

# **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 June 2018, and the related consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 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 June 2018, and the related separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018, the separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 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 Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

14 August 2018

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		598,588	425,071	237,836	213,593
Trade accounts receivable from sales and services					
- general customers - net	6	283,154	300,820	141,582	150,815
- related companies	5, 6	10,759	8,299	25,888	9,393
Trade accounts receivable from construction work					
- general customers	6	9,868	-	9,868	-
Inventories - net	7	268,387	287,420	174,894	204,621
Advance for purchase of inventories		33,026	-	33,026	-
Receivables from and advances to related companies	5	4,362	4,774	79,134	69,274
Short - term loans to related companies	5	-	-	185,000	185,000
Assets held for sale		-	10,812	-	10,812
Other current assets		43,651	48,593	24,123	27,660
<b>Total current assets</b>		<b>1,251,795</b>	<b>1,085,789</b>	<b>911,351</b>	<b>871,168</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with banks		8,842	488	8,691	404
Retentions receivable		2,465	6,382	2,465	6,382
Investments					
- Subsidiary companies - net	8	-	-	186,207	194,399
- Associated companies	8	770,860	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		-	8,746	-	8,746
Property, plant and equipment - net	9	1,625,455	1,203,998	583,496	527,200
Assets not used in operation - net		165,400	165,400	165,400	165,400
Income tax withheld at sources		24,658	25,860	12,795	9,819
Deferred income tax asset - net		-	97,990	-	89,649
Other non - current assets		6,437	17,159	1,146	9,550
<b>Total non - current assets</b>		<b>2,654,447</b>	<b>2,350,793</b>	<b>1,172,539</b>	<b>1,223,888</b>
<b>TOTAL ASSETS</b>		<b>3,906,242</b>	<b>3,436,582</b>	<b>2,083,890</b>	<b>2,095,056</b>

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from other person		-	100,000	-	-
Short - term loans from related companies	5	30,500	57,000	-	-
Current portion of					
- Long - term loans from financial institutions	10	18,612	5,784	5,784	5,784
- Liabilities under employee benefits obligation		14,119	13,133	13,903	12,916
Trade accounts payable - general suppliers		106,624	102,304	77,284	75,042
Payables to and advances from related companies	5	62,537	30,891	9,027	10,197
Advances and deposits from customers					
- general customers		66,951	34,134	66,929	33,865
- related companies	5	3,847	3,659	6,409	5,367
Other current liabilities	11	47,761	116,788	34,664	101,140
<b>Total current liabilities</b>		<b>350,951</b>	<b>463,693</b>	<b>214,000</b>	<b>244,311</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institutions - net	10	917,237	216,246	209,968	216,246
Liabilities under employee benefits obligation - net		17,342	22,447	12,844	18,266
Deferred income tax liability - net		3,570	-	6,345	-
Other non - current liabilities		20,783	20,636	10,464	10,316
<b>Total non - current liabilities</b>		<b>958,932</b>	<b>259,329</b>	<b>239,621</b>	<b>244,828</b>
<b>TOTAL LIABILITIES</b>		<b>1,309,883</b>	<b>723,022</b>	<b>453,621</b>	<b>489,139</b>

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 June 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but Reviewed)	31 December 2017 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>				
<b>SHAREHOLDERS' EQUITY</b>				
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	1,527,605	1,513,381	905,426	881,074
Other components of equity	21,707	11,863	-	-
<b>Shareholders' equity attributable to the Company's shareholders</b>	<b>2,274,155</b>	<b>2,250,087</b>	<b>1,630,269</b>	<b>1,605,917</b>
Non - controlling interests	322,204	463,473	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,596,359</b>	<b>2,713,560</b>	<b>1,630,269</b>	<b>1,605,917</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,906,242</b>	<b>3,436,582</b>	<b>2,083,890</b>	<b>2,095,056</b>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
<b>Revenues</b>					
Sales and services - net	5, 15	363,153	380,193	198,275	222,248
Construction income	15	-	10,897	-	10,897
<b>Total revenues</b>		<b>363,153</b>	<b>391,090</b>	<b>198,275</b>	<b>233,145</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5, 15	(301,248)	(309,953)	(178,150)	(181,427)
Cost of construction	15	-	(9,277)	-	(9,277)
<b>Total cost of goods sold</b>		<b>(301,248)</b>	<b>(319,230)</b>	<b>(178,150)</b>	<b>(190,704)</b>
<b>Gross profit</b>		<b>61,905</b>	<b>71,860</b>	<b>20,125</b>	<b>42,441</b>
Dividend income	8	34,024	3,821	58,057	38,589
Other income	5, 13	11,238	8,980	18,081	19,779
<b>Profit before expenses</b>		<b>107,167</b>	<b>84,661</b>	<b>96,263</b>	<b>100,809</b>
Selling expenses		(29,331)	(37,709)	(31,651)	(40,070)
Administrative expenses	5	(75,732)	(88,030)	(43,076)	(47,766)
Gain (loss) from foreign exchange rates		1,633	(709)	730	(733)
<b>Total expenses</b>		<b>(103,430)</b>	<b>(126,448)</b>	<b>(73,997)</b>	<b>(88,569)</b>
<b>Profit (loss) from operations</b>		<b>3,737</b>	<b>(41,787)</b>	<b>22,266</b>	<b>12,240</b>
Share of profit from investments in associated companies - net	8	11,171	10,176	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>14,908</b>	<b>(31,611)</b>	<b>22,266</b>	<b>12,240</b>
Finance costs	5, 15	(1,432)	(10,335)	(4,609)	(7,565)
<b>Profit (loss) before income tax</b>		<b>13,476</b>	<b>(41,946)</b>	<b>17,657</b>	<b>4,675</b>
Income tax		3,402	(454)	4,978	(1,193)
<b>Profit (loss) for the period</b>		<b>16,878</b>	<b>(42,400)</b>	<b>22,635</b>	<b>3,482</b>
<b>Other comprehensive income</b>					
<b>Items subsequently reclassifiable to profit or loss</b>					
Exchange differences on translating					
foreign operations - net of tax		10,750	(7,221)	-	-
<b>Total comprehensive income (loss) for the period</b>		<b>27,628</b>	<b>(49,621)</b>	<b>22,635</b>	<b>3,482</b>

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

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Profit (loss) for the period attributable to :</b>				
Equity holders of the Company	17,586	(40,490)	22,635	3,482
Non - controlling interests	(708)	(1,910)	-	-
<b>Total</b>	<b>16,878</b>	<b>(42,400)</b>	<b>22,635</b>	<b>3,482</b>
<b>Total comprehensive income (loss) for the period attributable to:</b>				
Equity holders of the Company	22,961	(47,711)	22,635	3,482
Non - controlling interests	4,667	(1,910)	-	-
<b>Total</b>	<b>27,628</b>	<b>(49,621)</b>	<b>22,635</b>	<b>3,482</b>
<b>Basic earnings per share</b>				
Profit (loss) (Baht per share)	0.030	(0.068)	0.038	0.006
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 SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
<b>Revenues</b>					
Sales and services - net	5, 15	781,591	837,040	398,416	486,630
Construction income	15	9,425	29,912	9,425	29,912
<b>Total revenues</b>		<b>791,016</b>	<b>866,952</b>	<b>407,841</b>	<b>516,542</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5, 15	(615,082)	(662,502)	(317,901)	(380,717)
Cost of construction	15	(8,444)	(25,904)	(8,444)	(25,904)
<b>Total cost of goods sold</b>		<b>(623,526)</b>	<b>(688,406)</b>	<b>(326,345)</b>	<b>(406,621)</b>
<b>Gross profit</b>		<b>167,490</b>	<b>178,546</b>	<b>81,496</b>	<b>109,921</b>
Dividend income	8	34,024	3,821	60,429	38,589
Other income	5, 13	128,520	25,921	142,266	49,473
<b>Profit before expenses</b>		<b>330,034</b>	<b>208,288</b>	<b>284,191</b>	<b>197,983</b>
Selling expenses		(56,515)	(72,966)	(61,143)	(77,704)
Administrative expenses	5	(164,602)	(173,458)	(87,618)	(94,683)
Gain (loss) from foreign exchange rates		(7,161)	(2,036)	58	(2,183)
<b>Total expenses</b>		<b>(228,278)</b>	<b>(248,460)</b>	<b>(148,703)</b>	<b>(174,570)</b>
<b>Profit (loss) from operations</b>		<b>101,756</b>	<b>(40,172)</b>	<b>135,488</b>	<b>23,413</b>
Share of profit from investments in associated companies - net	8	22,213	31,340	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>123,969</b>	<b>(8,832)</b>	<b>135,488</b>	<b>23,413</b>
Finance costs	5, 15	(4,196)	(20,897)	(9,211)	(15,994)
<b>Profit (loss) before income tax</b>		<b>119,773</b>	<b>(29,729)</b>	<b>126,277</b>	<b>7,419</b>
Income tax		(100,494)	(4,102)	(95,994)	(2,296)
<b>Profit (loss) for the period</b>		<b>19,279</b>	<b>(33,831)</b>	<b>30,283</b>	<b>5,123</b>
<b>Other comprehensive income</b>					
<b>Items subsequently reclassifiable to profit or loss</b>					
Exchange differences on translating		19,688	(7,661)	-	-
foreign operations - net of tax		38,967	(41,492)	30,283	5,123
<b>Total comprehensive income for the period</b>		<b>58,247</b>	<b>(75,323)</b>	<b>60,566</b>	<b>10,246</b>



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

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Profit (loss) for the period attributable to :</b>				
Equity holders of the Company	20,155	(33,028)	30,283	5,123
Non - controlling interests	(876)	(803)	-	-
<b>Total</b>	<b>19,279</b>	<b>(33,831)</b>	<b>30,283</b>	<b>5,123</b>
<b>Total comprehensive income (loss) for the period attributable to:</b>				
Equity holders of the Company	29,999	(40,689)	30,283	5,123
Non - controlling interests	8,968	(803)	-	-
<b>Total</b>	<b>38,967</b>	<b>(41,492)</b>	<b>30,283</b>	<b>5,123</b>
<b>Basic earnings per share</b>				
Profit (loss) (Baht per share)	0.034	(0.056)	0.051	0.009
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 SIX-MONTH PERIODS ENDED 30 JUNE

(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
<b>Consolidated F/S</b>											
<b>Balance as at 1 January 2017</b>		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
<b>Transactions with owners</b>		-	-	-	(5,931)	-	-	-	(5,931)	1,411	(4,520)
Total comprehensive loss for the period		-	-	-	(33,028)	-	(7,661)	(7,661)	(40,689)	(803)	(41,492)
<b>Comprehensive loss for the period</b>		-	-	-	(33,028)	-	(7,661)	(7,661)	(40,689)	(803)	(41,492)
<b>Balance as at 30 June 2017</b>		593,126	72,404	59,313	1,522,753	-	(5,169)	(5,169)	2,242,427	190,783	2,433,210
<b>Balance as at 1 January 2018</b>		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	12	-	-	-	(5,931)	-	-	-	(5,931)	-	(5,931)
Dividend payment by subsidiary to non-controlling interest	12	-	-	-	-	-	-	-	-	(588)	(588)
Non-controlling interests decrease	8	-	-	-	-	-	-	-	-	(149,649)	(149,649)
<b>Transactions with owners</b>		-	-	-	(5,931)	-	-	-	(5,931)	(150,237)	(156,168)
Profit (loss) for the period		-	-	-	20,155	-	-	-	20,155	(876)	19,279
Comprehensive income for the period		-	-	-	-	-	9,844	9,844	9,844	9,844	19,688
<b>Comprehensive income for the period</b>		-	-	-	20,155	-	9,844	9,844	29,999	8,968	38,967
<b>Balance as at 30 June 2018</b>		593,126	72,404	59,313	1,527,605	32,843	(11,136)	21,707	2,274,155	322,204	2,596,359

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Legal reserve	Unappropriated	
<b>Separate F/S</b>						
<b>Balance as at 1 January 2017</b>		593,126	72,404	59,313	874,730	1,599,573
Dividend paid		-	-	-	(5,931)	(5,931)
<b>Transactions with owners</b>		-	-	-	(5,931)	(5,931)
Total comprehensive income for the period		-	-	-	5,123	5,123
<b>Comprehensive income for the period</b>		-	-	-	5,123	5,123
<b>Balance as at 30 June 2017</b>		593,126	72,404	59,313	873,922	1,598,765
<b>Balance as at 1 January 2018</b>		593,126	72,404	59,313	881,074	1,605,917
Dividend paid	12	-	-	-	(5,931)	(5,931)
<b>Transactions with owners</b>		-	-	-	(5,931)	(5,931)
Profit for the period		-	-	-	30,283	30,283
<b>Comprehensive income for the period</b>		-	-	-	30,283	30,283
<b>Balance as at 30 June 2018</b>		593,126	72,404	59,313	905,426	1,630,269

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

## STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	119,773	(29,729)	126,277	7,419
<b>Adjustments to reconcile profit before tax to net cash provided from (used in) operating activities:</b>				
Depreciation	21,607	22,924	16,777	19,507
Reversal of allowance for doubtful debts and bad debt	(463)	2,163	(120)	2,052
Allowance (reversal of allowance) for decline value of inventories	34,093	(4,896)	34,066	(33)
Allowance for impairment of investment	-	-	8,192	-
Gain on sales of assets	(89,141)	(1,531)	(89,127)	(87)
Unrealized loss (gain) on foreign exchange	(7,566)	7,377	(167)	(213)
Dividend income	(34,024)	(3,821)	(60,429)	(38,589)
Finance costs	4,196	20,897	9,211	15,994
Share of profit from investments in associated companies - net	(22,213)	(31,340)	-	-
Employee benefits obligation expenses	947	920	635	635
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	27,209	(17,036)	45,315	6,685
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	18,302	39,619	9,526	13,625
- related companies	(2,460)	(8,038)	(16,495)	(7,225)
Trade accounts receivable from construction work				
- general customers	(9,868)	7,377	(9,868)	7,377
Unbilled accrued income - general customers	-	5,768	-	5,768
Inventories	(15,060)	54,171	(4,340)	22,416
Advances for purchase of inventories	(33,026)	-	(33,026)	-
Receivables from and advances to related companies	6,158	(6,125)	(4,114)	(5,295)
Other current assets	4,944	7,323	3,538	(13,397)
Retentions receivable	3,917	(925)	3,917	(925)
Other non - current assets	10,722	2,904	8,404	36
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	4,320	(35,485)	2,242	(22,492)
Trade accounts payables and advances from related companies	30,037	2,966	(1,170)	5,157
Advances and deposits from customers				
- general customers	52,810	(26,335)	53,056	(23,210)
- related companies	188	(4,624)	1,042	(4,757)
Other current liabilities	(67,985)	(24,085)	(66,461)	(13,834)
Paid employee benefit obligation	(5,471)	(524)	(5,471)	(524)
Other non - current liabilities	148	(1,337)	149	(1,337)
<b>Cash provided from (used in) operations</b>	24,885	(4,386)	(13,756)	(31,932)

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Cash provided from (used in) operations (continued)</b>	24,885	(4,386)	(13,756)	(31,932)
Cash paid for interest	(3,279)	(16,252)	(8,824)	(16,221)
Income tax payment	(6,869)	(5,208)	(2,976)	(2,134)
Cash received from refund tax	4,283	-	-	-
<b>Net cash provided from (used in) operating activities</b>	<b>19,020</b>	<b>(25,846)</b>	<b>(25,556)</b>	<b>(50,287)</b>
<b>Cash flows from investing activities</b>				
Increase in restricted deposits with banks	(8,354)	(8,219)	(8,287)	(8,328)
Acquisition of assets	(420,092)	(13,666)	(70,114)	(3,320)
Proceeds from assets held for sale	79,145	-	79,145	-
Proceeds from sales of assets	849	1,886	834	96
Decrease in short - term loans to indirect subsidiary company	-	-	-	90,000
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
<b>Net cash provided from (used in) investing activities</b>	<b>(472,308)</b>	<b>19,978</b>	<b>62,007</b>	<b>117,037</b>
<b>Cash flows from financing activities</b>				
Decrease in short - term loans from financial institution	-	(190,000)	-	(280,000)
Decrease in short - term loans from other parties	(100,000)	(11,182)	-	-
Increase in short - term loans from related companies	(26,500)	47,000	-	90,000
Increase in long - term loans from financial institution	746,413	35,000	-	-
Cash paid for long-term loans from financial institution	(6,277)	-	(6,277)	(11,182)
Dividend paid	(5,931)	(5,931)	(5,931)	(5,931)
Dividend paid from subsidiary company	(588)	(589)	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>607,117</b>	<b>(125,702)</b>	<b>(12,208)</b>	<b>(207,113)</b>
Exchange differences on translating foreign operations	19,688	(7,661)	-	-
<b>Increase (decrease) in cash and cash equivalents - net</b>	<b>173,517</b>	<b>(139,231)</b>	<b>24,243</b>	<b>(140,363)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>425,071</b>	<b>380,030</b>	<b>213,593</b>	<b>195,606</b>
<b>Cash and cash equivalents at end of period</b>	<b>598,588</b>	<b>240,799</b>	<b>237,836</b>	<b>55,243</b>
<b>Supplemental cash flows information:</b>				
<b>Non - cash transaction:</b>				
- Capitalized interest to cost of assets	10,713	-	-	-
- Advance for purchase assets	3,000	-	3,000	-
- Advance from customers	20,000	-	-	-

**SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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 six-month periods ended 30 June 2018 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2017) "Interim Financial Reporting" which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards, and should be read in conjunction with the financial statements for the year ended 31 December 2017.

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

These interim financial statements have been approved by the Company's Board of Directors on 14 August 2018.

2.2 Basis of consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right. There is no significant change in the composition of the group during the current period, except for the return of capital by Rich Solar Energy Godo Kaisha Co., Ltd, an indirect subsidiary company, as described in note 8.

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

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

As of 30 June 2018, and 31 December 2017, the total assets of subsidiaries represent 42.56% 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 June 2018 and 2017, represent 50.52% and 39.32%, respectively, of the total revenues in the consolidated financial statement, and total revenues of subsidiaries for the six-month periods ended 30 June 2018 and 2017, represent 51.93% and 38.89% 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 subsidiaries have adopted the revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2018. The changes were principally to align with the corresponding International Financial Reporting Standards, with most of the changes relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of the revised Thai Financial Reporting Standards has no material effect on these interim financial statements of the Company and subsidiaries.

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

### 4. ESTIMATES

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

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

## 5. TRANSACTIONS WITH RELATED COMPANIES

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

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<b>Trade accounts receivable from sales and services</b>				
Subsidiary companies	-	-	15,133	1,192
Associated companies	134	41	130	32
Related companies	10,625	8,258	10,625	8,169
Total trade accounts receivable from sales and services – related companies	<u>10,759</u>	<u>8,299</u>	<u>25,888</u>	<u>9,393</u>
<b>Receivables from and advances</b>				
Subsidiary companies	-	-	74,773	64,500
Associated companies	528	488	528	488
Related companies	3,834	4,286	3,833	4,286
Total receivables from and advances – related companies	<u>4,362</u>	<u>4,774</u>	<u>79,134</u>	<u>69,274</u>
There is no interest charge for the above receivables and advances.				
<b>Short-term loans to</b>				
Subsidiary companies and indirect subsidiary company	-	-	185,000	185,000



Movements in short - term loans to indirect related companies for the six-month period ended 30 June 2018 are as follows:

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

As at 30 June 2018, a subsidiary company has issued promissory note to the Company of Baht 185 million. The loan is repayable on demand and has an interest 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 million and has an interest rate of 8.50% per annum. As at 30 June 2018, Bangphra Green Energy Co.,Ltd. has repaid loan in all amount.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<b>Short – term loans from</b> Related companies	30,500	57,000	-	-

Movements in short - term loans of the indirect subsidiary company for the six-month period ended 30 June 2018 are as follows:

	In Thousand Baht			
	Consolidated F/S			
	31 December 2017	Increase	Decrease	30 June 2018
Short-term loans from related companies	57,000	20,500	(47,000)	30,500

As at 30 June 2018 and 31 December 2017, a subsidiary entered into a loan agreement with a related company for Baht 10.00 million. The loan is repayable on 10 July 2018 and has an interest rate of 1.475% per annum.

During the period, an indirect subsidiary companies have issued promissory notes to a related companies of Baht 20.50 million. The loan are repayable before 31 December 2018 and 26 June 2019 and have an interest rate of 2.50% per annum.

As at 31 December 2017, an indirect subsidiary company has issued promissory notes to a related company of Baht 47.00 million. The loan has an interest rate of 6.00% per annum and was repaid during the period.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<b>Payables</b>				
Subsidiary company	-	-	146	-
Associated companies	24,373	22,849	4,612	5,756
Related companies	36,369	6,657	3,485	3,540
Total accounts payable - related companies	<u>60,742</u>	<u>29,506</u>	<u>8,243</u>	<u>9,296</u>
<b>Advances from</b>				
Subsidiary company	-	-	-	60
Associated company	-	60	-	60
Related companies	1,795	1,325	784	781
Total advances from related companies	<u>1,795</u>	<u>1,385</u>	<u>784</u>	<u>901</u>
Total payables and advances from related companies	<u>62,537</u>	<u>30,891</u>	<u>9,027</u>	<u>10,197</u>
<b>Advances and deposits from customers</b>				
Subsidiary companies	-	-	2,562	1,708
Related companies	3,847	3,659	3,847	3,659
Total advances and deposits from customers - related companies	<u>3,847</u>	<u>3,659</u>	<u>6,409</u>	<u>5,367</u>
<b>Key management personnel compensation</b>				
Accrued bonus	843	1,115	780	1,104
Post-employment benefits	4,508	4,867	4,132	4,503
Total key management personnel compensation	<u>5,351</u>	<u>5,982</u>	<u>4,912</u>	<u>5,607</u>

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

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2018	2017	2018	2017
Sales	12,948	22,769	31,375	25,565
Income from sales of raw materials, factory supplies and others	4,398	4,340	5,514	5,552
Rental revenue	3,877	3,689	6,476	6,288
Interest income	-	-	4,061	7,975
Dividend income	34,024	3,821	58,057	38,589
Purchases of raw materials	1,751	1,322	1,751	1,322
Purchases of finished goods	69,349	64,811	5,443	6,344
Administrative expenses	10,479	13,747	2,450	2,986
Interest expense	220	-	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	5,208	6,086	4,487	5,397
Post-employment benefits	231	83	221	67
Total	5,439	6,169	4,708	5,464

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2018	2017	2018	2017
Sales	19,094	39,986	46,216	46,879
Income from sales of raw materials, factory supplies and others	8,622	14,495	10,481	16,471
Rental revenue	7,754	8,803	12,952	14,001
Interest income	-	25	7,938	16,793
Dividend income	34,024	3,821	60,429	38,589
Purchases of raw materials	3,726	2,903	3,726	2,903
Purchases of finished goods	156,834	139,210	16,521	16,868
Administrative expenses	18,241	24,896	4,909	6,036
Interest expense	911	25	-	-
 <u>Key management personnel compensation</u>				
Current employee benefits	11,767	12,172	10,325	10,794
Post-employment benefits	309	165	288	134
Total	<u>12,076</u>	<u>12,337</u>	<u>10,613</u>	<u>10,928</u>

## 6. TRADE ACCOUNTS RECEIVABLE

As at 30 June 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 June 2018	31 December 2017	30 June 2018	31 December 2017
<b>Trade accounts receivable from sales and services</b>				
<u>Trade accounts receivable – general customers – net</u>				
Current	184,930	151,111	120,256	96,829
Overdue:				
Less than 3 months	65,343	119,982	12,759	33,631
3 months – 6 months	24,064	21,624	1,403	13,096
6 months – 12 months	6,536	9,337	3,860	5,253
Over 12 months	6,708	3,895	3,455	2,277
Total	287,581	305,949	141,733	151,086
<u>Less</u> Allowance for doubtful accounts	(4,427)	(5,129)	(151)	(271)
Net	283,154	300,820	141,582	150,815
<u>Trade accounts receivable - related companies</u>				
Current	9,168	4,687	22,383	5,394
Overdue:				
Less than 3 months	-	3,541	1,818	3,897
During 3 – 6 months	1,591	-	1,668	102
During 6 -12 months	-	71	19	-
Total	10,759	8,299	25,888	9,393
<b>Trade accounts receivable from construction work</b>				
<u>Trade accounts receivable – general customers</u>				
Current	9,868	-	9,868	-

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
THB	302,692	305,322	171,973	151,553
USD	4,773	8,926	4,773	8,926
JPY	743	-	743	-
Total	308,208	314,248	177,489	160,479
<u>Less</u> Allowance for doubtful accounts	(4,427)	(5,129)	(151)	(271)
Net	303,781	309,119	177,338	160,208

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

	In Thousand Baht	
	Consolidate F/S	Separate F/S
Balance as at 1 January 2018	5,129	271
<u>Less</u> Reversal of allowance for doubtful accounts	(582)	-
Bad debt reversal	(120)	(120)
Balance as at 30 June 2018	4,427	151

## 7. INVENTORIES - NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Finished goods	162,678	143,552	69,475	60,753
Work in process	51,208	49,094	51,208	49,094
Raw materials and supplies	130,830	137,313	130,513	137,313
Goods in transit	303	-	303	-
Total	345,019	329,959	251,499	247,160
<u>Less</u> Allowance for decline in value, slow – moving and defective inventories	(76,632)	(42,539)	(76,605)	(42,539)
Net	268,387	287,420	174,894	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	34,093	34,066
Balance as at 30 June 2018	76,632	76,605

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

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

Type of business	In Thousand Baht									
	Consolidated F/S									
	Paid-up share capital		Percentage of shareholding		Cost method		Equity method		Dividend Income	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 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	108,653	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	657,364	656,221	24,033	32,044
						<u>162,627</u>	<u>162,627</u>	<u>766,017</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	4,843	4,973	-	-
Total investments in associated companies by equity method						<u>167,427</u>	<u>167,427</u>	<u>770,860</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 746 million (refer to note 10). The amount of capital returned for the Group was Baht 152.77 million and a further amount was paid to non – controlling interest of Baht 149.65 million. There was no change in the Company's, indirect holding of 50%.

		In Thousand Baht							
		Separate F/S							
Type of business		Paid-up share capital		Percentage of shareholding		Cost method		Dividend Income	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 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 June 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 433.79 million (closing price Baht 2.98 per share, 145,565,600 common shares) and Baht 556.06 million (closing price Baht 3.82 per share, 14,565,600 common shares), respectively. For other investments in associates and joint venture are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.

Movements in investments in associated companies for the six-month period ended 30 June 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	22,213	-
Dividend income	(25,793)	-
Net book value as at 30 June 2018	770,860	162,627

#### 9. PROPERTY, PLANT AND EQUIPMENT - NET

Movements in property, plant and equipment for the six-month period ended 30 June 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	412,378	73,114
Disposal during the period – net book value	(41)	(41)
Depreciation for the period	(21,607)	(16,777)
Financing costs capitalized during the period	10,713	-
Exchange differences from translation of foreign operation	20,014	-
Net book value as at 30 June 2018	1,625,455	583,496

## 10. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 30 June 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 June 2018	31 December 2017	30 June 2018	31 December 2017
Long-term loans from financial institutions	215,752	222,030	215,752	222,030
Additional long - term loan from financial institution	746,413	-	-	-
Deferred finance costs	(32,485)	-	-	-
Amortization of deferred finance costs	640			
Exchange differences from translation of foreign operation	5,529	-	-	-
<b>Total</b>	<b>935,849</b>	<b>222,030</b>	<b>215,752</b>	<b>222,030</b>
<u>Less</u> Current portion of long - term loans from financial institutions	(18,612)	(5,784)	(5,784)	(5,784)
<b>Long-term loans from financial Institutions - net</b>	<b>917,237</b>	<b>216,246</b>	<b>209,968</b>	<b>216,246</b>

As at 30 June 2018 and 31 December 2017, The Company had long-term loans from financial institutions 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 June 2018, an indirect subsidiary company has long-term loans from financial institutions which have details as below:

	Maximum amount	Interest rate	Repayment
Senior loan A	Yen 1,120 million	TIBOR + 0.425% per annum	First repayment date is 30 June 2019 and final repayment date is 30 June 2037. 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 loan agreement. These loans are to finance the construction of power plant project and repay capital to the investors as disclosed in note 8.

#### 11. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Accrued employee expenses	16,529	26,828	12,444	19,702
Accrued incentive expenses	4,161	5,291	4,161	5,291
Accrued rental and utilities expenses	2,033	1,974	1,761	1,865
Accrued transportation	1,841	1,927	1,841	1,927
Accrued construction costs	1,057	51,441	1,057	51,441
Accrued consulting service	236	285	236	285
Other liabilities	21,904	29,042	13,164	20,629
<b>Total</b>	<b>47,761</b>	<b>116,788</b>	<b>34,664</b>	<b>101,140</b>

#### 12. DIVIDEND

Details of the Company's dividends declaration and payments for the six – month period ended 30 June 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 six – month period ended 30 June 2018 is as follows:

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

### 13. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2018	2017	2018	2017
Rental revenue	5,076	3,689	7,675	6,288
Other service income	3,198	2,474	2,089	2,129
Utilities income	1,449	1,134	1,518	1,209
Interest income	1,100	554	4,779	8,184
Reversal of provision in litigation	373	30	373	31
Gain from sell asset and asset held for sale	46	929	33	93
Tax compensation income	(4)	170	(4)	170
Commission income	-	-	1,618	1,675
Total	<u>11,238</u>	<u>8,980</u>	<u>18,081</u>	<u>19,779</u>

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2018	2017	2018	2017
Gain from sell asset and asset held for sale	89,141	1,537	89,127	95
Reversal of provision in litigation (Note 19)	18,621	737	18,621	737
Rental revenue	10,152	8,803	15,349	14,001
Other service income	6,122	10,470	4,404	10,513
Utilities income	2,586	2,010	2,716	2,150
Interest income	1,658	907	8,993	17,070
Tax compensation income	240	1,457	240	1,457
Commission income	-	-	2,816	3,450
Total	<u>128,520</u>	<u>25,921</u>	<u>142,266</u>	<u>49,473</u>

#### 14. Income tax

During the six-month period end 30 June 2018, income tax expense includes the reversal of deferred tax assets of loss carries forward for 5 years due to the Company determined that the Company can not use this benefit in near future.

#### 15. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht							
	For the three-month periods ended 30 June							
	Domestic		Export		Related transactions		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Consolidated F/S</b>								
Sales and services - net	369,744	367,504	12,013	15,519	(18,604)	(2,830)	363,153	380,193
Costs of sales and services	(275,741)	(297,898)	(10,216)	(14,914)	18,776	2,859	(267,181)	(309,953)
Allowance for obsolete of inventories	-	-	(34,067)	-	-	-	(34,067)	-
Gross profit	94,003	69,606	(32,270)	605	172	29	61,905	70,240
Revenues from construction work	-	10,897	-	-	-	-	-	10,897
Costs of construction work	-	(9,277)	-	-	-	-	-	(9,277)
Gross profit	-	1,620	-	-	-	-	-	1,620
Total gross profit	94,003	71,226	(32,270)	605	172	29	61,905	71,860
Depreciation							(11,074)	(11,262)
Finance cost							(1,432)	(10,335)
Profit (loss) before income tax							13,476	(41,946)

	In Thousand Baht							
	For the six-month periods ended 30 June							
	Domestic		Export		Related transactions		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Consolidated F/S</b>								
Sales and services – net	775,113	807,061	34,099	37,203	(27,621)	(7,224)	781,591	837,040
Costs of sales and services	(580,686)	(636,421)	(28,295)	(33,768)	27,966	7,687	(581,015)	(662,502)
Allowance for obsolete of Inventories	-	-	(34,067)	-	-	-	(34,067)	-
Gross profit	194,427	170,640	(28,263)	3,435	345	463	166,509	174,538
Revenues from construction work	9,425	29,912	-	-	-	-	9,425	29,912
Costs of construction work	(8,444)	(25,904)	-	-	-	-	(8,444)	(25,904)
Gross profit	981	4,008	-	-	-	-	981	4,008
Total gross profit	195,408	174,648	(28,263)	3,435	345	463	167,490	178,546
Depreciation							(21,607)	(22,924)
Finance cost							(4,196)	(20,897)

Profit (loss) before income tax

119,773

(29,729)



	In Thousand Baht					
	For the three-month periods ended 30 June					
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
<b>Separate F/S</b>						
Sales and services - net	186,262	206,729	12,013	15,519	198,275	222,248
Costs of sales and services	(133,867)	(166,513)	(10,216)	(14,914)	(144,083)	(181,427)
Allowance for obsolete of inventories	-	-	(34,067)	-	(34,067)	-
Gross profit	52,395	40,216	(32,270)	605	20,125	40,821
Revenues from construction work	-	10,897	-	-	-	10,897
Costs of construction work	-	(9,277)	-	-	-	(9,277)
Gross profit	-	1,620	-	-	-	1,620
Total gross profit	52,395	41,836	(32,270)	605	20,125	42,441
Depreciation					(8,389)	(9,543)
Finance cost					(4,609)	(7,565)
Profit before income tax					17,657	4,675

	In Thousand Baht					
	For the six-month periods ended 30 June					
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
<b>Separate F/S</b>						
Sales and services - net	364,317	449,427	34,099	37,203	398,416	486,630
Costs of sales and services	(255,539)	(346,949)	(28,295)	(33,768)	(283,834)	(380,717)
Allowance for obsolete of inventories	-	-	(34,067)	-	(34,067)	-
Gross profit	108,778	102,478	(28,263)	3,435	80,515	105,913
Revenues from construction work	9,425	29,912	-	-	9,425	29,912
Costs of construction work	(8,444)	(25,904)	-	-	(8,444)	(25,904)
Gross profit	981	4,008	-	-	981	4,008
Total gross profit	109,759	106,486	(28,263)	3,435	81,496	109,921
Depreciation					(16,777)	(19,507)
Finance cost					(9,211)	(15,994)
Profit before income tax					126,277	7,419

## 16. GUARANTEE

As at 30 June 2018, the Company has outstanding guarantees of approximately Baht 154.60 million which were issued by certain local banks the normal course of business of the Company.

As at 30 June 2018, the subsidiary has outstanding guarantees of approximately Baht 0.82 million which were issued by certain local banks the normal course of business of the subsidiary companies.

## 17. COMMITMENT

As at 30 June 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:

	<u>In Thousand Baht</u>
Within 1 year	16,502
2 - 3 years	2,270

## 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 June 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 June 2018</u>
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)
USD	239	5	33.16715
JPY	3,137	-	0.299902

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

## 19. EVENT AFTER THE REPORTING PERIOD

On 2 July 2018, at the Extraordinary General Shareholder Meetings No. 1/2018 of indirect subsidiary companies are 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 where registered with the Department of Business Development on 2 July 2018. and the liquidation was subseaealy registered with the Department of Business Development on 23 July 2018.

## 20. LITIGATION

In 2012, a contractor sued the Company as joint defendant with another party for repayment totaling approximately Baht 41.53 million, plus interest at the rate of 7.50% per annum from 24 March 2011 to the payment date. The Company submitted a counterclaim because they believed the plaintiff was at fault for the delay and delivery of defective products. In 2018, the Supreme Court determined that the contractor has to pay compensation after deducting fines totaling an amount of Baht 5.70 million, plus interest at the rate of 7.50% per annum from 27 March 2012 to the payment date. Consequently, the Company reversed the provision and recorded in other income in the statement of profit or loss for the three-month and six-month periods ended 30 June 2018 an amount of Baht 18.62 million (Note 13).