFRS 16 the Group recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Group recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	212,836	8,475
<u>Less</u> Short-term leases recognized on a straight-line basis as expenses	(222)	(195)
<u>Add</u> Purchase or extension options reasonably certain to be exercised	5,567	5,178
<u>Less</u> Contracts reassessed as service agreements	(8,069)	-
Difference from exchange rate	(5,600)	-
	<u>204,512</u>	<u>13,458</u>
<u>Less</u> : Deferred interest expenses	(24,664)	(5,027)
Additional lease liabilities from TFRS 16 adoption	179,848	8,431
Finance lease liabilities as at December 31, 2019	848	-
Lease liabilities recognized as at January 1, 2020	<u>180,696</u>	<u>8,431</u>
Of which are:		
Current lease liabilities	15,790	1,592
Non-current lease liabilities	<u>164,906</u>	<u>6,839</u>
	<u>180,696</u>	<u>8,431</u>

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The recognized right-of-use assets relate to the following types of assets:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Land	192,721	3,678
Building and building improvements	10,827	-
Machinery and equipment	1,858	-
Vehicles	9,631	4,753
Total right-of-use assets	215,037	8,431

6. RELATED PARTY TRANSACTIONS

During the period, the Company had significant business transactions with its subsidiaries (which have already been eliminated in the preparation of consolidated financial statements) and related companies (related by ways of common shareholders and/or common directors). These transactions follow the trade terms and rules agreed between the Company and those companies in the normal course of business.

Detail of relation between the Company and its related parties and companies are summarized as follows :

Name	Country of incorporation	Type of Business	Relationship
Sri Chareon International Co., Ltd.	Thailand	Distribution of office furniture, office furniture and industrial parts	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
Siam Okamura Steel Co., Ltd.	Thailand	Manufacturing of steel office furniture	Subsidiary company
Bangphra Green Energy Co., Ltd.	Thailand	Manufacturing and distribution of solar equipment and investment in solar energy plant project	Indirect subsidiary company
Siam International Biomass Co., Ltd.	Thailand	Manufacturing and distribution of fuel stick from waste biomass and other for use as fuel	Indirect subsidiary company

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<u>Name</u>	<u>Country of incorporation</u>	<u>Type of Business</u>	<u>Relationship</u>
Siam Biomass Product Co., Ltd.	Thailand	Purchase, manufacturing and distribution of fuel stick from waste biomass and other fuel for use as fuel	Indirect subsidiary company
Siam Forest Management Co., Ltd.	Thailand	Manufacturing and distribution of fuel stick from waste biomass and other for use as fuel	Indirect subsidiary company
Siam Biomass Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of renewable energy	Indirect subsidiary company
Rich Solar Energy Godo Kaisha Co., Ltd.	Japan	Manufacturing and distribution of solar energy	Indirect subsidiary company
Siam Steel Service Center Plc.	Thailand	Manufacturing and distribution of primary steel parts for various industries	Associated company
Siam Okamura International Co., Ltd.	Thailand	Distribution of office furniture and furniture used for public	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 SPT (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of electrical appliance and supplies for construction such as electric wire, pipe and downstream equipment	Co-director
Siam Chitose Co., Ltd.	Thailand	Manufacturing and distribution of furniture and furniture parts.	Co-director
Lucky-Kingdom Center (Nakornratchasima) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Lucky-Kingdom Center (Chiangmai) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Union Autoparts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of motorcycles and motorcycle parts.	Co-director
Hirokoh (Thailand) Co., Ltd.	Thailand	Distribution and rental of movable instant office, movable instant restroom	Co-shareholder

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As at September 30, 2020 and December 31, 2019 the account balances with related companies are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Trade accounts receivable from sales and services				
Subsidiary companies	-	-	1,886	2,006
Associated companies	6,248	51	95	51
Related companies	1,258	5,255	1,258	5,255
Total trade accounts receivable from sales and services - related companies	<u>7,506</u>	<u>5,306</u>	<u>3,239</u>	<u>7,312</u>
Other current receivables				
Subsidiary companies	-	-	249,499	337,907
Associated companies	314	1,602	314	1,602
Total other current receivables - related companies	314	1,602	249,813	339,509
Less Allowance for doubtful debts	-	-	(3,470)	-
Net	<u>314</u>	<u>1,602</u>	<u>246,343</u>	<u>339,509</u>
There is no interest charge for the above other current receivables				
Other current assets - investment in energy project				
Subsidiary companies	<u>-</u>	<u>-</u>	<u>47,510</u>	<u>47,510</u>
Short-term loans				
Subsidiary companies	<u>-</u>	<u>-</u>	<u>285,000</u>	<u>185,000</u>

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Movements in short-term loans to subsidiary companies for the nine-month period ended September 30, 2020 are as follows :

	In Thousand Baht			
	Separate financial statements			
	As at December 31, 2019	Increase	Decrease	As at September 30, 2020
Siam International Energy Co., Ltd.	185,000	100,000	-	285,000
Total short-term loans	185,000	100,000	-	285,000

As at September 30, 2020 and December 31, 2019, the subsidiary has issued promissory note to the company for Baht 285.00 million and Baht 185.00 million, respectively. The repayment is between May 17, 2021 - June 30, 2021 and during May 17, 2020, respectively. The interest rate is 1.50 - 7.45% per annum and 7.8% per annum, respectively.

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Short term loans - related companies	86,950	53,500	-	-

Movements in short term loans of the indirect subsidiary companies for the nine-month period ended September 30, 2020 are as follows :

	In Thousand Baht			
	Consolidated financial statements			
	As at December 31, 2019	Increase	Decrease	As at September 30, 2020
Short term loans - related companies	53,500	49,450	(16,000)	86,950

As at September 30, 2020 and December 31, 2019, the indirect subsidiary received short-term loan from the related company in the amount of Baht 86.95 million and Baht 53.50 million, respectively. The repayment period is during January 14, 2021 - September 8, 2021 and January 20, 2020 - September 11, 2020, respectively. The interest rate is 1.00 - 2.50% per annum and 1.48 - 2.50% per annum, respectively.

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	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Trade and other current payables				
- related companies				
Accounts payables				
Subsidiary companies	-	-	6,066	-
Associated companies	919	21,482	905	11,185
Related companies	5,556	12,796	4,947	4,842
Total account payable				
- related companies	6,475	34,278	11,918	16,027
Advances from				
Subsidiary companies	-	-	66,869	65,060
Associated companies	-	60	-	60
Related companies	3,352	2,812	613	1,855
Total advances - related companies	3,352	2,872	67,482	66,975
Advances and deposits from customers				
Subsidiary companies	-	-	85	85
Associated companies	689	1,793	689	1,793
Related companies	4,046	4,046	4,046	4,046
Total advances and deposits from customers - related companies	4,735	5,839	4,820	5,924
Total trade and other current payables - related companies	14,562	42,989	84,220	88,926
Lease liabilities				
Related companies	6,140	-	6,140	-
Key management personnel compensation				
Accrued bonus	-	1,587	-	1,564
Post - employment benefits	14,813	15,362	14,668	15,268
Total key management personnel compensation	14,813	16,949	14,668	16,832

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The significant transactions with related companies for the three-month and nine-month periods ended September 30, 2020 and 2019 have pricing policy as follows :

	<u>The Policy of Pricing</u>
Sales and services	Cost plus margin or agreed price
Revenues from sales of raw materials, factory supplies and others	Cost plus margin
Rental revenue	Agreed price
Interest income	Agreed rate
Dividend income	As announced
Purchases of finished goods	Agreed price
Purchases of raw materials	Cost plus margin or agreed price
Purchases of assets	Agreed price
Administrative and other expenses	Cost plus margin or agreed price
Financial cost	Agreed rate

	<u>In Thousand Baht</u>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month periods ended</u>		<u>For the three-month periods ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales and services income				
Subsidiary companies	-	-	2,277	3,606
Associated companies	21,530	551	112	8
Related companies	2,859	6,881	2,859	6,881
	<u>24,389</u>	<u>7,432</u>	<u>5,248</u>	<u>10,495</u>
Revenues from sales of raw materials, factory supplies and others				
Subsidiary companies	-	-	1,900	9,997
Associated companies	590	1,378	590	1,377
Related companies	2,870	3,278	2,870	3,242
	<u>3,460</u>	<u>4,656</u>	<u>5,360</u>	<u>14,616</u>
Rental revenue				
Subsidiary companies	-	-	91	93
Associated companies	1,033	2,690	1,033	2,689
Related companies	4,046	3,877	4,046	3,877
	<u>5,079</u>	<u>6,567</u>	<u>5,170</u>	<u>6,659</u>

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Interest income				
Subsidiary companies	-	-	3,852	3,858
	-	-	3,852	3,858
Dividend income				
Related companies	5,477	-	5,477	-
	5,477	-	5,477	-
Purchases of finished goods				
Subsidiary companies	-	-	6,294	123
Associated companies	-	35,740	-	4,500
Related companies	5,277	12,355	6,721	1,537
	5,277	48,095	13,015	6,160
Purchases of raw materials				
Associated companies	862	2,850	847	2,850
Related companies	3,906	1,477	3,357	1,477
	4,768	4,327	4,204	4,327
Purchases of assets				
Related companies	134	2,500	134	2,500
	134	2,500	134	2,500
Administrative and other expenses				
Subsidiary companies	-	-	1	45
Associated companies	-	6,454	-	15
Related companies	3,709	2,572	2,098	2,398
	3,709	9,026	2,099	2,458
Finance costs				
Related companies	506	754	-	-
	506	754	-	-

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Sales and services income				
Subsidiary companies	-	-	9,979	12,896
Associated companies	87,253	622	1,811	70
Related companies	3,326	26,648	3,326	26,648
	<u>90,579</u>	<u>27,270</u>	<u>15,116</u>	<u>39,614</u>
Revenues from sales of raw materials, factory supplies and others				
Subsidiary companies	-	-	4,716	12,538
Associated companies	3,402	4,883	2,724	4,178
Related companies	8,694	12,534	8,694	12,498
	<u>12,096</u>	<u>17,417</u>	<u>16,134</u>	<u>29,214</u>
Rental revenue				
Subsidiary companies	-	-	2,962	3,590
Associated companies	2,619	4,483	2,619	4,482
Related companies	12,138	11,631	12,138	11,631
	<u>14,757</u>	<u>16,114</u>	<u>17,719</u>	<u>19,703</u>
Interest income				
Subsidiary companies	-	-	10,969	11,278
	<u>-</u>	<u>-</u>	<u>10,969</u>	<u>11,278</u>
Dividend income				
Subsidiary companies	-	-	34,575	3,672
Associated companies	-	-	28,638	24,033
Related companies	15,534	17,339	15,534	17,339
	<u>15,534</u>	<u>17,339</u>	<u>78,747</u>	<u>45,044</u>
Purchases of finished goods				
Subsidiary companies	-	-	15,064	170
Associated companies	10,083	126,447	1,395	16,266
Related companies	9,974	24,634	7,606	2,807
	<u>20,057</u>	<u>151,081</u>	<u>24,065</u>	<u>19,243</u>
Purchases of raw materials				
Subsidiary companies	-	-	8,604	-
Associated companies	7,989	3,711	7,967	3,711
Related companies	6,929	4,361	5,533	4,361
	<u>14,918</u>	<u>8,072</u>	<u>22,104</u>	<u>8,072</u>

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Purchases of assets				
Associated companies	-	800	-	800
Related companies	2,136	2,506	2,136	2,506
	<u>2,136</u>	<u>3,306</u>	<u>2,136</u>	<u>3,306</u>
Administrative and other expenses				
Subsidiary companies	-	-	2	135
Associated companies	2,202	15,307	-	18
Related companies	11,083	8,826	7,046	8,902
	<u>13,285</u>	<u>24,133</u>	<u>7,048</u>	<u>9,055</u>
Finance costs				
Related companies	1,501	1,586	-	-
	<u>1,501</u>	<u>1,586</u>	<u>-</u>	<u>-</u>

Management benefit expenses

Management benefit expenses represent the benefits paid to the Group’s management such as salaries and related benefit including the benefit paid by other means. The Group’s management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the three-month and nine-month periods ended September 30, 2020 and 2019, are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Management				
Management benefit expenses				
Short-term employee benefits	5,593	5,599	5,204	5,178
Post-employment benefits	195	194	178	190
Total	<u>5,788</u>	<u>5,793</u>	<u>5,382</u>	<u>5,368</u>

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	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Management				
Management benefit expenses				
Short-term employee benefits	16,242	16,104	15,075	14,641
Post-employment benefits	626	584	575	571
Total	16,868	16,688	15,650	15,212

7. TRADE ACCOUNTS RECEIVABLE FROM SALES AND SERVICES

As at September 30, 2020 and December 31, 2019, the aged analysis of trade accounts receivable from sales and services are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<u>Trade accounts receivable - general companies</u>				
Current	135,216	172,968	117,810	112,574
Overdue :				
Less than 3 months	19,075	59,284	2,213	4,085
3 months - 6 months	482	5,410	482	23
6 months - 12 months	1,048	611	-	423
Over 12 months	2,491	4,139	2,491	2,186
Total	158,312	242,412	122,996	119,291
<u>Less Allowance for doubtful debts</u>	(3,047)	(3,129)	(3,047)	(2,233)
Net	155,265	239,283	119,949	117,058
Accrued income	5,213	3,420	5,213	3,420
Total	160,478	242,703	125,162	120,478

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<u>Trade accounts receivable - related companies</u>				
Current	7,489	5,263	2,317	5,985
Overdue :				
Less than 3 months	17	43	198	706
3 months - 6 months	-	-	31	20
Total	7,506	5,306	2,546	6,711
Accrued income	-	-	693	601
Total	7,506	5,306	3,239	7,312

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Trade accounts receivable from construction work				
<u>Trade accounts receivable - general companies</u>				
Current	-	23,940	-	23,940
Total	-	23,940	-	23,940

During the period, the Group had the movements in allowance for trade receivables are as follows :

	In Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Beginning as at January 1, 2020	3,129	2,233
Effect from adoption of group financial instruments	381	381
<u>Add</u> Additional allowances	433	433
<u>Less</u> Decrease from the loss of control in subsidiary	(896)	-
Ending as at September 30, 2020	3,047	3,047

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8. INVENTORIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Finished goods	132,250	149,052	72,576	95,676
Work in process	39,020	35,608	26,919	35,608
Raw materials and supplies	99,369	60,292	49,985	58,363
Total	270,639	244,952	149,480	189,647
<u>Less</u> Allowance for decline in value, slow-moving and defective inventories	(21,495)	(25,313)	(21,354)	(19,427)
Net	249,144	219,639	128,126	170,220

During the period, the Group had the movement in allowance for decline in value, slow-moving and defective inventories for the nine-month period September 30, 2020 are as follows :

	In Thousand Baht	
	Consolidated financial	Separate financial
	statements	statements
Beginning as at January 1, 2020	25,313	19,427
<u>Add</u> : Additional allowances	1,927	1,927
<u>Less</u> : Decrease	(135)	-
<u>Add</u> : Net asset from the business acquisition	136	-
<u>Less</u> : Decrease from loss of control in subsidiary	(5,746)	-
Ending as at September 30, 2020	21,495	21,354

9. OTHER CURRENT FINANCIAL ASSETS

As at September 30, 2020 details of other current financial assets are as follows :

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Fixed deposits with maturity over 3 months	5,000	-
Fixed deposits with maturity over 7 months	5,000	5,000
Total other current financial assets	10,000	5,000

As at September 30, 2020, the Group have fixed deposits 3 month and fixed deposits 7 month, bear interest at 1.00% and 0.625% per annum.

10. RESTRICTED DEPOSITS WITH BANK

As at September 30, 2020 and December 31, 2019, the Company has fixed deposits totaling Baht 6.45 million and Baht 4.91 million, respectively, which are restricted for usage as they have been placed as collaterals for long-term loan from financial institutions, insurance of guarantee letter and credit card limit (Note 17).

As at September 30, 2020 and December 31, 2019, the subsidiaries company have fixed deposits totaling Baht 0.09 million and Baht 0.12 million, respectively, which are restricted for usage as they have been placed as collaterals for bank guarantees in respect of certain agreements required in the normal course of business of the subsidiaries company.

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11. OTHER NON-CURRENT FINANCIAL ASSETS

As at September 30, 2020 and January 1, 2020, details of other non-current financial assets are as follows :

		In Thousand Baht							
		Consolidated / Separate financial statements							
		Paid-up share capital		Percentage of shareholding (%)		Cost method		Dividend income	
		As at September 30, 2020	As at January 1, 2020	As at September 30, 2020	As at January 1, 2020	As at September 30, 2020	As at January 1, 2020	As at September 30, 2020	As at September 30, 2019
								(For the nine-month)	(For the nine-month)
Type of business									
<u>Other investment</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	15,534	15,434
Panasonic SPT (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	-	1,905
Total other non-current financial assets						<u>49,712</u>	<u>49,712</u>	<u>15,534</u>	<u>17,339</u>

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12. INVESTMENTS IN SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

12.1 As at September 30, 2020 and December 31, 2019, the balances of investments in subsidiaries, associated companies and related companies are as follows :

		In Thousand Baht									
		Consolidated financial statements									
		Paid-up share capital		Percentage of shareholding (%)		Cost method		Equity method		Dividend income	
		As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
		September	December	September	December	September	December	September	December	September	September
		30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	30, 2019
										(For the nine -	(For the nine -
										month)	month)
Type of business											
<u>Investments</u>											
<u>Associated companies - equity method</u>											
Siam Okamura Steel Co., Ltd.	Manufacturing of steel office furniture	-	88,000	-	40	-	35,199	-	104,421	-	-
Siam Steel Service Center Public Co., Ltd.	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	658,653	673,335	24,033	24,033
Siam Okamura International Co., Ltd.	Distribution of office furniture and furniture used for public	20,000	-	49	-	9,799	-	146,022	-	4,605	-
						<u>137,227</u>	<u>162,627</u>	804,675	777,756	28,638	24,033
<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	5,013	4,996	-	-
Total investments in associated companies - equity method								<u>809,688</u>	<u>782,752</u>	<u>28,638</u>	<u>24,033</u>
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	-	199,150	-	5	-	38,052	-	-	-	15,434
Panasonic SPT (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	-	170,000	-	5	-	11,660	-	-	-	1,905
Total investment in related companies						<u>-</u>	<u>49,712</u>			<u>-</u>	<u>17,339</u>

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		In Thousand Baht							
		Separate financial statements							
		Paid-up share capital		Percentage of shareholding (%)		Cost method		Dividend income	
		As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020 (For the nine-month)	As at September 30, 2019 (For the nine - month)
Type of business									
Investments accounted by cost method									
Subsidiary companies									
Sri Chareon International Co., Ltd.	Distribution of steel office furniture and furniture parts	14,000	14,000	99.99	99.99	14,000	14,000	-	-
Siam Okamura International Co., Ltd.	Distribution of office furniture and furniture used for public	-	20,000	-	51	-	10,199	33,148	3,672
Siam Steel OC Co., Ltd.	Distribution of equipment, office furniture and industrial parts	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	-	-
Siam Okamura Steel Co., Ltd.	Manufacturing of steel office furniture	88,000	-	51	-	69,165	-	1,427	-
Total investment in subsidiary companies						253,365	194,399	34,575	3,672
<u>Less</u> Allowance for impairment of investment						(8,192)	(8,192)	-	-
Net						245,173	186,207	34,575	3,672
Associated companies									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel office furniture	-	88,000	-	40	-	35,199	-	-
Siam Steel Service Center Public Co., Ltd.	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	24,033	24,033
Siam Okamura International Co., Ltd.	Distribution of office furniture and furniture used for public	20,000	-	49	-	9,799	-	4,605	-
Total investment in associated companies						137,227	162,627	28,638	24,033
Related companies									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	-	199,150	-	5	-	38,052	-	15,434
Panasonic SPT (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	-	170,000	-	5	-	11,660	-	1,905
Total investments in related companies						-	49,712	-	17,339
Total dividend income from investments accounted by cost method								63,213	45,044

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- 12.2 As at September 30, 2020 and December 31, 2019, the fair value of the investment in Siam Steel Service Center Public Company Limited, which is listed on the Stock Exchange of Thailand, amounted to Baht 286.94 million (closing price Baht 1.97 per share, 145,656,000 common shares) and Baht 300.05 million (closing price Baht 2.06 per share, 145,656,000 common shares), respectively. For other investments in associates are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.
- 12.3 Movements in investments in associated companies for the nine-month period ended September 30, 2020 are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Book value - beginning as at January 1, 2020	782,752	162,627
<u>Add</u> Loss of control in the subsidiary	152,939	9,799
<u>Less</u> Purchase of investments in an associate with status change to subsidiary	(106,217)	(35,199)
<u>Add</u> Share of income of investment - equity method	8,852	-
<u>Less</u> Dividend income	(28,638)	-
Book value - net as at September 30, 2020	<u>809,688</u>	<u>137,227</u>

- 12.4 Change of the subsidiary and associate companies during the period 2020.

Siam Okamura International Company Limited

The Company has sold the investment in Siam Okamura International Company Limited of 4,000 shares at the selling price Baht 1,560.715 per share, totaling Baht 6.24 million. The investment has cost per book value in the amount of Baht 0.40 million. The Company has gain from sale of investment in the subsidiary in the amount of Baht 5.84 million as shown in the separate statement of comprehensive income under “Gain on sale of investment in the subsidiary company”. The Company records the resulting difference that arises from the loss of control in the subsidiary as profit (loss) for the period in the consolidated financial statements that are presented as follows:

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	<u>In Thousand Baht</u>
The fair value of the consideration received	6,243
The fair value of the retained investment (49%)	152,939
The carrying amount of non-controlling interests	159,521
<u>(Less) Net assets in the subsidiary that are derecognized</u>	<u>(326,213)</u>
Loss from the loss of control in the subsidiary	<u>(7,510)</u>
Consisted of	
- Loss on sales of investment in subsidiary	(294)
- Loss from revalued of invesment	(7,216)
	<u>(7,510)</u>

Siam Okamura Steel Company Limited

On January 31, 2020, the Company has acquired 11% additional shares of Siam Okamura Steel Company Limited from the original shareholders which the Company formerly held 40% of the shares. As a result, the total shareholding is 51% of the total sold shares of such company. The objective of investment is implementation of the Company’s asset rotation for Baht 33.97 million. After the share transfer, such company will change from the associate to the subsidiary and it has been included in the consolidated financial statements preparation from January 31, 2020, onwards.

The value of acquired assets and the liabilities received from the shares of Siam Okamura Steel Company Limited as at January 31, 2020, which is the closest date to the business acquisition date, consisted of the following transactions:

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Information as at January 31, 2020.

	<u>In Thousand Baht</u>
<u>Assets</u>	
Cash and cash equivalents	53,815
Trade and other current receivables	33,077
Inventory	130,353
Other current assets	4,465
Property, plant and equipment	180,118
Right-of-use assets	1,721
Other non-current asset	2,343
Deferred tax assets	3,465
<u>Liabilities</u>	
Short-term loans from financial institutions	40,000
Trade and other current payable	49,673
Lease liabilities	1,726
Non - current provisions for employee benefit	17,321
Net assets acquired	300,637
<u>(Less)</u> non-controlling interest 49%	(147,312)
Net assets from the additional purchase	153,325
<u>(Less)</u> Return in the additional purchase 11%	(33,965)
Fair value of the subsidiary’s shares - previously held 40%	(120,255)
Goodwill	(895)
Fair value of shares of subsidiary previously held	120,255
<u>(Less)</u> Investment value under the equity method as at January 31, 2020	(106,188)
Gain from revalued of investment	14,067
Return from the purchase	33,965
<u>(Less)</u> cash and cash equivalents of the acquired company	(53,814)
Cash inflow on acquisition of investment, net of cash and cash equivalents acquired	(19,849)

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Presently the Company is currently in the process of valuation of the fair value of the assets acquired and liabilities received as at the acquisition date. This valuation is currently in the process of being prepared, which will be completed within the period of 12 months from the date of acquisition as stipulated in the financial reporting standards No. 3 : Business Combinations. During this valuation period, the Company will retrospectively adjust the estimate previously recognized as at the acquisition date to reflect the additional information obtained regarding the facts and circumstances prevailing as at the acquisition date.

13. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the nine-month period ended September 30, 2020 are as follow :

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>At cost</u>		
December 31, 2019	4,365,344	2,303,185
Acquisitions	122,227	100,101
Net asset from the business acquisition	947,897	-
Disposals	(58,319)	(187)
Decrease from the loss of control in subsidiary	(58,304)	-
Transfer in (out)	-	-
September 30, 2020	<u>5,318,845</u>	<u>2,403,099</u>
<u>Accumulated depreciation</u>		
December 31, 2019	1,571,795	1,413,086
Depreciation for the period	121,579	19,560
Net asset from the business acquisition	767,779	-
Depreciation for disposals	(7,165)	(187)
Decrease from the loss of control in subsidiary	(40,423)	-
Transfer in (out)	-	-
September 30, 2020	<u>2,413,565</u>	<u>1,432,459</u>

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	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>Exchange differences from translation of foreign operation</u>	123,099	-
<u>Allowance for declining value</u>		
December 31, 2019	6,517	6,517
September 30, 2020	6,517	6,517
<u>Net book value</u>		
December 31, 2019	2,787,032	883,582
September 30, 2020	3,021,862	964,123

As at September 30, 2020 and December 31, 2019, the indirect subsidiary has pledged land and machines that are currently and will increase in the future as collaterals for loan from banks (Note 17).

14. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the nine-month period ended September 30, 2020 are summarized below.

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at December 31, 2019	-	-
Effects of the adoption of TFRS 16	215,037	8,431
As at January 1, 2020	215,037	8,431
Increase during period	6,724	6,649
Net asset from the business acquisition	1,721	-
Depreciation for the period	(11,582)	(1,929)
Decrease from the loss of control in subsidiary	(15,028)	-
Translation adjustment	16,279	-
Net book value as at September 30, 2020	213,151	13,151

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15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

15.1 Deferred tax assets and deferred tax liabilities are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Deferred tax assets	25,299	30,471	21,174	22,514
Deferred tax liabilities	(19,059)	(18,629)	(19,059)	(18,629)
	<u>6,240</u>	<u>11,842</u>	<u>2,115</u>	<u>3,885</u>

15.2 Changes in deferred tax assets and deferred tax liabilities for the nine-month period ended September 30, 2020 are summarized as follows :

	In Thousand Baht					
	Consolidated financial statements					
	Balance as at	Net asset	Decrease from	Recognized as income (expense)	Balance as at	
December	from the	the loss of	Profit/ (Loss)	Other	September	
31, 2019	business	control in		comprehensive	30, 2020	
	acquisition	subsidiary		income		
Deferred tax assets						
Allowance for doubtful accounts of trade						
accounts receivable from sales and service	3,396	-	(483)	46	-	2,959
Allowance for decline value in inventories	5,038	-	(1,149)	382	-	4,271
Provisions for employee benefit	11,609	3,464	(848)	(1,942)	-	12,283
Exchange differences on translating	5,411	-	-	-	(4,920)	491
Consignment	869	-	-	168	-	1,037
Allowance for decline in value of investment in						
the energy project	4,148	-	-	-	-	4,148
Right-of-use assets	-	1	(1)	110	-	110
Total	<u>30,471</u>	<u>3,465</u>	<u>(2,481)</u>	<u>(1,236)</u>	<u>(4,920)</u>	<u>25,299</u>
Deferred tax liabilities						
The difference of depreciation of fixed assets						
between accounting base and tax base	18,629	-	-	(430)	-	19,059
Total	<u>18,629</u>	<u>-</u>	<u>-</u>	<u>(430)</u>	<u>-</u>	<u>19,059</u>
	<u>11,842</u>	<u>3,465</u>	<u>(2,481)</u>	<u>(1,666)</u>	<u>(4,920)</u>	<u>6,240</u>

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	In Thousand Baht			
	Separate financial statements			
	Balance as at	Recognized as income (expense)		Balance as at
	December	Profit/ (Loss)	Other	September
31, 2019		comprehensive	30, 2020	
		income		
Deferred tax assets:				
Allowance for doubtful accounts of trade accounts receivable from sales and service	2,844	115	-	2,959
Allowance for decline value in inventories	3,886	385	-	4,271
Provisions for employee benefit	10,767	(2,112)	-	8,655
Consignment	869	168	-	1,037
Allowance for decline in value of investment in the energy project	4,148	-	-	4,148
Right-of-use assets	-	104	-	104
Total	22,514	(1,340)	-	21,174
Deferred tax liabilities				
The difference of depreciation of fixed assets between accounting base and tax base	18,629	(430)	-	19,059
Total	18,629	(430)	-	19,059
	3,885	(1,770)	-	2,115

As at September 30, 2020 and December 31, 2019, the Group has accumulated tax losses since 2015 unused in the amount of Baht 429.82 million and amount Bath 456.59 million, respectively (Separate financial statement Bath 177.31 million and Bath 264.58 million, respectively) with the Group didn't record deferred tax asset from tax loss as it is still uncertain if the Group will have tax profit adequate for utilizing the deferred tax asset.

16. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Trust receipts	21,506	-	21,506	-
Promissory note	40,000	-	-	-
Total short-term loans from financial institutions	61,506	-	21,506	-

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17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at September 30, 2020 and December 31, 2019, the Company and an indirect subsidiary company has long-term loans from financial institutions as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Long-term loans from financial institutions				
beginning period	1,862,334	1,926,559	202,475	212,860
Additional long-term loan from financial institution	-	102,133	-	-
Repayment during the year	(80,188)	(166,358)	(33,836)	(10,385)
Net	1,782,146	1,862,334	168,639	202,475
Deferred finance costs	(48,050)	(71,717)	-	-
Translation adjustment	(6,841)	(133,485)	-	-
Total	1,727,255	1,657,132	168,639	202,475
<u>Less</u> Current portion	(243,891)	(260,950)	(160,010)	(189,508)
Long-term loans from financial Institutions	<u>1,483,364</u>	<u>1,396,182</u>	<u>8,629</u>	<u>12,967</u>

As at September 30, 2020 and December 31, 2019, the Company had long-term loans from financial institutions amount of Baht 168.64 million and amount Baht 202.48 million, respectively, with interest at a rate of MLR - 0.5% per annum which are collateralized by the pledge of 112,702,000 shares of an associated company. In addition, the Company has to deposit dividends received from such shares into a bank account accumulatively until it reaches Baht 10 million as additional 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.

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As at September 30, 2020 and December 31, 2019, an indirect subsidiaries company has entered into long-term loans from financial institutions which have details as below:

	Credit Line	Interest rate	Repayment
Senior loan A	Yen 1,120 million	TIBOR + 0.425% per annum	First repayment date is June 30, 2019 and final
Senior loan B	Yen 4,480 million	1.250% per annum	repayment date is June 30, 2037. Repayment date is June 30 and December 31 each year.
Consumption tax loan	Yen 340 million	TIBOR + 0.400% per annum	Refund of consumption tax
Loan to expend modulation capacity	Baht 180 million	Prime Rate -1% per annum	First repayment date is November 30, 2020

In addition, the indirect subsidiary company has to maintain financial ratios as determined in the loan agreement. These loans are to finance the construction of a power plant project and repay capital to the investors.

18. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the nine-month period ended September 30, 2020 are presented below.

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2019	848	-
Effects of the adoption of TFRS16	179,848	8,431
As at January 1, 2020	180,696	8,431
Addition	14,884	6,649
Acquisition	1,726	-
Accretion of interest	2,270	449
Payments	(4,828)	(2,051)
Decrease from the loss of control in subsidiary	(15,035)	-
Translation adjustment	13,378	-
As at September 30, 2020	193,091	13,478
<u>Less Current portion</u>	<u>(16,546)</u>	<u>(3,789)</u>
Lease liabilities - net of current portion	<u>176,545</u>	<u>9,689</u>

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The following are the amounts recognized in profit or loss :

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	11,107	1,929
Interest expense on lease liabilities	2,215	449
Expense relating to short-term lease	105	105
Leases of low-value assets	820	789
Total	14,247	3,272

19. DIVIDEND

Details of the Company’s dividends declaration and payments for the nine-month period ended September 30, 2020 is as follows :

	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)	Paid date
Annual dividend	Annual General Meeting of the shareholders held on July 10, 2020	593,125,849	0.05	29,656	August 4, 2020

Details of the subsidiary’s dividends declaration and payments for the nine-month period ended September 30, 2020 are as follows :

2020	Approved by	Qualified common share (Shares)	Dividend pers hare (Baht)	Dividend paid (In Thousand Baht)			Paid date
				Portion of the Company	Portion of non- controlling interest	Total	
<u>Siam Okamura International Co., Ltd.</u>							
Interim dividend	Extraordinary General Meeting of the shareholders No.1 held on January 30, 2020	200,000	325	33,148	31,852	65,000	January 30, 2020
<u>Siam Okamura Steel Co., Ltd.</u>							
Annual dividend	Annual General Meeting of the shareholders held on March 31, 2020	880,000	3.18	1,427	1,372	2,799	April 30, 2020
Total				34,575	33,224	67,799	

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20. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht									
	Consolidated financial statements									
	For the three-month periods ended September 30,									
	2020					2019 (Restated)				
	Furniture	Revenue of construction work	Energy	Eliminated	Total	Furniture	Revenue of construction work	Energy	Eliminated	Total
Revenues from sales and service	377,489	-	52,602	(8,572)	421,519	554,066	-	100,678	(3,606)	651,138
Revenues from construction work	-	9,518	-	-	9,518	-	20,779	-	-	20,779
Total revenues	<u>377,489</u>	<u>9,518</u>	<u>52,602</u>	<u>(8,572)</u>	<u>431,037</u>	<u>554,066</u>	<u>20,779</u>	<u>100,678</u>	<u>(3,606)</u>	<u>671,917</u>
Costs of sales and services	(297,066)	-	(22,924)	8,712	(311,278)	(430,192)	-	(70,119)	3,910	(496,401)
Costs of construction work	-	(8,562)	-	-	(8,562)	-	(18,642)	-	-	(18,642)
Total cost	<u>(297,066)</u>	<u>(8,562)</u>	<u>(22,924)</u>	<u>8,712</u>	<u>(319,840)</u>	<u>(430,192)</u>	<u>(18,642)</u>	<u>(70,119)</u>	<u>3,910</u>	<u>(515,043)</u>
Total gross profit	<u>80,423</u>	<u>956</u>	<u>29,678</u>	<u>140</u>	<u>111,197</u>	<u>123,874</u>	<u>2,137</u>	<u>30,559</u>	<u>304</u>	<u>156,874</u>
Depreciation					(46,768)					(30,195)
Finance cost					(9,826)					(11,138)
Profit (loss) before income tax					(58,077)					38,399

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	In Thousand Baht									
	Consolidated financial statements									
	For the nine-month periods ended September 30,									
	2020					2019 (Restated)				
	Furniture	Revenue of construction work	Energy	Eliminated	Total	Furniture	Revenue of construction work	Energy	Eliminated	Total
Revenues from sales and service	1,194,992	-	215,689	(33,647)	1,377,034	1,473,230	-	271,147	(12,935)	1,731,442
Revenues from construction work	-	70,684	-	-	70,684	-	38,130	-	-	38,130
Total revenues	<u>1,194,992</u>	<u>70,684</u>	<u>215,689</u>	<u>(33,647)</u>	<u>1,447,718</u>	<u>1,473,230</u>	<u>38,130</u>	<u>271,147</u>	<u>(12,935)</u>	<u>1,769,572</u>
Costs of sales and services	(949,907)	-	(100,336)	34,255	(1,015,988)	(1,146,793)	-	(165,217)	13,617	(1,298,393)
Costs of construction work	-	(53,950)	-	-	(53,950)	-	(32,430)	-	-	(32,430)
Total cost	<u>(949,907)</u>	<u>(53,950)</u>	<u>(100,336)</u>	<u>34,255</u>	<u>(1,069,938)</u>	<u>(1,146,793)</u>	<u>(32,430)</u>	<u>(165,217)</u>	<u>13,617</u>	<u>(1,330,823)</u>
Total gross profit	<u>245,085</u>	<u>16,734</u>	<u>115,353</u>	<u>608</u>	<u>377,780</u>	<u>326,437</u>	<u>5,700</u>	<u>105,930</u>	<u>682</u>	<u>438,749</u>
Depreciation					(134,570)					(89,352)
Finance cost					(30,625)					(30,185)
Profit (loss) before income tax					(13,260)					98,797
Property, plant and equipment					3,021,862					2,786,458
Other assets					2,392,682					2,574,053
Total assets as at September 30,					<u>5,414,544</u>					<u>5,360,511</u>
Total liabilities as at September 30,					<u>2,661,544</u>					<u>2,477,015</u>

21. SIGNIFICANT AGREEMENT

The indirect subsidiary company has entered into the Technical Service Agreement for Torrefaction Biomass Pellet with 2 parties and the Company. This agreement has the objective for research and development of Torrefaction biomass pellet with FSC certificate. It is operated by the indirect subsidiary company. The monthly fee for service shall be calculated according to the actual cost, which the indirect subsidiary company took to provide service in the month. The Company and the third party has to make payment for one - third of the actual cost for each company. Moreover, the indirect subsidiary company called for investment from 3 companies equally. Such agreement has ended on December 22, 2019.

For consideration of the operation plan in the next step, it has been slowed down as the spread of COVID-19 throughout Thailand and Japan caused an obstacle in the communication and travel. However, if the situation of COVID-19 is resolved, the Company and contract partner will consider and act as appropriate.

22. BANK GUARANTEE AND CONTINGENT LIABILITIES

As at September 30, 2020, the Company has outstanding guarantees of approximately Baht 165.79 million which were issued by certain local banks as required in the normal course of business of the Company.

As at September 30, 2020, the subsidiary companies have outstanding guarantees of approximately Baht 3.16 million which were issued by certain local banks as required in the normal course of business of the subsidiary company.

23. COMMITMENT

23.1 As at September 30, 2020, the Group has various operating lease agreement covering its warehouse, vehicles, computer and service for a period of 1-3 years. Under the terms of these agreements, the Group is committed to pay the rental as follows :

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Within 1 year	1,233	993
Within 2 years - 5 years	1,045	1,045

As at September 30, 2020, the Group had no commitments under the related service lease agreement from the adoption of TFRS 16 as at January 1, 2020. The Group recognized right-of-use assets for the lease agreement and liabilities under the related service lease agreement previously classified as operating lease by the present value of payments under the remaining lease agreement discounted by the additional loan interest rate as described in Note 5.1

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23.2 As September 30, 2020, the Company and an indirect subsidiary company have obligation under a loan agreement amount of Baht 180.00 million with a bank for construction of factory and purchase of machinery.

24. DISCLOSURE OF FINANCIAL INSTRUMENTS

FOREIGN EXCHANGE RISK

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

As at September 30, 2020, the balances of financial assets and liabilities denominated in foreign currencies are as follows :

<u>Foreign currency</u>	<u>Financial assets (Thousand)</u>	<u>Financial liabilities (Thousand)</u>	<u>Average exchange rate as at September 30, 2020 (Baht per 1 foreign currency unit)</u>
USD	259	1,398	31.6579
JPY	5,739	1,061	0.2999
CNY	-	329	4.7228

25. RECLASSIFICATION

Certain amounts in the financial statement for the year ended December 31, 2019 have been reclassified to the current period classification with no effect to the previously reported profit for the period or shareholder’s equity.

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Increase of reclassification (decrease)	After reclassification	Before reclassification	Increase of reclassification (decrease)	After reclassification
The statements of financial position						
Other current receivables						
- general companies	-	29,463	29,463	-	-	-
- related companies	-	1,602	1,602	-	339,509	339,509
Receivables from and advances to						
- general customer	29,463	(29,463)	-	-	-	-
- related companies	1,602	(1,602)	-	339,509	(339,509)	-
Current contract assets	-	19,077	19,077	-	19,077	19,077
Unbilled accrued income - general customers	19,077	(19,077)	-	19,077	(19,077)	-
Trade and other non-current receivables	-	53,868	53,868	-	47,534	47,534
Retentions receivable	25,176	(25,176)	-	25,176	(25,176)	-
Advance for purchase of assets	1,517	(1,517)	-	1,517	(1,517)	-
Income tax withheld at sources	27,175	(27,175)	-	20,841	(20,841)	-

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	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Increase of reclassification (decrease)	After reclassification	Before reclassification	Increase of reclassification (decrease)	After reclassification
The statements of financial position (Cont.)						
Trade and other current payables						
- related companies	-	42,989	42,989	-	88,926	88,926
Other current payable - general companies	-	127,651	127,651	-	125,905	125,905
Payables to and advances from						
- related companies	37,150	(37,150)	-	83,002	(83,002)	-
Advances and deposits from customers						
- general costumers	127,651	(127,651)	-	125,905	(125,905)	-
- related companies	5,839	(5,839)	-	5,924	(5,924)	-
Current provisions for employee benefits	-	19,655	19,655	-	19,439	19,439
Current portion of liabilities under employee						
benefits obligation	19,655	(19,655)	-	19,439	(19,439)	-
Non-current provisions for employee benefit	-	38,991	38,991	-	34,397	34,397
Employee benefits obligations	38,991	(38,991)	-	34,397	(34,397)	-

26. IMPACT FROM FIRE INCIDENT

In August 2020, Siam Biomass Manufacturing Co., Ltd., an indirect subsidiary of the Company, had a fire incident in the area of some production plants. Such indirect subsidiary had property risk insurance to protect the buildings and machines from fire incident, which will compensate for the damage incurred and it was in the process of claim approval of the insurance company. However, from the outcome of the negotiation with the insurance company, the Company believes that it will receive adequate compensation for the damage. The Company will recognize the compensation received from the insurance company only when receiving the compensation approval results from the insurance company.

In this quarter, the Company had recorded an estimate of the loss due to fire incident under other expenses in the consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2020 in the amount of Baht 51.15 million. When receiving the compensation approval results from the insurance company, the Company will record as compensation income from fire insurance.

27. CORONAVIRUS DISEASE 2019 PANDEMIC

Since January 2020, the Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve worldwide and has spread to Thailand resulting in an economic slowdown and adversely impacting the world's financial market. The situation may affect the results of operations and recognition and measurement of assets and liabilities in the Company's financial statements. The interruption on productivity, output and slowdown in sales may have an impact on operating performance, liquidity risk management and current capital of the business. The effects from the spread of COVID-19 on the Company are as follows:

1. The slowdown of the overall industrial economy resulted in less volume of orders from customers compared to normal situation, which affected the overall performance such as the domestic sales of furniture (Safes) and decreasing sales trend of distributors around 30%. This may affect sales and production in 2nd and 3rd quarter due to the decrease in customer's purchase orders. It is expected to return to normal situation very soon. However, the Company has a Business Continuity Plan by controlling production costs and operating expenses in accordance with the expected revenue. The Company expects that the impact of COVID-19 should affect the business operations of the Company only in the short term. Moreover, the Company regularly issues policies to prevent the spread of COVID-19 so that the Company can operate the business as normal.
2. Regarding, the impact on funding sources, the financial institutions still support the operations of the Company as usual as the Company has collateral pledged with the financial institutions to cover the credit limit. As a result, the Company does not have any liquidity problem from its funding source. The Company is continuously supported from the financial institutions to be used as liquidity in the normal business operations.
3. Effects on financial statements, the Company has the confidence that the asset value stated in the Company's financial statements will not be affected by the asset impairment. Therefore, there is no provision for impairment of assets and the financial statements has reflected the intrinsic value.

28. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Board of Directors on November 13, 2020.