

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position as at 30 September 2018, and the related consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, and condensed notes to the consolidated interim financial statements of Siam Steel International Public Company Limited and its subsidiaries. I have also reviewed the accompanying separate statement of financial position as at 30 September 2018, and the related separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, the separate statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, and condensed notes to the separate interim financial statements of Siam Steel International Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim financial reporting".

Miss Kanyanat Sriratchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

12 November 2018

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		636,263	425,071	295,059	213,593
Trade accounts receivable from sales and services					
- general customers - net	6	268,901	300,820	126,083	150,815
- related companies	5, 6	40,218	8,299	46,485	9,393
Trade accounts receivable from construction work					
- general customers	6	7,366	-	7,366	-
Unbilled revenue - general customers		4,980	-	4,980	-
Inventories - net	7	392,890	287,420	277,204	204,621
Advance for purchase of inventories		68,565	-	66,546	-
Receivables from and advances to related companies	5	5,486	4,774	83,289	69,274
Short - term loans to related companies	5	-	-	185,000	185,000
Assets held for sale	10	162,308	10,812	162,308	10,812
Other current assets		44,140	48,593	24,498	27,660
Total current assets		1,631,117	1,085,789	1,278,818	871,168
NON - CURRENT ASSETS					
Restricted deposits with banks		4,909	488	4,669	404
Retentions receivable		4,219	6,382	4,219	6,382
Investments					
- Subsidiary companies - net	8	-	-	186,207	194,399
- Associated companies	8	780,073	774,440	162,627	162,627
- Other companies	8	49,712	49,712	49,712	49,712
Goodwill		618	618	-	-
Advance for purchase of assets		10,432	8,746	10,432	8,746
Property, plant and equipment - net	9	1,937,528	1,203,998	553,159	527,200
Assets not used in operation - net	10	2,360	165,400	2,360	165,400
Income tax withheld at sources		25,723	25,860	13,965	9,819
Deferred income tax asset - net		1,841	97,990	-	89,649
Other non - current assets		8,214	17,159	1,146	9,550
Total non - current assets		2,825,629	2,350,793	988,496	1,223,888
TOTAL ASSETS		4,456,746	3,436,582	2,267,314	2,095,056

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

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from other person		-	100,000	-	-
Short - term loans from related companies	5	77,500	57,000	-	-
Current portion of					
- Long - term loans from financial institutions	11	35,952	5,784	5,784	5,784
- Liabilities under employee benefits obligation		14,612	13,133	14,396	12,916
Trade accounts payable - general suppliers		147,754	102,304	111,850	75,042
Payables to and advances from related companies	5	28,291	30,891	11,871	10,197
Advances and deposits from customers					
- general customers		84,714	34,134	83,407	33,865
- related companies	5	3,847	3,659	6,409	5,367
Advances received from sale of assets held for sale	10	88,000	-	88,000	-
Other current liabilities	12	68,308	116,788	51,557	101,140
Total current liabilities		548,978	463,693	373,274	244,311
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions - net	11	1,261,051	216,246	208,522	216,246
Liabilities under employee benefits obligation - net		16,780	22,447	12,132	18,266
Deferred income tax liability - net		2,724	-	6,294	-
Other non - current liabilities		12,139	20,636	12,136	10,316
Total non - current liabilities		1,292,694	259,329	239,084	244,828
TOTAL LIABILITIES		1,841,672	723,022	612,358	489,139

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

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 September 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)				
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 1 par value				
- Registered 593,125,849 shares	593,126	593,126	593,126	593,126
- Issued and paid - up 593,125,849 shares	593,126	593,126	593,126	593,126
Share premium	72,404	72,404	72,404	72,404
Retained earnings				
- Appropriated for legal reserve	59,313	59,313	59,313	59,313
- Unappropriated	1,555,322	1,513,381	930,113	881,074
Other components of equity	16,741	11,863	-	-
Shareholders' equity attributable to the Company's shareholders	2,296,906	2,250,087	1,654,956	1,605,917
Non - controlling interests	318,168	463,473	-	-
TOTAL SHAREHOLDERS' EQUITY	2,615,074	2,713,560	1,654,956	1,605,917
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,456,746	3,436,582	2,267,314	2,095,056

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Revenues					
Sales and services - net	5, 15	454,523	331,721	268,317	200,420
Construction income	15	20,216	-	20,216	-
Total revenues		474,739	331,721	288,533	200,420
Cost of goods sold					
Costs of sales and services	5, 15	(339,472)	(252,869)	(187,501)	(142,958)
Cost of construction	15	(17,630)	-	(17,630)	-
Total cost of goods sold		(357,102)	(252,869)	(205,131)	(142,958)
Gross profit		117,637	78,852	83,402	57,462
Other income	5, 14	12,180	12,950	19,103	22,815
Profit before expenses		129,817	91,802	102,505	80,277
Selling expenses		(41,003)	(34,858)	(43,344)	(37,954)
Administrative expenses	5	(65,926)	(77,560)	(29,525)	(43,331)
Gain (loss) from foreign exchange rates		(370)	493	(395)	230
Total expenses		(107,299)	(111,925)	(73,264)	(81,055)
Profit (loss) from operations		22,518	(20,123)	29,241	(778)
Share of profit from investments in associated companies - net		9,213	10,933	-	-
Profit (loss) before finance costs and income tax		31,731	(9,190)	29,241	(778)
Finance costs	5, 15	(975)	(10,632)	(4,605)	(7,826)
Profit (loss) before income tax		30,756	(19,822)	24,636	(8,604)
Income tax		(2,109)	677	50	(1,371)
Profit (loss) for the period		28,647	(19,145)	24,686	(9,975)
Other comprehensive income					
Items subsequently reclassifiable to profit or loss					
Exchange differences on translating foreign operations - net of tax		(9,933)	(12,923)	-	-
Total comprehensive income (loss) for the period		18,714	(32,068)	24,686	(9,975)

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

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Profit (loss) for the period attributable to :				
Equity holders of the Company	29,469	(16,789)	24,686	(9,975)
Non - controlling interests	(823)	(2,356)	-	-
Total	28,646	(19,145)	24,686	(9,975)
Total comprehensive income (loss) for the period attributable to:				
Equity holders of the Company	24,503	(29,712)	24,686	(9,975)
Non - controlling interests	(5,789)	(2,356)	-	-
Total	18,714	(32,068)	24,686	(9,975)
Basic earnings per share				
Profit (loss) (Baht per share)	0.050	(0.028)	0.042	(0.017)
Weighted average number of common shares (share)	593,125,849	593,125,849	593,125,849	593,125,849

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Revenues					
Sales and services - net	5, 15	1,236,113	1,168,761	666,733	687,051
Construction income	15	29,641	29,912	29,641	29,912
Total revenues		1,265,754	1,198,673	696,374	716,963
Cost of goods sold					
Costs of sales and services	5, 15	(954,554)	(915,371)	(505,403)	(523,676)
Cost of construction	15	(26,075)	(25,904)	(26,075)	(25,904)
Total cost of goods sold		(980,629)	(941,275)	(531,478)	(549,580)
Gross profit		285,125	257,398	164,896	167,383
Dividend income	5, 8	34,024	3,821	60,429	38,589
Other income	5, 14	140,700	38,871	161,369	72,288
Profit before expenses		459,849	300,090	386,694	278,260
Selling expenses		(95,703)	(107,824)	(104,487)	(115,658)
Administrative expenses	5	(232,342)	(250,994)	(117,142)	(138,014)
Loss from foreign exchange rates		(7,531)	(1,543)	(337)	(1,954)
Total expenses		(335,576)	(360,361)	(221,966)	(255,626)
Profit (loss) from operations		124,273	(60,271)	164,728	22,634
Share of profit from investments in associated companies - net	0	31,426	42,273	-	-
Profit (loss) before finance costs and income tax		155,699	(17,998)	164,728	22,634
Finance costs	5, 15	(5,171)	(31,529)	(13,815)	(23,820)
Profit (loss) before income tax		150,528	(49,527)	150,913	(1,186)
Income tax		(102,602)	(3,425)	(95,943)	(3,667)
Profit (loss) for the period		47,926	(52,952)	54,970	(4,853)
Other comprehensive income					
Items subsequently reclassifiable to profit or loss					
Exchange differences on translating					
foreign operations - net of tax		9,756	(20,584)	-	-
Total comprehensive income for the period		57,682	(73,536)	54,970	(4,853)

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

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Profit (loss) for the period attributable to :				
Equity holders of the Company	47,872	(49,793)	54,970	(4,853)
Non - controlling interests	54	(3,159)	-	-
Total	47,926	(52,952)	54,970	(4,853)
Total comprehensive income (loss) for the period attributable to:				
Equity holders of the Company	52,750	(70,377)	54,970	(4,853)
Non - controlling interests	4,932	(3,159)	-	-
Total	57,682	(73,536)	54,970	(4,853)
Basic earnings per share				
Profit (loss) (Baht per share)	0.081	(0.084)	0.093	(0.008)
Weighted average number of common shares (share)	593,125,849	593,125,849	593,125,849	593,125,849

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

(Unit : Thousand Baht)

	Attributable to shareholders of the Company										
	Notes	Retained earnings				Other components of equity				Non-controlling	
		Issued and paid - up share capital	Share premium	Legal reserve	Unappropriated	Surplus from change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total	Total	interests	Total
Consolidated F/S											
Balance as at 1 January 2017		593,126	72,404	59,313	1,561,712	-	2,492	2,492	2,289,047	190,175	2,479,222
Dividend paid		-	-	-	(5,931)	-	-	-	(5,931)	-	(5,931)
Dividend paid by subsidiary to non-controlling interest		-	-	-	-	-	-	-	-	(589)	(589)
Non-controlling interests increase		-	-	-	-	-	-	-	-	2,000	2,000
Transactions with owners		-	-	-	(5,931)	-	-	-	(5,931)	1,411	(4,520)
Loss for the period		-	-	-	(49,793)	-	(20,584)	(20,584)	(70,377)	(3,159)	(73,536)
Comprehensive loss for the period		-	-	-	(49,793)	-	(20,584)	(20,584)	(70,377)	(3,159)	(73,536)
Balance as at 30 September 2017		593,126	72,404	59,313	1,505,988	-	(18,092)	(18,092)	2,212,739	188,427	2,401,166
Balance as at 1 January 2018		593,126	72,404	59,313	1,513,381	32,843	(20,980)	11,863	2,250,087	463,473	2,713,560
Dividend paid	13	-	-	-	(5,931)	-	-	-	(5,931)	-	(5,931)
Dividend payment by subsidiary to non-controlling interest	13	-	-	-	-	-	-	-	-	(588)	(588)
Non-controlling interests decrease	8	-	-	-	-	-	-	-	-	(149,649)	(149,649)
Transactions with owners		-	-	-	(5,931)	-	-	-	(5,931)	(150,237)	(156,168)
Profit for the period		-	-	-	47,872	-	-	-	47,872	54	47,926
Other comprehensive income for the period		-	-	-	-	-	4,878	4,878	4,878	4,878	9,756
Comprehensive income for the period		-	-	-	47,872	-	4,878	4,878	52,750	4,932	57,682
Balance as at 30 September 2018		593,126	72,404	59,313	1,555,322	32,843	(16,102)	16,741	2,296,906	318,168	2,615,074

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Legal reserve	Unappropriated	
Separate F/S						
Balance as at 1 January 2017		593,126	72,404	59,313	874,730	1,599,573
Dividend paid		-	-	-	(5,931)	(5,931)
Transactions with owners		-	-	-	(5,931)	(5,931)
Loss for the period		-	-	-	(4,853)	(4,853)
Comprehensive income for the period		-	-	-	(4,853)	(4,853)
Balance as at 30 September 2017		593,126	72,404	59,313	863,946	1,588,789
Balance as at 1 January 2018		593,126	72,404	59,313	881,074	1,605,917
Dividend paid	13	-	-	-	(5,931)	(5,931)
Transactions with owners		-	-	-	(5,931)	(5,931)
Profit for the period		-	-	-	54,970	54,970
Comprehensive income for the period		-	-	-	54,970	54,970
Balance as at 30 September 2018		593,126	72,404	59,313	930,113	1,654,956

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

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before income tax	150,528	(49,527)	150,913	(1,186)
Adjustments to reconcile profit before tax to net cash provided from (used in) operating activities:				
Depreciation	30,245	34,018	22,930	28,864
Allowance for doubtful debts and bad debt	1,815	2,163	1,815	2,052
Allowance (reversal of allowance) for decline value of inventories	34,623	2,679	34,066	(321)
Allowance for impairment of investment	-	-	8,192	-
Gain on sales of investment	-	(2,563)	-	-
Gain on sales of assets	(89,274)	(1,544)	(89,258)	(87)
Loss from sales of assets not used	656	-	656	-
Unrealized loss (gain) on foreign exchange	(5,201)	20,354	30	(52)
Dividend income	(34,024)	(3,821)	(60,429)	(38,589)
Finance costs	5,171	31,529	13,815	23,820
Share of profit from investments in associated companies - net	(31,426)	(42,273)	-	-
Employee benefits obligation expenses	1,414	1,380	952	953
Cash provided from (used in) operations before changes in operating assets and liabilities	64,527	(7,605)	83,682	15,454
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	30,074	125,444	22,886	79,344
- related companies	(31,919)	(5,040)	(37,092)	(5,848)
Trade accounts receivable from construction work				
- general customers	(7,366)	30,158	(7,366)	30,158
Unbilled accrued income - general customers	(4,980)	5,768	(4,980)	5,768
Inventories	(140,093)	42,166	(106,649)	19,880
Advances for purchase of inventories	(68,565)	-	(66,546)	-
Receivables from and advances to related companies	5,033	(3,813)	(8,269)	(27,789)
Other current assets	4,456	12,337	3,164	7,632
Retentions receivable	2,163	10,739	2,164	10,740
Other non - current assets	8,945	3,126	8,402	(137)
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	45,450	(27,858)	36,808	(9,556)
Trade accounts payables and advances from related companies	(8,693)	(1,043)	1,674	147
Advances and deposits from customers				
- general customers	158,579	(33,317)	157,542	(30,555)
- related companies	188	(4,624)	1,042	(4,748)
Other current liabilities	(50,447)	(20,211)	(49,559)	(12,522)
Paid employee benefit obligation	(6,209)	(937)	(6,209)	(937)
Other non - current liabilities	(8,497)	(4,557)	1,820	(4,557)
Cash provided from (used in) operations	(7,354)	120,733	32,514	72,474

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

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash provided from (used in) operations (continued)	(7,354)	120,733	32,514	72,474
Cash paid for interest	3,443	(23,712)	(13,236)	(20,858)
Income tax payment	(9,443)	(7,151)	(4,146)	(3,106)
Cash received form refund tax	4,283	-	-	-
Net cash provided from (used in) operating activities	(9,071)	89,870	15,132	48,510
Cash flows from investing activities				
Increase in restricted deposits with banks	(4,421)	(4,095)	(4,265)	(4,243)
Acquisition of assets	(811,619)	(22,215)	(48,930)	(3,282)
Acquisition of assets for sale	-	(7,396)	-	(7,396)
Proceeds from sale of assets held for sale	79,145	-	79,145	-
Proceeds from sales of assets	981	1,899	1,041	96
Cash paid for advance for purchase of assets	(7,432)	-	(7,432)	-
Decrease in short - term loans to indirect subsidiary company	-	-	-	90,000
Cash received from sale investment	-	5,000	-	-
Cash received from non - controlling interest of subsidiary company	-	2,000	-	-
Indirect subsidiary return investment to non-controlling interests	(149,649)	-	-	-
Dividend income	25,793	37,977	60,429	38,589
Net cash provided from (used in) investing activities	(867,202)	13,170	79,988	113,764
Cash flows from financing activities				
Decrease in short - term loans from financial institutions	(100,000)	(200,000)	-	(290,000)
Increase in short - term loans from other parties	20,500	35,000	-	-
Increase in short - term loans from related companies	-	57,000	-	90,000
Increase in long - term loans from financial institutions	1,171,451	-	-	-
Decrease in long-term loans from financial institutions	(7,723)	(12,627)	(7,723)	(12,628)
Dividend paid	(5,931)	(5,931)	(5,931)	(5,931)
Dividend paid from subsidiary company	(588)	(588)	-	-
Net cash provided from (used in) financing activities	1,077,709	(127,146)	(13,654)	(218,559)
Exchange differences on translating foreign operations	9,756	(20,584)	-	-
Increase (decrease) in cash and cash equivalents - net	211,192	(44,690)	81,466	(56,285)
Cash and cash equivalents at beginning of period	425,071	380,030	213,593	195,606
Cash and cash equivalents at end of period	636,263	335,340	295,059	139,321
Supplemental cash flows information:				
Non - cash transaction:				
- Capitalized interest to cost of assets	17,859	-	-	-
- Advance from customers	20,000	-	20,000	-

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH AND NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2018
(Unaudited but reviewed)

1. NATURE OF OPERATIONS

Siam Steel International Public Company Limited was incorporated as a public company in Thailand, and has been listed on the Stock Exchange of Thailand. The principal activities of the Company and its subsidiaries are the manufacturing and sale of steel office equipment and furniture parts, and construction services. In addition, the Group has invested into the alternative energy sector.

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

2.1 Basis for interim financial statements preparation

The condensed interim financial statements are for the three-month and nine-month periods ended 30 September 2018 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2017) "Interim Financial Reporting" which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards, and should be read in conjunction with the financial statements for the year ended 31 December 2017.

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

These interim financial statements have been approved by the Company's Board of Directors on 12 November 2018.

2.2 Basis of consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right. During the current period, the changes in the composition of the Group were:

- 2.2.1 Rich Solar Energy Godo Kaisha Co., Ltd, an indirect subsidiary company returned capital of Baht 152.77 million, as described in note 8.

2.2.2 On 2 July 2018, at the Extraordinary General Shareholder Meetings No. 1/2018 of indirect subsidiary companies, Siam Wealth Energy Co., Ltd., Siam New Power Co., Ltd. and Siam Green Energy Plus Co., Ltd., the Shareholders approved to dissolve companies because the indirect subsidiaries stopped their business plan in accordance with the registration purpose. The dissolutions were registered with the Department of Business Development on 2 July 2018 and the liquidation was subsequently registered with the Department of Business Development on 23 July 2018.

2.2.3 Siam Biomass Product Co., Ltd., an indirect subsidiary, increased their paid up share capital from Baht 91,089,970 to Baht 92,079,970 (9,207,997 shares at par value of Baht 10 each). The holding percentage did not change.

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

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

As of 30 September 2018, and 31 December 2017, the total assets of subsidiaries represent 45.00% and 33.94%, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 30 September 2018 and 2017, represent 41.54% and 40.76%, respectively, of the total revenues in the consolidated financial statement, and total revenues of subsidiaries for the nine-month periods ended 30 September 2018 and 2017, represent 48.04% and 41.11% respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

During the period, the Federation of Accounting Professions issued the following new Thai Financial Reporting Standards:

- Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (TFRS 15)

TFRS 15 is effective from 1 January 2019, and presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No. 11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

- Thai Financial Reporting Standards for “Financial Instruments”

TFRSs for financial instruments are effective from 1 January 2020 and has new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Company and its subsidiaries will adopt these new standards when they become effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

4. ESTIMATES

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended 31 December 2017.

5. TRANSACTIONS WITH RELATED COMPANIES

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

As at 30 September 2018 and 31 December 2017, the account balances with related companies are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade accounts receivable from sales and services				
Subsidiary companies	-	-	6,374	1,192
Associated companies	42	41	31	32
Related companies	40,176	8,258	40,080	8,169
Total trade accounts receivable from sales and services – related companies	40,218	8,299	46,485	9,393
Receivables from and advances				
Subsidiary companies	-	-	77,803	64,500
Associated companies	1,638	488	1,638	488
Related companies	3,848	4,286	3,848	4,286
Total receivables from and advances – related companies	5,486	4,774	83,289	69,274

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

Short-term loans to

Subsidiary companies and indirect subsidiary company	-	-	185,000	185,000
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Movements in short - term loans to related companies for the nine-month period ended 30 September 2018 are as follows:

	In Thousand Baht			
	Separate F/S			30 September 2018
	31 December 2017	Increase	Decrease	
Short - term loans	185,000	185,000	(185,000)	185,000

As at 30 September 2018, a subsidiary company has issued promissory note to the Company of Baht 185.00 million. The loan is repayable on demand and has an interest at the rate of 8.55% per annum.

As at 31 December 2017, the Company has entered into a memorandum with Bangphra Green Energy Co., Ltd. for loan amount of Baht 185.00 million and has an interest at the rate of 8.50% per annum. As at 30 September 2018, Bangphra Green Energy Co., Ltd. has repaid loan in all amount.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Short-term loans from				
Related companies	77,500	57,000	-	-

Movements in short - term loans from related companies for the nine-month period ended 30 September 2018 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	31 December 2017	Increase	Decrease	30 September 2018
Short-term loans from related companies	57,000	57,000	(36,500)	77,500

The indirect subsidiary companies have been granted short – term loans from related companies with interest between 1.48% - 2.50% per annum (2017:1.48% - 6.00% per annum.) There loans are repayable between 31 December 2018 - 27 September 2019.

In Thousand Baht

	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payables				
Subsidiary company	-	-	18	-
Associated companies	17,819	22,849	4,084	5,756
Related companies	4,780	6,657	3,029	3,540
Total accounts payable - related companies	22,599	29,506	7,131	9,296
Advances from				
Subsidiary company	-	-	120	60
Associated company	-	60	-	60
Related companies	5,692	1,325	4,620	781
Total advances from related companies	5,692	1,385	4,740	901
Total payables and advances from related companies	28,291	30,891	11,871	10,197
Advances and deposits from customers				
Subsidiary companies	-	-	2,562	1,708
Related companies	3,847	3,659	3,847	3,659
Total advances and deposits from customers - related companies	3,847	3,659	6,409	5,367
Key management personnel compensation				
Accrued bonus	1,233	1,115	1,137	1,104
Post-employment benefits	4,098	4,867	3,947	4,503
Total key management personnel compensation	5,331	5,982	5,084	5,607

The significant transactions with related companies for the three-month and nine-month periods ended 30 September 2018 and 2017 and pricing policy are as follows:

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2018	2017	2018	2017
Sales	39,606	22,559	50,634	26,368
Income from sales of raw materials, factory supplies and others	4,800	4,195	5,381	6,099
Rental revenue	3,997	3,689	6,476	6,288
Interest income	-	-	3,987	7,814
Purchases of raw materials	1,353	1,503	1,353	1,503
Purchases of finished goods	51,289	66,145	5,028	4,411
Administrative expenses	10,012	8,552	6,591	2,614
Interest expense	297	-	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	5,452	6,086	4,732	5,397
Post-employment benefits	140	83	129	67
Total	5,592	6,169	4,861	5,464

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2018	2017	2018	2017

In Thousand Baht

	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2018	2017	2018	2017
Sales	58,700	62,545	96,851	73,247
Income from sales of raw materials, factory supplies and others	13,422	18,690	15,863	22,570
Rental revenue	11,751	12,493	19,428	20,289
Interest income	-	25	11,925	24,606
Dividend income	34,024	3,821	60,429	38,589
Purchases of raw materials	5,079	4,406	5,079	4,406
Purchases of finished goods	208,123	205,354	21,548	21,279
Administrative expenses	28,253	33,449	11,500	8,650
Interest expense	1,208	25	-	-
 <u>Key management personnel compensation</u>				
Current employee benefits	17,219	18,258	15,057	16,191
Post-employment benefits	449	248	417	200
Total	17,668	18,506	15,474	16,391

6. TRADE ACCOUNTS RECEIVABLE

As at 30 September 2018 and 31 December 2017, the aged analysis of trade accounts receivable are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade accounts receivable from sales and services				
<u>Trade accounts receivable – general customers – net</u>				
Current	165,835	151,111	113,082	96,829
Overdue:				
Less than 3 months	93,844	119,982	9,986	33,631
3 months – 6 months	7,153	21,624	2,206	13,096
6 months – 12 months	2,411	9,337	342	5,253
Over 12 months	6,019	3,895	2,553	2,277
Total	275,262	305,949	128,169	151,086
<u>Less</u> Allowance for doubtful accounts	(6,361)	(5,129)	(2,086)	(271)
Net	268,901	300,820	126,083	150,815
 <u>Trade accounts receivable - related companies</u>				
Current	39,896	4,687	45,131	5,394
Overdue:				
Less than 3 months	322	3,541	1,232	3,897
During 3 – 6 months	-	-	89	102
During 6 -12 months	-	71	33	-
Total	40,218	8,299	46,485	9,393
 Trade accounts receivable from construction work				
<u>Trade accounts receivable – general customers</u>				
Current	2,664	-	2,664	-
Overdue:				
Less than 3 months	4,702	-	4,702	-
Total	7,366	-	7,366	-

The currency denomination of trade accounts receivable as at 30 September 2018 and 31 December 2017 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
THB	319,596	305,322	178,770	151,553
USD	2,820	8,926	2,820	8,926
JPY	430	-	430	-
Total	322,846	314,248	182,020	160,479
<u>Less</u> Allowance for doubtful accounts	(6,361)	(5,129)	(2,086)	(271)
Net	316,485	309,119	179,934	160,208

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

	In Thousand Baht	
	Consolidate F/S	Separate F/S
Balance as at 1 January 2018	5,129	271
<u>Add</u> Allowance for doubtful accounts	1,995	1,995
<u>Less</u> Reversal of allowance for doubtful accounts	(583)	-
Bad debt reversal	(180)	(180)
Balance as at 30 September 2018	6,361	2,086

7. INVENTORIES - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Finished goods	184,224	143,552	71,756	60,753
Work in process	149,592	49,094	149,591	49,094
Raw materials and supplies	135,300	137,313	131,526	137,313
Goods in transit	936	-	936	-
Total	470,052	329,959	353,809	247,160
<u>Less</u> Allowance for decline in value, slow – moving and defective inventories	(77,162)	(42,539)	(76,605)	(42,539)
Net	392,890	287,420	277,204	204,621

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

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	42,539	42,539
Increase	34,637	34,066
Reversal allowance for decline in value	(14)	-
Balance as at 30 September 2018	<u>77,162</u>	<u>76,605</u>

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 30 September 2018 and 31 December 2017, the balances of investments in subsidiaries, associated companies and related companies are as follows:

		In Thousand Baht									
		Consolidated F/S									
Type of business		Paid-up share capital		Percentage of shareholding		Cost method		Equity method		Dividend Income	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
<u>Associated companies - equity method</u>											
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	108,753	113,246	1,760	2,112
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	666,450	656,221	24,033	32,044
						<u>162,627</u>	<u>162,627</u>	<u>775,203</u>	<u>769,467</u>	<u>25,793</u>	<u>34,156</u>
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	4,870	4,973	-	-
	Total investments in associated companies by equity method					<u>167,427</u>	<u>167,427</u>	<u>780,073</u>	<u>774,440</u>	<u>25,793</u>	<u>34,156</u>
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			32,260	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			1,764	3,821
	Total investment in related companies					<u>49,712</u>	<u>49,712</u>			<u>34,024</u>	<u>3,821</u>

During the period, Rich Solar Energy Godo Kaisha Co., Ltd, an indirect subsidiary, reduced its capital from Baht 603.59 million to Baht 301.17 million, and obtained financing to complete the construction of the power plant through a long – term loan from a financial institution of Baht 1,171.45 million (refer to note 11). The amount of capital returned to the Group was Baht 152.77 million and a further amount was paid to non – controlling interest of Baht 149.65 million. There was no change in the Company's, indirect holding of 50%.

In Thousand Baht

Separate F/S

Type of business	Paid-up share capital		Percentage of shareholding		Cost method		Dividend Income		
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September	
	2018	2017	2018	2017	2018	2017	2018	2017	
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	14,000	14,000	99.99	99.99	14,000	14,000	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	612	612
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200	-	-
Siam International Energy Co., Ltd.	Investment in alternative energy	160,000	160,000	99.99	99.99	160,000	160,000	-	-
Total investment in subsidiary companies						194,399	194,399	612	612
<u>Less Allowance for impairment of investment</u>						(8,192)	-	-	-
Net						186,207	194,399	612	612
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	1,760	2,112
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	24,033	32,044
Total investment in associated companies						162,627	162,627	25,793	34,156
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	32,260	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	1,764	3,821
Total investments in related companies						49,712	49,712	34,024	3,821

As at 30 September 2018 and 31 December 2017, the fair value of the investment in Siam Steel Service Center Public Company Limited, which is listed on the Stock Exchange of Thailand, amounted to Baht 445.43 million (closing price Baht 3.06 per share, 145,656,000 common shares) and Baht 556.06 million (closing price Baht 3.82 per share, 14,656,000 common shares), respectively. Other investments in associates and joint venture are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.

Movements in investments in associated companies for the nine-month period ended 30 September 2018 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	774,440	162,627
Share of profits of investment - equity method	31,426	-
Dividend income	(25,793)	-
Net book value as at 30 September 2018	780,073	162,627

9. PROPERTY, PLANT AND EQUIPMENT - NET

Movements in property, plant and equipment for the nine-month period ended 30 September 2018 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	1,203,998	527,200
Purchase during the period	793,760	48,930
Disposal during the period – net book value	(41)	(41)
Depreciation for the period	(30,245)	(22,930)
Financing costs capitalized during the period	17,859	-
Exchange differences from translation of foreign operation	(47,803)	-
Net book value as at 30 September 2018	1,937,528	553,159

10. ASSETS HELD FOR SALE

As at 30 September 2018, the Company has reclassified assets not used in operations amounting to Baht 162.31 million to assets held for sale because the Company entered into a purchase-sale agreement with a buyer on 31 August 2018. The Company has received deposit in amount of Baht 88.00 million and, which management expects to legally transfer the assets by year end.

11. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 30 September 2018 and 31 December 2017, the Company has long-term loans from financial institutions as follow :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Long-term loans from financial institutions	214,306	222,030	214,306	222,030
Additional long - term loan from financial institution	1,171,451	-	-	-
Deferred finance costs	(31,287)	-	-	-
Amortization of deferred finance costs	1,011	-	-	-
Exchange differences from translation of foreign operation	(58,478)	-	-	-
Total	1,297,003	222,030	214,306	222,030
<u>Less</u> Current portion of long - term loans from financial institutions	(35,952)	(5,784)	(5,784)	(5,784)
Long-term loans from financial Institutions - net	1,261,051	216,246	208,522	216,246

As at 30 September 2018 and 31 December 2017, the Company had long-term loans from financial institutions of Baht 214.31 million with interest at a rate of MLR – 0.5% per annum which are collateralized by the pledge of 88,842,800 shares of an associated company. In addition, the Company has to deposit dividends received from such shares into a bank account accumulatively until it reaches Baht 10.00 million as addition collateral. The Company also has to pledge shares belonging to the Company's directors of 25,000,000 shares as collateral for this loan. This loan is repayable within December 2020.

As at 30 September 2018, an indirect subsidiary has entered into long-term loans from financial institutions which have details as below:

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

In addition, the indirect subsidiary company has to maintain financial ratios as determined in the loan agreement. These loans are to finance the construction of a power plant project and repay capital to the investors as disclosed in note 8.

12. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Accrued employee expenses	22,121	26,828	16,807	19,702
Accrued incentive expenses	6,483	5,291	6,483	5,291
Accrued rental and utilities expenses	2,148	1,974	1,875	1,865
Accrued transportation	1,810	1,927	1,810	1,927
Accrued construction costs	5,254	51,441	5,254	51,441
Accrued consulting service	124	285	124	285
Other liabilities	30,368	29,042	19,204	20,629
Total	68,308	116,788	51,557	101,140

13. DIVIDEND

Details of the Company's dividends declaration and payments for the nine-month period ended 30 September 2018 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 27 April 2018	593,125,849	0.01	5,931	25 May 2018

Details of subsidiary's dividends declaration and payments for the nine-month period ended 30 September 2018 is as follows:

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

14. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2018	2017	2018	2017
Rental revenue	5,196	3,689	7,675	6,288
Other service income	4,092	8,432	3,597	5,794
Utilities income	1,655	299	1,729	1,029
Interest income	1,005	352	4,668	7,836
Gain from sale of assets	131	13	131	-
Tax compensation income	101	165	101	165
Commission income	-	-	1,202	1,703
Total	12,180	12,950	19,103	22,815

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2018	2017	2018	2017
Gain from sale of assets	89,274	1,075	89,258	95
Reversal of provision in litigation	18,621	-	18,621	-
Rental revenue	15,348	12,492	23,024	20,289
Other service income	10,211	20,643	8,000	17,044
Utilities income	4,241	1,865	4,445	3,179
Interest income	2,663	1,174	13,661	24,906
Tax compensation income	342	1,622	342	1,622
Commission income	-	-	4,018	5,153
Total	140,700	38,871	161,369	72,288

During the period, a litigation against the Company was ruled by the Court in favor of the Company and the provision of Baht 18.62 million was reversed and recorded in other income in the statement of profit or loss for the nine-month period ended 30 September 2018.

15. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht							
	For the three-month periods ended 30 September							
	Domestic		Export		Related transactions		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Consolidated F/S								
Sales and services – net	453,272	320,179	12,273	15,442	(11,022)	(3,900)	454,523	331,721
Costs of sales and services	(341,213)	(241,950)	(9,470)	(14,815)	11,211	3,896	(339,472)	(252,869)
Gross profit	112,059	78,229	2,803	627	189	(4)	115,051	78,852
Revenues from construction work	20,216	-	-	-	-	-	20,216	-
Costs of construction work	(17,630)	-	-	-	-	-	(17,630)	-
Gross profit	2,586	-	-	-	-	-	2,586	-
Total gross profit	114,645	78,229	2,803	627	189	(4)	117,637	78,852
Depreciation							(8,638)	(11,094)
Finance cost							(975)	(10,632)
Profit (loss) before income tax							30,756	(19,822)

		In Thousand Baht							
		For the nine-month periods ended 30 September							
		Domestic		Export		Related transactions		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
Consolidated F/S									
Sales and services – net		1,228,384	1,127,240	46,372	52,645	(38,643)	(11,124)	1,236,113	1,168,761
Costs of sales and services		(921,900)	(878,371)	(37,764)	(48,583)	39,177	11,583	(920,487)	(915,371)
Allowance for obsolete of Inventories		-	-	(34,067)	-	-	-	(34,067)	-
Gross profit		306,484	248,869	(25,459)	4,062	534	459	281,559	253,390
Revenues from construction work		29,641	29,912	-	-	-	-	29,641	29,912
Costs of construction work		(26,075)	(25,904)	-	-	-	-	(26,075)	(25,904)
Gross profit		3,566	4,008	-	-	-	-	3,566	4,008
Total gross profit		310,050	252,877	(25,459)	4,062	534	459	285,125	257,398
Depreciation								(30,245)	(34,018)
Finance cost								(5,171)	(31,529)
Profit (loss) before income tax								150,528	(49,527)

		In Thousand Baht					
		For the three-month periods ended 30 September					
		Domestic		Export		Total	
		2018	2017	2018	2017	2018	2017
Separate F/S							
Sales and services – net		256,044	184,978	12,273	15,442	268,317	200,420
Costs of sales and services		(178,031)	(128,143)	(9,470)	(14,815)	(187,501)	(142,958)
Gross profit		78,013	56,835	2,803	627	80,816	57,462
Revenues from construction work		20,216	-	-	-	20,216	-
Costs of construction work		(17,630)	-	-	-	(17,630)	-
Gross profit		2,586	-	-	-	2,586	-
Total gross profit		80,599	56,835	2,803	627	83,402	57,462
Depreciation						(6,153)	(9,357)
Finance cost						(4,605)	(7,826)
Profit (loss) before income tax						24,636	(8,604)

In Thousand Baht						
For the nine-month periods ended 30 September						
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
Separate F/S						
Sales and services – net	620,361	634,406	46,372	52,645	666,733	687,051
Costs of sales and services	(433,571)	(475,093)	(37,765)	(48,583)	(471,336)	(523,676)
Allowance for obsolete of inventories	-	-	(34,067)	-	(34,067)	-
Gross profit	186,790	159,313	(25,460)	4,062	161,330	163,375
Revenues from construction work	29,641	29,912	-	-	29,641	29,912
Costs of construction work	(26,075)	(25,904)	-	-	(26,075)	(25,904)
Gross profit	3,566	4,008	-	-	3,566	4,008
Total gross profit	190,356	163,321	(25,460)	4,062	164,896	167,383
Depreciation					(22,930)	(28,864)
Finance cost					(13,815)	(23,820)
Profit (loss) before income tax					150,913	(1,186)

16. GUARANTEE

As at 30 September 2018, the Company has outstanding guarantees of approximately Baht 161.04 million which were issued by certain local banks the normal course of business of the Company.

As at 30 September 2018, the subsidiary companies have outstanding guarantees of approximately Baht 0.76 million which were issued by certain local banks the normal course of business of the subsidiary companies.

17. COMMITMENT

As at 30 September 2018, the subsidiary companies have various operating lease agreement covering its office premises, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the subsidiary companies are committed to pay the rental as follow:

In Thousand Baht	
Within 1 year	12,751
2 - 3 years	1,362

18. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Exchange Risk

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

As at 30 September 2018, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 30 September 2018</u>
	(Thousand Baht)	(Thousand Baht)	(Baht per 1 foreign currency unit)
USD	539	-	32.40655
JPY	2,157	-	0.285455

As at 30 September 2018, the above foreign currency denominated assets and liabilities were not covered by hedging instruments.