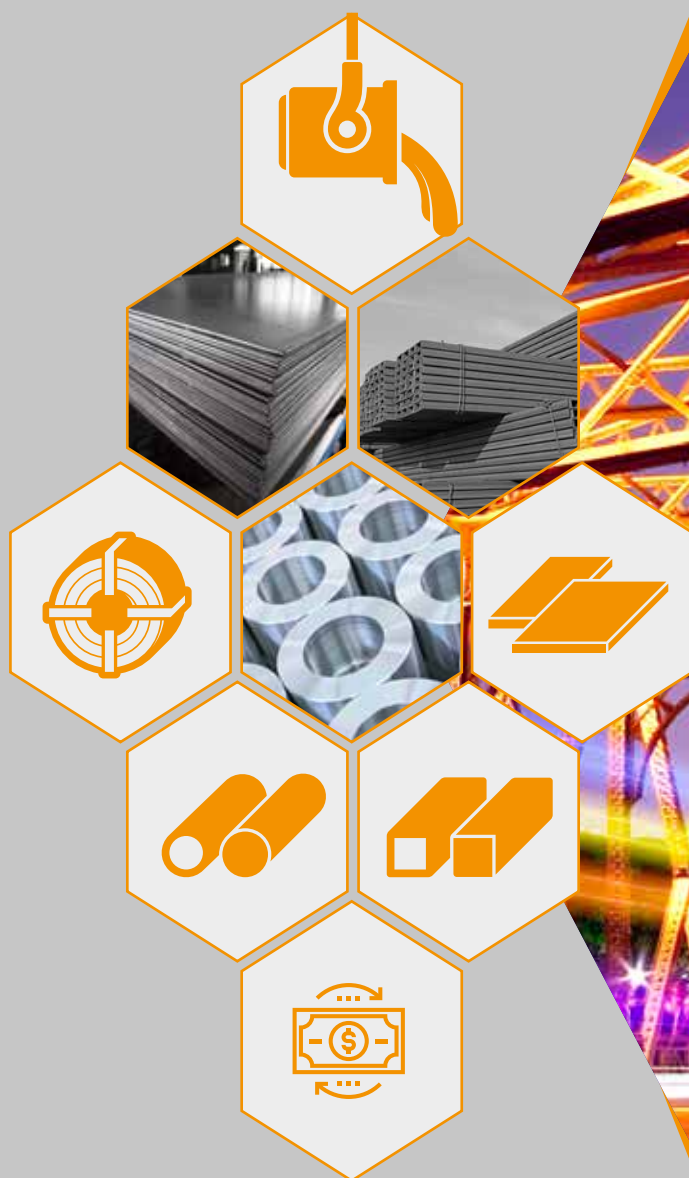




THE STEEL PUBLIC COMPANY LIMITED
บริษัท เดอะ สตีล จำกัด (มหาชน)



ANNUAL REPORT 2017
รายงานประจำปี 2560



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Message from the Chairman



Dear all Shareholders and Investors, The Steel Public Company Limited and subsidiaries for the past 1 year had struggling until business were rebounded and been expanded and converted to high profit in year 2016. The business have been carried on smoothly in 2017, i.e, the Company had enter into purchasing of land, buildings and machineries from related persons for amounted Baht 456.90 million to support future growth. However, metal business in 2nd and 4th quarters of 2017 were dropped due to lower demand and lower selling prices, resulting net profit was decreased from Baht 545.29 million in 2016 to Baht 200.82 million in 2017.

On behalf of the Board of Directors, we would like to express our appreciation for shareholders, customers, business partners, financial institutions, and private sectors concerned of their full support in the Company's operation. We also are very grateful to our executives and staff who have performed their duties with full responsibilities and commitment to improve the Company's potential for the steady and ongoing growth in the future.

A handwritten signature in black ink, which appears to read "Prachuab Chaiyasan".

Mr. Prachuab Chaiyasan
Chairman

Financial Highlights

(Thousand Baht)

	2017	2016	2015
Data from consolidated financial Statements			
Revenue from sales	13,788,266	15,798,647	13,957,302
Gross Profit	636,249	852,155	120,687
Comprehensive Net Profit (Loss)	197,004	549,084	(730,024)
Total Assets	5,748,100	5,403,327	4,097,626
Total Liabilities	3,876,917	3,677,249	2,700,363
Shareholder's Equity	1,871,183	1,726,078	1,396,990
Financial Ratio			
Gross Profit Margin	4.61	5.39	0.86
Net Profit (loss) Margin	1.40	3.47	(5.25)
Return on Assets	3.47	11.56	(17.97)
Return on Equity	10.87	35.76	(67.96)
Current Ratio (times)	1.04	1.21	1.18
Debt to Equity Ratio (times)	2.07	2.13	1.93



Business Overview

The Company has been selling various kind of metal products, raw materials (not forming), such as, Hot Roll Coil and forming, such as, slitting, plate, and other hot formings and cold formings, steel channel bar, steel angle bar, rip c-channel and steel pipe.

The Company income structure composed of

1) Steel Trading

The Company has various kind of steel tradings Hot Roll Coil, Plate, H-Beams, I-Beams, wide flange, steel bar, steel channel bar, steel channel and steel flat bar, c-channel and steel pipe. The Company also provides other products, water pipe, zing, etc. Since 2012 the Company also imported scraps and bought in domestic for selling as raw materials for producing Hot Roll Coils.

2) Coil Center

The Company processes hot rolled coil into other forming products, such as, slitting coil, cutting sheet including c-channel and steel pipes and also provides service of cutting plate and slitting coil per customers' need.

The Company's income structure

The distribution value	2017		2016		2015	
	Million Baht	Ratio	Million Baht	Ratio	Million Baht	Ratio
Trading						
- Scrap	1,654.77	12.00	3,083.59	19.52	1,858.50	13.32
- Appearance iron	8,413.86	61.02	8,598.56	54.43	9,341.11	66.93
Processing	3,703.50	26.86	3,872.19	24.51	2,701.68	19.36
Grand Total	13,772.13	99.88	15,554.34	98.45	13,901.29	99.60
Other income	16.13	0.12	244.31	1.55	56.01	0.40
Total Revenues	13,788.26	100.00	15,798.65	100.00	13,957.30	100.00

Type of Business and Nature of Operation

The Company divides its operations into two categories, as follows:

1. Steel Trading and Warehousing

The company's products can be divided into 3 main products, as follows:

1.1 Hot Rolled Flat product

This product is passed the production process of the local manufactures. The feature of Hot Rolled Flat Product is sheet, which has different width, length and dept. There are two types. The first type is Hot-Rolled Coil with the depth from 1.0 millimeter to 13.0 millimeters. The second type is Hot-Rolled Plate with the dept from 8 millimeters to 100 millimeters. The company procures Hot-Rolled Coil and Hot-Rolled Plate from local manufactures and sells them to steel traders and steel manufactures. These customers use these products to produce other steel works. These products are widely used in several industries such as construction, machinery and ship building.

1.2 Long product

1) Hot Formed product

These products are passed the hot forming process, which are H-Beams, I-Beams, wide flange, steel bar, steel channel bar, steel channel and steel flat bar. The company procures these products and sells to trader and the customers in construction industry.

2) Cold Formed product

These products are reformed without heating process. This type of products includes steel channel bar, steel angle bar, rip c-channel and steel pipe. The steel pipe which company procures is suitable for construction industry. The company procures these products and sells to trader and the customers in construction industry.

1.3 Other steel products

The company purchases other steel products to accommodate the customers such as cold rolled sheet and stainless steel sheet.

2. Coil Center

The company processes hot rolled coil into other forming products, such as, slitting coil, cutting sheet various sizes, including c-channel and steel pipes. The capacity of machines was around 200,000 tons per year in past. After adding 4 new sets of piping machines, the new capacity are around 334,500 tons per year, with working 8 hours per day, and increasing 2-4 hours per day in peak period.

Marketing and Competitive Situation

1. Marketing Strategies

- 1) Since the Company has variety of products, customers can order from the company instead of order from many distributors. The company can serve customers' need well, especially, wholesaler and construction clients, which are major customers.
- 2) Metal products, both bought for trading and manufactured by the company received Thai Industrial standard Institute license from Ministry of Industrial, and the company has quality assurance system before deliver goods. Incase of damages, new goods will be resubmitted immediately.
- 3) The company has services to deliver products to customers either in Bangkok, outer ring of Bangkok or near by provinces.
- 4) The company can immediately serve customers' need due to variety of products, efficient inventory control system, and on time delivery.
- 5) The company separates marketing team by customer locations in order to closely take care customers and know their needs.
- 6) The company seriously focuses on creating value added to the firm, by developing and giving product knowledges to staff in order that they can give good advice and service to customers.

Distribution channel

The Company distributed all products locally in both 2016 and 2015, mainly to whole sellers, other industries and constructors, including HRC manufacturers.



2. Competition

Because the company operates as coil service center and steel manufacture, the company divides the competitive situation as follow:

2.1 The coil service center

There are many coil service centers in Thailand but most of them are small manufacturers. There are only two large manufacturers and six medium manufacturers in this market. The company is one of the medium manufacturers. Therefore, the level of competition for large and medium manufactures is moderate. Moreover, at the present the production is not sufficient for the customers' demand.

2.2 The steel pipe and rip c-channel manufacture

The competition in this market is in high level because there are approximately 50 steel pipe and rip c-channel manufactures in this market. The company divides the competition of steel pipe and rip c-channel into three groups according to their production capacity.

- The large steel pipe and rip c-channel manufactures have production capacity more than 100,000 tones per year. There are nine large manufacturers, including the Company.
- The Medium steel pipe and rip c-channel manufactures have production capacity ranging from 50,000 tones per year to 100,000 tones per year. There are approximately 13 Medium manufacturers.
- The small steel pipe and rip c-channel manufactures have the capacity less than 50,000 tones per year. The rest of the manufacturers are small manufacturers.

Merchandise Suppliers

■ Production

At present the company has one factory and mid of 2017 had combined machines in subsidiary into company controlling, with the full production capacity of approximate 334,500 tons per year. The average utilization rate were 87.93% and 73.10% in 2017 and 2016 respectively.

■ Raw material and product procurement

At present the company procures hot rolled coil with the standard size of thickness, width and length from the local manufacturers. G J Steel Public Company Limited , G Steel Public Company Limited and Sahaviriya Group who are three major producers, and purchase other products from various supplies. In addition, the Company has been purchasing Hot Roll Coil from Prime Steel Mill Co.,Ltd. as new raw material alternative sourcing.

Environmental Impact

The environmental Impact of steel manufacturer is the noise pollution. However, the company controls the noise not to affect the environment by design the factories. Moreover, the company is examined by Department of industrial Works annually. The environment of the factory is according to the standard and is not affect the environment.

Moreover, the company has never been sued about the pollution and has never been warned or charged or charged by the government agent according to the environmental laws.

Risk factors

1) The risk associated with the volatility of the price of raw material

The company purchased all of hot rolled coil from the local manufacturers with the range 60.04% of all purchases in 2016 and 45.30% of all purchases in 2017. Therefore, the volatility of hot rolled coil price affects the company's cost and the company's selling price.

However, if the price of steel products tends to stable or increase, the company uses the cost plus policy to set the selling price of all products. The company uses the raw material cost, expenses and profit to set the selling prices. Therefore, the company can maintain the profit margin and the company can adjust the selling price according to the changing of raw material prices. When the selling prices tend to decrease, the company accelerates to sell all of products. If the customers wish to order the goods in advance, the company will collect the advance payment from them and will order the goods from the manufacturers. This can lower the risk associated with the volatility of hot rolled coil price.

Moreover, the company follows the changing of raw material prices closely to order the raw material and to manage the inventory properly. The company has the policy to decrease the inventory when the price of raw material tends to decrease and to increase the inventory when the price of raw material tends to increase. In the normal situation, the company has the policy to keep the inventory for 45 days. From these policies, the changing of the raw material price will not affect the company's operational performance significantly.

2) Risk associated with the reliability on major steel producers

At the present, there are only three hot rolled coil manufacturers in Thailand. Hence, there may be a risk if these major domestic steel producers are unable to deliver their products to the Company as scheduled and if the Company is unable to provide substitute products to fill its customer's orders.

However, the company has purchased hot rolled coil from these manufacturers for a long time and has never defaulted on payment. These make the company has close relationship with the manufacturers. Moreover, the company plans the production and informs the purchasing amount of raw material in advance. The company has never experienced a delivery problem with these suppliers, when the steel price situation is normal or the steel price tends to increase. Therefore, the company believes that the company will not be affected by this problem. Currently, the Company has new additional sourcing of Hot Roll Coil from Prime Steel Mill Co.,Ltd. associated Company which the Company hold 50% of its register capital, which will assist the Company getting more sharing of stripped coils in future.



3) The risk associated with the changing law about the competition

1) Free Trade Area

At the present, Thailand has Free Trade Area Agreement with ASEAN countries and Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for ASEAN Free Trade Area (AFTA). Hot rolled coil and steel pipe are on the normal track, which Thailand has to lower tariff on import goods to zero within 2010. The tariff rate of hot rolled coil from ASEAN countries is two to five percent depending on type and size. The tariff rate of steel pipe from ASEAN countries is five percent. Moreover, it is possible that Thailand will make Free Trade Area agreement with other countries in the future. So the imported hot rolled coil and steel pipe may be cheaper and there may be more foreign competitors. The Association of Metal Trading has formed the group and requested Government issuing SAFE GUARD Act. in order to assist internal metal traders not be impacted.

4) Risk impact from natural hazards and uncertainty politic

Since end of 2011 natural hazards seemed increasing the violent and uncertainty. This has impacted to seasonal trading, especially; there will be heavy rain and flooding in every third quarter, including El Niño Effect during the past several years caused Thailand facing wide drought and politic uncertainty which affect to property business and consequently metal trading are also slow down.

General Information

INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARY

The Company

Name	:	The Steel Public Company Limited
Head Office	:	1401 Ekkachai Road, Bangbon Bangbon Bangkok 10150
Branch 1	:	7/4,7/6 Moo 1 Ekkachai Road, Khae rai, Kratumban, Samutsakorn 74110
Branch 2	:	99/5 Moo 1 Bangnamjued Muang Samutsakorn Samutsakorn 74000
Branch 3	:	99/16 Moo 3 Nadee Muang Samutsakorn Samutsakorn 74000
Branch 4	:	196 Moo 1 Khae rai, Kratumban, Samutsakorn 74110
Homepage	:	http://www.thesteel.co.th
Company Registration	:	0107549000106
Business Operation	:	The company runs business as a trader and supplier of a wide variety of steel products: raw materials such as hot rolled coil; transformed steel such as coil slitting, steel sheet , hot formed product, cold formed product ; and other steel products. The company also processes some types of steel such as steel sheet, coil slitting, steel flat bar, steel angle bar, steel channel bar, steel pipe, and steel Rip C channel.
Telephone	:	(662) 894-8889-90
Fax	:	(662) 408-0272-4
Registered capital	:	Baht 825,007,620
Common Shares	:	1,100,010,160 shares
Par Value	:	Baht 0.50
Paid Capital	:	Baht 550,005,080

INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARY

Name (Company Registration)	Address	Type of Business	Registered (Baht)	Paid-up (Baht)	Percentage of Investment
1) The Steel PCL. (0107549000106)	Head Office 1401 Ekkachai Road, Bangbon , Bangbon, Bangkok Branch 1 7/4,7/6 Moo1 Ekkachai Road, Khaerai, Kratumban, Samutsakorn Branch 2 99/5 Moo 1 Bangnam-jued, Mueng Samutsakorn, Samutsakorn Branch 3 99/16 Moo 3 Nadee Mueng Samutsakorn, Samutsakorn Branch 4 196 Moo 1 Khaerai, Kratumban, Samutsakorn Tel: 66 (0) 2894-8889-90 Fax: 66 (0) 2408-0272-4 E-mail: theinfo@thesteel.co.th Website: www.thesteel.co.th	Manufacture and sale of steel	550,005,080	550,005,080	-

Its Subsidiary

1) The Steel Logistic Co.,Ltd. (0745551000218)	7/8 Moo 1 Ekkachai Road, Khaerai, Kratumban, Samutsakorn 74110 Tel: 66 (0) 2811-2506-8 66 (0) 2811-3561-3 Fax: 66 (0) 2429-3959	To operate Logistic	10,000,000	10,000,000	59.995%
2) The Steel Industry Co., Ltd. (0745552002940)	196 Moo1, Khae lai, Kratumban, Samutsakorn 74110 Branch 1 7/4,7/6 Moo 1 Khaerai, Kratumban Samutsakorn Tel: 66 (0) 34-476-456 Fax: 66 (0) 34-476-756	Manufacture black pipe	50,000,000	50,000,000	99.9998%
3) Liberty Steel Siam Co., Ltd. (0105554023044)	1401 Ekkachai Rd. Bangbon, Bangbon, Bangkok 10150 Tel: 66 (0) 2894-8889-90 Fax: 66 (0) 2408-0272-4	Selling Steel-Round Bars, Hot Rolled Coils, and raw materials for manufacture other forming products	450,000,000	450,000,000	99.99998%

Its associate

1) Prime Steel Mill Co., Ltd (0745557000163)	2922/298 Charn Issara Tower 2 27 th Floor, Phetchaburi Road, Bangkapi, Huaikwang, Bangkok Tel: 66 (0) 2716-5040 Fax: 66 (0) 2716-5041	Selling Hot Roll Coil	1,000,000,000	1,000,000,000	50.00%
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Referrals and Their locations

Securities Register

Company : Thailand Securities Depository Co.,Ltd
Address : 14th Floor, The Stock Exchange of Thailand Building,
93 Rachadapisek Road, Dindaeng, Dindaeng ,Bangkok 10400, Thailand
Telephone : (662) 009-9000
Fax : (662) 009-9001

Auditor

Company Name : CWWP Company Limited
128/180-181, Phayatai Plaza Building,31st Floor, Phayatai Road
Thungphayatai, Ratchatavee, Bangkok 10400, Thailand
Telephone : +66 (2) 216-2265, +66 (2) 216-2268-9
Fax : +66 (2) 216-2268-9
Auditor : Ms.Wanraya Puttasatien CPA.No. 4387 and/or
Mr.Cherdsakul On-mongkol CPA.No. 7195 and/or
Ms.Waraporn Intraraprasit CPA.No. 7881 and/or
Ms.Chantra Wongsri-Udomporn CPA.No.4996 and/or
Ms.Chonthicha Lertwilai CPA.No.12258 and/or
Ms.Waraporn Phanpakdeenupong CPA.No. 1226



Capital Structure

(1) Company's Securities

The Companies' registered capital was as follows:-

Registered capital	825,007,620	Baht
Paid-up capital	550,005,080	Baht
Ordinary Shares	1,100,010,160	Shares
Par value	0.50	Baht

(2) Shareholder

The 10 major shareholders as at the book closure date on March 14, 2018 are as follows:-

	Name	No. of Shares	%
1	Mr. Boonchai Jirapongtrakul	188,000,000	17.09
2	Mr.Nirut Ngamchamnunrith	160,000,000	14.55
3	Mr.Suroj Jiraphongtrakul	150,810,000	13.71
4	Ms. Ratana Jiraponttrakul	135,450,000	12.31
5	Mrs.Wanna Sitthisirinukul	79,000,000	7.18
6	Mr. Panu Jarupilun	60,000,000	5.45
7	Mr. Suwit Jiraphongtrakul	55,004,900	5.00
8	UOB KAY HIAN PRIVATE LIMITED	54,734,000	4.98
9	Mr.Jumpod Chuwong	54,000,000	4.91
10	Ms.Suwannee Jiraphongtrakul	38,190,000	3.47

(3) Dividend Payment Policy

The Company's Dividend Payment Policy

The Company has the policy to pay dividend to shareholders at the rate not less than 50% of net profit after tax, unless the company has new investment project.

Subsidiaries' Dividend Payment Policy

For the other subsidiaries, the Company does not set the rate of subsidiaries' dividend payment, but the policy of subsidiaries' dividend payment to the Company has to be complied with subsidiaries' regulation on dividend payment which is resolved by the shareholders meeting. The subsidiaries' payment of dividend will be determined mainly by the performance of the company's earnings which depends on the performance of its operations and economy.

In addition, for the dividend payment, subsidiaries shall allocate not less than one of twentieth (1/20) from its net profit until this account reaches an amount not less than 10% of the registered authorized capital.

Management Structure

The Management Structure of the Company consists of the Board of Directors and the 3 committees including the Audit Committee, the Executive Committee and the Nomination and Remuneration Committee whose scope of responsibilities and functions could be summarized as follows:-

The Board of Directors

Name	Position	Meeting Attendance of the Directors	
		Meeting	Attendance
Mr.Prachuab Chaiyasan	Chairman of Director Independent Director Chairman of the Audit Committee	8	7
Mr.Boonchai Jirapongtrakul	Director	8	7
Mr.Suroj Jiraphongtrakul	Director	8	6
Mr.Nirut Ngamchamnunrith	Director	8	7
Ms.Proudpalin Vacharabenjapat	Director Nomination and Remuneration Committee	8	7
Mrs.Seenual Tasanapat	Independent Director Audit Committee Chairman of the Nomination and Remuneration Committee	8	8
Mr.Teerapong Tanarukvudhikorn	Independent Director Audit Committee	8	8

Audit Committee:

On December 31, 2017 the Audit Committee comprised of 3 independent directors with 3 years term as follow:-

1. Mr. Prachuab Chaiyasan Chairman of the Audit Committee
2. Mrs. Seenual Tasanapant Audit Committee
3. Mr. Teerapong Thanarukvudhikorn Audit Committee

The Audit Committee number 2 had adequate expertise and experience to review creditability of the financial reports. (detail of Audit Committee's experiences is on Information of Directors and Managements of the Company)

Secretary of the audit committee: Ms. Thitima Nontavech



Executive Committee:

On December 31, 2017 the Executive committee comprised of 5 members as follows:-

- | | | | |
|----|----------------|-----------------|-------------------------------------|
| 1. | Mr. Boonchai | Jirapongtrakul | Chairman of the Executive Committee |
| 2. | Mr. Suroj | Jiraphongtrakul | Executive Director |
| 3. | Mr. Nirut | Ngamchamnanrith | Executive Director |
| 4. | Mr. Sila | Wangphornphra | Executive Director |
| 5. | Mr. Prasertsuk | Nudthaisong | Executive Director |

Nomination and Remuneration Committee:

On December 31, 2017 the Nomination and Remuneration Committee comprised of 3 members as follows:-

- | | | | |
|----|----------------|-----------------|---|
| 1. | Mrs. Seenual | Tasanapant | Chairman of the Nomination and Remuneration Committee |
| 2. | Mrs. Nartsine | Sarnvanichpitak | Nomination and Remuneration Committee |
| 3. | Ms. Proudpalin | Vacharabenjapat | Nomination and Remuneration Committee |

Secretary of the Nomination and Remuneration Committee: Ms. Thitima Nontavech

Executives:

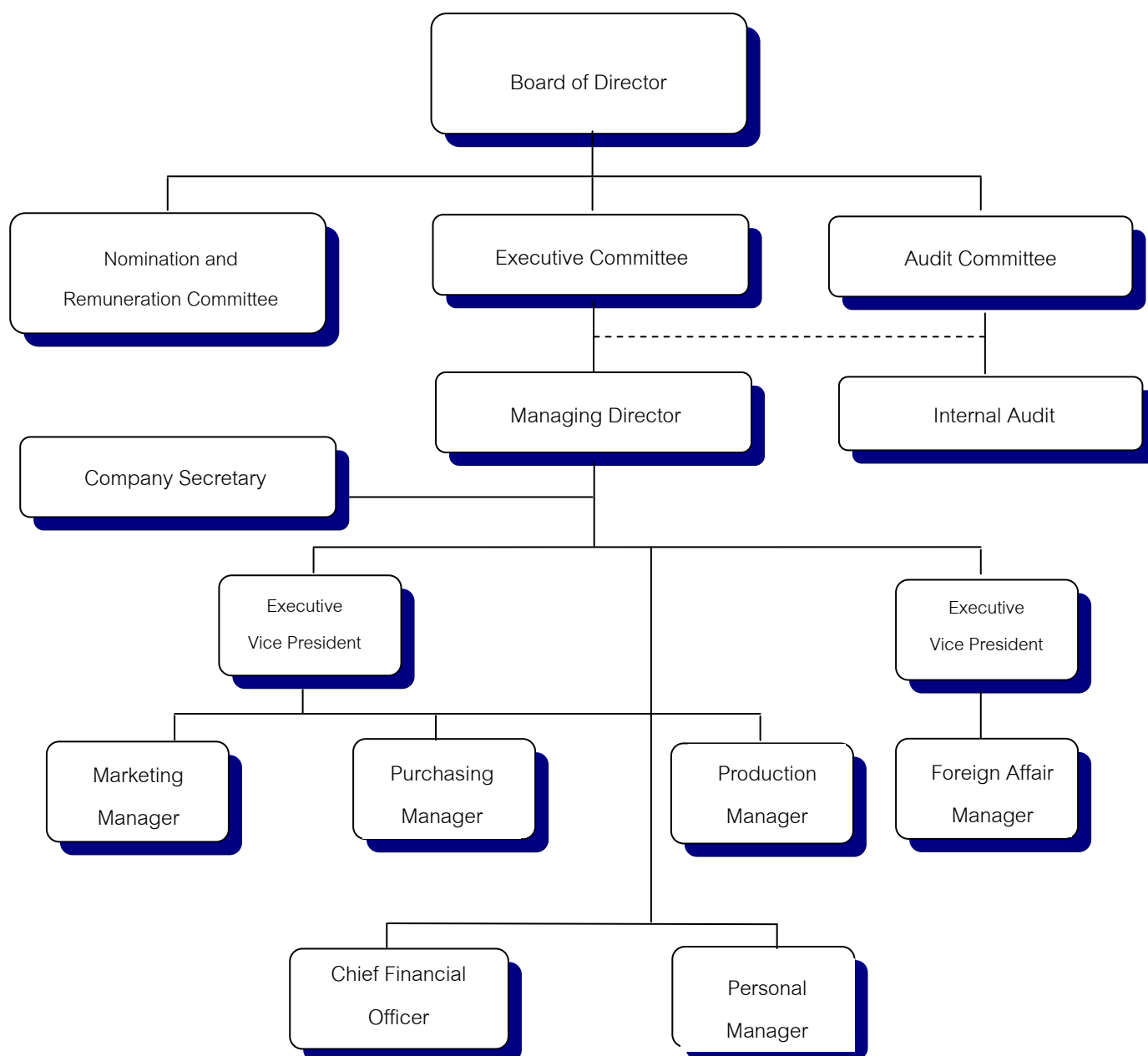
On December 31, 2017 the executives⁽¹⁾ comprised of 5 members according to definition of the Securities and Exchange Commission (SEC) as follows:-

- | | | | |
|----|----------------|----------------|-------------------------|
| 1. | Mr. Boonchai | Jirapongtrakul | Managing Director |
| 2. | Mr. Pornthep | Pripaisalkij | Chief Financial Officer |
| 3. | Mr. Sanguan | Chaichusorn | Marketing Manager |
| 4. | Mr. Sila | Wangphornphra | Manufacturing Manager |
| 5. | Mr. Prasertsuk | Nudthaisong | Purchasing Manager |

Note:

- (1) "Executives" mean directors, managers or those who hold the first four positions lower than the managers (who hold the highest position of the Company), those who hold the position equivalent to the four executives including those who hold management positions in accounting or finance division from division managers or equivalent onwards.

Organization Chart of The Steel Public Company Limited
(As at December 31, 2017)



Company Secretary:

Board of Director had appointed Ms.Thitima Nontavech handle Company Secretary since May 10,2013 with qualification presented in Attachment 1.

Remuneration of the Directors and Management Team**A. Remuneration in Cash for the Year Ending 31 December 2017**

- Directors' Remuneration ; Meeting Allowance and Operating Bonus

Unit : Baht

Name	Meeting Allowance			Bonus	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee		
1. Mr.Boonchai Jirapongtrakul	154,000	-	-	75,000	229,000
2. Mr.Suroj Jiraphongtrakul	132,000	-	-	75,000	207,000
3. Mr.Nirut Ngamchamnunrith	154,000	-	-	75,000	229,000
4. Mr.Prachuab Chaiyasan	231,000	99,000	-	300,000	630,000
5. Mrs.Seenual Tasanapant	176,000	88,000	-	75,000	339,000
6. Mr.Teerapong Thanarukvudhikorn	176,000	88,000	-	75,000	339,000
7. Ms.Proudpalin Vacharabenjapat	154,000	-	-	75,000	229,000
8. Mrs.Nartsine Samvanichpitak	-	-	-	-	-
TOTAL					2,202,000

- Management Remuneration

Unit : Baht

Remuneration	Total (person)	Salary/Bonus/Other
Directors as management	3	11,430,000
Executives	4	3,909,594
Total		15,339,594

B. Other remunerations

-None-

Labor dispute

- (1) The total company employees as of December 31, 2017 were 640 persons (exclude executive). This consisted of the employee according to the work lines as follows.

Department		Numbers of Permanent Staff (Person)
		2017
1.	Office	131
2.	Factory	320
	Total	451

In a period of the past three years. The company did not have any conflicts about labor.

- (2) Employee's compensation

Total compensations of the employee who were not the administrators of the company and subsidiaries (including coming in and going out of the employee during year 2017) was Baht 89.37 million. This compensation was in the form of salary, bonus, wages, overtime wage, living expenses and provident fund.

Personnel development policy

Human Resource Department had set up policies as follow:-

1. The Company will manage human resources, to comply with and support companies' business goals and strategies.
2. The Company will deploy HR systems and processes with Clarity, Transparency, Justice and the same alignment in the company.
3. The Company adheres the merit system that considers knowledge, ability of employees as most important. Thus, advances in career path and motivations will be subjected to the quality and success of the work, Knowledge and competent and Attitudes and employees' potential which meet companies' requirements.
4. The Company will continuously encourage the development of human resources, in order to make staff have competency and efficiency in their duties.



Good Corporate Governance

The Board of Director has recognized the importance on following the best practices of good corporate governance. The Company has determined that its policies on the best practices of good corporate governance as stated by the Stock Exchange of Thailand and then brought principles mentioned as a guide of how to operate the company to get the most benefit of running the business and support clearness, efficiency of the management so that Shareholders, the investors, and all relating Investor Relation as follows.

The policy regarding corporate governance

1. All information must be clearly presented and on time.
2. Directors and management persons must be sufficiency managed.
3. The principle of operating business must be benefited to shareholders.
4. Risk management must to controlled and minimized loss.
5. Ethics must be used for operating a business.

Sub Committees

The Board of Directors has set up a series of key sub-committees which are composed of knowledgeable persons and those with appropriate expertise to help supervise and examine several issues and assignments to ensure their accuracy, transparency and completeness before submitting to the Board of Directors for approval or acknowledgement on case-by-case basis to support the Company's administration and management:

- **The Audit Committee**

This committee consists of three independent and with one well-versed in such fields. The term of each committee is three years.

- **The Nomination and Remuneration Committee**

This committee consists of three Directors, one member be from an outsiders and two member is officer include three members.

- **The Executive Committee**

This committee consists of three executive directors and two executive include five members. Executive committee was authorized to administration.

Definition

- **Independent Directors:** mean outside directors who are not the Company's executives or employees, not executive directors or authorized signatory directors, and are independent from major shareholders, executives and stakeholders. Non-executive directors are able to equally protect the benefits of as shareholders, and prevent conflict of interest between the Company and involved persons and have qualifications and independence as required by the SET and SEC as follows:
 1. Does not hold more than 1% of the total number of voting shares in the parent Company, or of any of its subsidiaries or joint venture companies or in any entity likely to give rise to a conflict of interest, shares held by related persons to be included in the calculation in accordance with directive 258 of the Securities Act.
 2. Does not take part in administering the work, is not a contractor or an employee or consultant in receipt of a regular salary and is not in a position to exert control over the Company, its subsidiaries, joint ventures or fellow-subsidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment).

3. Is not related by blood or marriage to (i.e. is not the father, mother, spouse, sibling or child of or the spouse of a child of an Administrator, major shareholder or other person in a position of authority or candidate as Administrator or person in a position of authority Company or any of its subsidiaries.
4. Does not have business dealing with the Company:
 - 4.1 Is not an auditor of the Company
 - 4.2 Does not provide other professional services to the Company such as legal or financial consultancy or appraisal worth more than Bt.2m per year.
 - 4.3 Does not have habitual related party transactions by way of rent or lease, whether as lessor or lessee, of real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Bt.20m or 3% of NTA, whichever is the lower, including transactions carried out in the one year prior to the carrying out of and given transaction.

He must not have business relations as defined in 4.1 to 4.3 above at present, nor in the two years prior to his appointment except where there is necessary and proper reason and in any case not continuously or constantly. An Independent Director or Audit Committee Member may have relations that go beyond those stipulated while performing his office, but only after obtaining the unanimous prior approval of the Company's Board of Directors and subject to the relationship being disclosed per Form 56-1, in the Annual Report and in the letter of invitation to the Shareholders' Meeting in the event that the Shareholders' Meeting is to be asked to renew the term of office of the Independent Director or Audit Committee Member concerned.
5. Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.
6. Does not have any other characteristic limiting his independence.
7. An Independent Director having the characteristics set out in points 1 to 6 above may be given powers by the Board of Directors to decide on matters involving the Company, its subsidiaries, its joint ventures or fellow-subsidaries or entities likely to have a conflict of interest on a collective decision basis.

Duties and Responsibilities of Board of Director:

1. The authority and function according to the Civil and Commercial Code, including other laws which specify to be the authority and function of the committee or the group of the committee in the public company.
2. The authority and function according to the company regulations that is defined to be for the committee group.
3. Consider approval long-term plan, budget plan, and the annual investment budget.
4. Run the company's business according to laws, objectives, and the regulations of the company as well as the resolution of the shareholder meeting
5. Plan the administration policy of the company all until the checking turn over of the company
6. Define other regulations of the company
7. Appoint board of directors or assign to one or more committees or any individual operate instead of the committee and in the limit responsibility that the board should have and has the right to cancel, ignore, edit, or change the mentioned authority.
8. Consider and approve the important activities that are related to the company or are appropriate to make benefit for the company



Except for these following issues that can operate only when permission has been given by the shareholder meeting. The committee who may have gain or loss or conflict in other benefits with the company or the sub company cannot vote for those issues.

- The topic that the law has defined must have the resolution from the shareholder meeting.
- Making the list in which the committee has gain and loss and in the area of law or regulations of the stock market defined have to be authorized from the shareholder meeting.
- Other than that, the following criteria must get the consent from the board meeting and the shareholder meeting with the vote not less than 3 out of 4 of the attending shareholders who have the rights to vote:
 - selling or transferring the company's business all or just important parts
 - buying or receiving the transfer of the other companies or public companies as the company's property
 - making, editing, or canceling the contract regarding renting the company's business all or just important parts; assigning others to manage the company's business or adding the business with other individuals with the objective of sharing profits and loss with each other
 - editing the memorandum or the company's regulation
 - increasing or decreasing capital, issuing the debenture, combining or canceling the business
 - other issues according to the law

Duties and Responsibilities of Audit Committee :

1. to review the Company's financial reporting process to ensure that it is accurate and adequate;
2. to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. to review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. to consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend meeting with the auditor without the presence of the executive directors at least once a year;
5. to review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - A. an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - B. an opinion on the adequacy of the Company's internal control system,
 - C. an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - D. an opinion on the suitability of an auditor,
 - E. an opinion on the transactions that may lead to conflicts of interests,
 - F. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - G. an opinion or overview comment received by the audit committee from its performance of duties in accordance with this charter, and

- H. other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. to perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

Duties and Responsibilities Executive Committee :

1. Empower of decide the significant operations by specified scope works, purpose, discipline, policy, type or size of duties within their authorities including govern general operation, production, customer's relation and must responsible to Board of Directors.
2. Consider all investments including purchasing ,selling company's fixed assets and propose to Broad of Directors.
3. Consider about the purchasing. Each time of buying raw ingredients should not more 20,000 tons.
4. Have the authority to act and be representative of the business to the third party in the related business and giving benefit to the business
5. Consider to collect the company funds for presenting to the company committee.
6. Approve the appointment of the company consultants in other issues that are necessary to the operations.
7. Run the business that relates to the general administration of the company.
8. Consider to approve the operation plans of each company department and to approve the requests from other departments that exceed the authority of such departments.
9. If the operation plans' budget of is over than the approved amount, it must be submitted to the Board of Directors for approval.

That is, the assignment of such authority, the managing director must act according to the rules and regulations that have been approved by the committee. They must not approve any issue that they or opposed individuals may gain or loss, or are opposed to the benefits in other ways with the company and sub-company. They must also reveal the following issues to the committee of the company for consideration.

Things other than what has been mentioned, Executive committee is not allowed to do unless it has been assigned from the committee meeting occasionally.

Duties and Responsibilities Nomination and Remuneration Committee :

1. Define the scope of work and method on the selection and recruitment of directors and sub-committee whose tenure have ended or unoccupied position for submission of the Board's consideration and/or further to shareholders' meetings for approval.
2. Define the method and practice of appropriate compensation for directors and sub-committee to the Board and/or further to Shareholders' meetings for approval.
3. Report to the Board of Director the results of Nomination and Remuneration Committee meetings or other matters that the Board of Directors should be informed.
4. Perform any tasks assigned by the Board of Directors.

Nomination of Directors and Management

Nomination of Directors:

Under the Company regulations, one-third of the directors must leave the Board at every annual general meeting. In the case that total number is not divisible by three, the number closest to one-third must used with the exit of the director who stays the longest with the Board of directors. The exit director maybe re-elected to the Board.



Recruitment of directors is under the responsibility of Nomination and Compensation Committee. The committee will screen candidates with qualifications predetermined in Company regulations and qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission and tabled them to the Board for consideration before submission to shareholders' meetings to decide and appoint them under the following methods:

1. A shareholder has a score equal to one voice.
2. Committee election can be made through an individual or a group to be committee according to shareholder meeting. To vote, no matter individual or group who the shareholder vote will be the vice according to the number of stocks that the shareholder holds (follow previous step) in which the mentioned shareholder cannot divide their voices to any individual more or less than others.
3. The individuals who receive the majority of the votes (from greatest to least) will be those who win the election of they fulfill the number of required committees. In the case that the individual gets the same number of votes, but one gets more than the required number of the committee at that time, the chairman will be the one to decide who will win the tie.

Since November 18, 2016 – January 31, 2017, shareholders have been allowed to take part in the proposal of candidates for selection. The selection method and process are posted on www.thesteel.co.th, and investors are informed of the information through SET's IT information channel (portal). However, no shareholder has proposed any name for consideration in 2016.

Nomination of Management:

- **Nomination of Managing Director:** The Executive Committee will conduct a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience; then, table them to the Nomination and Compensation Committee for consideration and endorsement before submitting the final list to the Board of Director for consideration.
- **Nomination of Executives:** The Managing Director will select and appoint candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under the human resources department's regulations.

Control of subsidiaries and associated Company

The Company has policy to control operation in subsidiaries by budgeting system. Every subsidiary has to prepare budget and present to Directors. In addition, control of cash payment will be allowed subsidiaries' management counter sign cheques with parent companies' management.

Control and Prevention of the Use of Inside Information

Detail Control and Prevention of the Use of inside Information on section 2 : Equitable Treatment of Shareholders

Audit fee

Auditor from CWWP Co., Ltd was not related party to the company. Amount Baht 3,685,000 was paid as auditor fee for year 2017 for the auditing financial statements of the company and subsidiaries. No other fee was paid.

Good Corporate Governance Compliance

In 2017, the company duly complied with the principles of good corporate governance for listed companies 2006 in these following five principles:

1. RIGHTS OF SHAREHOLDERS

The company values shareholders' rights by refraining from violating or infringing on such rights as follows:

1. **Fundamental legal rights:** The Company facilitated the exercising of the management of share transfers by reliable registrars.
2. **Right to receive significant information:** The Company disclosed up-to-date information through its website for shareholders to stay abreast of significant Company news, changes, and the information disclosed under regulations. As a rule after disclosure to the Stock Exchange of Thailand (SET), this is posted on the website.
3. **Right to attend meetings and vote:** The Company facilitated all shareholders' attendance at meetings and exercising of their votes. In the annual general meeting (AGM), it instituted a management system to promote and support such rights before the meeting date, during the meeting, and after the meeting date as detailed in AGM Checklist published by the Securities and Exchange Commission (SEC).

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company values the equality of all shareholders. Its practical guidelines to promote genuine equality include the following:

1. **Fair exercising of shareholders' rights at Annual General Meetings (AGM)**

Before the meeting date:

- The Company allows each shareholder to propose agenda items for consideration at their meeting ahead of the actual meeting date and also to nominate candidates for directors and Shareholders are allowed to submit written questions about agenda items ahead of the meeting date through its website. In 2015, no shareholder proposed their own agenda and nominates candidates for the Company Directors.
- The Company has authorized Thailand Securities Depository Co., Ltd as the share registrar to deliver invitation letters enclosed with minutes of the previous meeting, annual report, documents to supplement decision making in each agenda, explanations and information of the independent directors, steps to attend the meeting, special regulations relating to the shareholder's meeting, the meeting venue and proxy form to all shareholders at least seven days before the meeting. Such information is also made available through the Company website at www.thesteel.co.th and announced in the newspapers for three consecutive days before the meeting to inform the shareholders in advance.
- Through the meeting notice, the Company informs shareholders of meeting participation criteria, providing them with a list of independent directors on proxy forms designed by the Ministry of Commerce. This proxy forms also provide for shareholders' written opinions on balloting.

Shareholders' Meeting:

- The Company provides two hours before each meeting for registration and even after that, it allows shareholders who still want to attend the meeting to do so and register their attendance without losing their rights and they still have the voting right for the items remaining on the agenda. Souvenirs and food as well as refreshments are also offered to those attending.
- The Company Secretary informs the meeting about the meeting criteria and rules as the procedures for balloting and provides shareholders with the voting right, equivalent to the number of shares held. One share yields one vote.
- The Company encouraged the meeting to use voting ballots and encouraged shareholders to exercise the voting right in selecting director. Prepared ballots for individual director and distributed them to the shareholders during registration before the meeting began. Details of the voting scores were recorded in the Annual General Meeting of



the Shareholders for the Year 2017. The Voting ballots key documentation is systematically compiled and may be inspected for subsequent reference.

- The Company allows shareholders to fully express their views and raise their questions. The Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director and CEO attend all meetings to address questions clearly.

After the meeting date:

- The Company Secretary records all significant information at an AGM, such as the Directors in attendance; the clarifications of the Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director. It includes questions raised and opinions expressed by shareholder; the method for voting and counting votes; the number of votes for, against or non-voting on an Issue; and any other relevant information.
- The Minutes of the Meeting are forwarded to the Stock Exchange of Thailand within 14 days of the Meeting and are also posted on the company's website. This allows shareholders to inspect the accuracy of resolutions and make suggestions for any other details to be recorded prior to proposing the approval of the said Minutes at the next Shareholders' Meeting.

2. Control and Prevention of the Use of Inside Information:

- The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.
- The Company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.
- When the company assets register in the stock exchange in Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to the Sections 59 so that it would be as announced of the National Election Committee Office 14/1997 about making and revealing the report of asset holding on May 12, 1997 and have set the penalty according to the Possession and Stock Exchange Act, 1992 and the regulations of Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use reveal to others, thus damaging the company. There will be consideration concerning the punishment according to the situation such as verbal warning, written warning, suspension, including halt employment by firing or dislodge.
- In making connected transactions, the company strictly manages the approval procedure in its best interests. Transactions with possible conflicts of interest are raised for the Audit Committee's scrutiny before submitting to the Board and shareholders' meetings for consideration, if applicable. The Company discloses complete important information in compliance with the regulation.

3 ROLES OF STAKEHOLDERS

The Company gives the importance to the right to all group of individuals who gain or loss, no matter if they will gain or loss inside or outside. Because the company realizes the support from those who gain or loss, which will create abilities in competition and make profit for the company, it is considered to bring success to the company on the long-term. These are the important details;

Staffs	:	Equitable treatment and reasonable benefits to all staff.
Traders and Creditors	:	Fair treatment and follow terms and conditions stated in agreement.

Customer	:	Create a satisfaction to the customer, take care and be responsible for the customer by emphasizing the product quality, qualified service.
Competitors	:	Avoid unfair competition, and practice business ethics.
Community/Social	:	The Company considers the environment by being responsible of taking care of making sure there is no effect on the environment of the public and society

In addition, it has instituted a communication channel for requests, opinions and suggestions with the Board of Director to enable parties to make useful recommendations provided a box to receive comment at the front of the office or by website or email at theinfo@thesteel.co.th, audit@thesteel.co.th. The Company's Secretary who receives and summarizes all topics, and to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company highly values the disclosure of financial and other information through various channels for shareholder, investors and stakeholders to equally reach the information as follows:-

- Disclose assorted significant information, including financial information, shareholding structure, good corporate governance and company information submitted to SET through its ELCID system, Annual Report, Form 56-1, notice to shareholders' meeting, minutes of shareholders' meetings in both Thai and English, is regularly updated at www.thesteel.co.th
- On the investor relationship side, currently, the company is in the process of setting the specific unit, but has appointed to the Ms. Proudpalin Vacharabenjapat, communicate with the institutional investor, shareholders, including the analyzer and the related government agency.

5 RESPONSIBILITIES OF THE BOARD

The company has responsibility and leadership and vision from to be Good Corporate Governance as follows:

1. Composition of the Board:

- The Board consisted of 7 directors-one non-executives and three executive. Three were independent directors. Information about the terms of each director appears in the annual report, Form 56-1.
- Chairman and Managing Director are individual but they are the relation. Their experience different are advantageous for each department. However, company had divided clearly the authority for each company committee and administration and 3 company's non administration committee for balancing and auditing of company administration.
- The Board has not only defined a formal and transparent recruitment procedure for directors, to be executed by the Nominating and Remuneration Committee, bust has made it possible for shareholders to nominate suitable persons for selection.
- **Terms of Directors:**
As stated in company regulations, each director's term is three years, in line with that stated in the Public Company Limited Act. It is also stipulated that the Audit Committee can be in office for up to three consecutive terms.
- **Company Secretary**
Ms. Thitima Nontavech , has been assigned to serve as Company Secretary. This person is a regular employee. Who can be contacted by email at theinfo@thesteel.co.th.



Meeting Attendance and Remuneration of the Directors in 2017

Name	Attendance/Meeting			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Term of Director Term
1. Mr.Boonchai Jirapongtrakul	7/8	-	-	Apr 2016-2019
2. Mr.Suroj Jiraphongtrakul	6/8	-	-	Apr 2017-2020
3. Mr.Nirut Ngamcahmnunrith	7/8	-	-	Apr 2017-2020
4. Mr.Prachuab Chaiyasan	7/8	3/4	-	Apr 2017-2020
5. Mr.Teerapong Thanarukvudhikorn	8/8	4/4	-	Apr 2016-2019
6. Mrs.Seenual Tasanapant	8/8	4/4	-	Apr 2016-2019
7. Ms.Proudpalin Vacharabenjapat	7/8	-	-	Apr 2015-2018
8. Mrs.Nartsine Sarnvanichpitak	-	-	-	-

Note: - No 8 Nomination and Remuneration committee was assigned from outsider.

Corporate Social Responsibility (CSR)

The Company has been operation for more than 25 years with good governance and honesty, and given important to CSR with following policies:-

1. The Steel Public Company Limited is one of famous Coil Centers in Thailand, operating with one stop service. i.e, manufacturing, forming and trading variety of forming metal products with good quality and faire prices.
2. The Company also has absolutely after sale service, fast delivery and punctual in order to make customers' satisfaction.
3. The purpose of Company is to save customers' timing and costing in ordering variety of goods within one place and getting fair prices.
4. The Company has been improving production processes and quality control in order to get industry standard and improve efficiency to make all customers trust in Companies' products and make sure the production processes will not cause pollutions to public.
5. When there are opportunities, the Company will join social activities with close communities, such as, giving scholarship to schools, etc.
6. The Company Board of Directors had announced "Code of Conduct" to give cooperation to all government officials or any anti-corruption organization. The Company will not do any illegal trades or relate to corruptions.
7. The Company has communicate to all level, directors, managers and all staff strictly doing businesses in line with laws. If there is any deal related to corruption, must be reported to respective supervisors in order to be considered and solved immediately.



Internal Control and Risk Management

According to Thai Yuan Metal Public Company Limited Board of Director meeting No.1/2018 on February 27,2018, Board had appraised Company internal control system by asking informations from managements and concluded focus 5 topics of internal control system as follows:-

1. Internal Control within organization.
2. Risk appraisal.
3. Operation control.
4. Information system and communication.
5. Follow up system.

Board agreed that Company internal control system was enough and suitable. The Company had provided enough man-power to run the system efficiently and follow up system was provided to ensure all assets were protected from any mis-used by directors or managements who had no authority. Activities with related parties who may have conflict of interests were also controlled.

For appraisal from of SEC for year 2017 which company had complied, found that the Company was able to Completely accounting for all questionnaires. Audit Committee had the opinion that Companies' internal control was adequate for the preparing of financial reportings correctly.

After appraised, Board of Director had opinion that the Company had adequate internal control system and other enough controls for the 5 topics. Internal Auditing was independence to follow up and control. The Company also had good custodian system of documents which facilitate directors, auditor, or Legal Officers to audit within reasonable time frame.

Head of Internal Audit

Regarding Audit Committee Meeting on November 14,2012, No.4/2012 had appointed Mr.Wisood Charoensilawat as Internal Auditor from November 16,2012 onwards up to present due to his 9 years internal audit experiences. The approval of appointment, transferring, dismiss Internal Auditor has to be getting opinion from Audit Committee.

Related Party Transactions

Necessity and Reasonableness of Connected Transactions.

Connected transactions with related companies or any persons who may have conflict of interest in the past year were the normal trading such as the merchandise purchasing, merchandise distributing. The company has the policy to let the audit committee consider and give the opinion to such listing. The audit committee will bring the market price of others to compare with the price of listing between each other to consider every details.

Policy or Trend of connected transactions between each other

In the future, if the company has the need to do the connected transactions between each other with the person who may have the conflict with the company, the company has the policy to set the condition according to the nature of normal business and is the market price that can compare with the price occurred to the third party. The company will let the audit committee to check and give opinions regarding the appropriateness of the price and the logic of the listing.

Connected transactions may happen in the future must be practiced by the committee according to other regulations that is defined and the committee must not approve any listing that they or the persons who may have the conflict in any manner with the company and must open such list to the company committee to let them consider. The company must practice to the law regarding the possession and stock exchange and discipline, announce, order, or regulation of the stock exchange of Thailand, including the practice according to the regulation of opening information about doing connected transactions that are related and receiving or distributing the assets of the company or sub-company.

If there are any connected transactions of The Steel Public Company Limited and the subsidiaries that occur with the persons who are the conflict in benefit or has benefits and losses or has the conflict in benefit that is not the normal trading, the company will let the audit committee give opinions concerning the price, compensation rate, including the need and appropriateness of that connected transactions. In the case that the audit committee has no experience in considering the connected transactions that may occur, the company will let the independent evaluator or the expert as the one who give opinion regarding that transactions, and inform the audit committee, committee, or the shareholders according to each situation. The company will open the connected transactions in the note to financial statements, the Annual Form (form 56-1) and the Annual Report of the company (form 56-2).

Audit Committee's Report 2017



The Audit Committee of The Steel Public Company Limited of Mr. Prachuab Chaiyasan, Chairman of the Audit Committee, Mrs. Seenual Tasanapant and Mr. Teerapong Thanarukvudhikorn, members of the Audit Committee. All Audit Committee member possess appropriate qualifications and one of the Directors has adequate experiences and capable to re creditability of the financial report. The Audit Committee reviews performance against its charter issued by the Board of Directors, which aligns with the regulations of the Stock Exchange of Thailand (SET).

In 2017, the Audit Committee convened 4 meetings. Each Audit Committee meeting with senior executives, external auditors and internal auditors with independence in reporting, expressing opinion and giving recommendations. Significant tasks were summarized as follows:

- **Reviewed company's quarterly and audited financial statements of 2017;**

Reviewed a quarterly and audited financial statements of 2016 with executives and auditor to ensure that financial statements of both the Company and its subsidiaries were in accordance with generally accepted accounting principles, including mutually considered and gave opinions for all acquisitions or sale of assets during the year and disclosures were adequate and timely to serve investors.

- **Reviewed the internal control system and the internal audit systems;**

Reviewed audit operations, audit reports and gave advise on quarterly basis and viewed that internal control systems were adequate and internal audit systems were appropriate and efficient.

- **Compliance with Relevant Laws and Regulations;**

The company has a clear policies to comply with all regulations and related governing laws, the Audit committee did not find any significant incompliance to the law. The company realizes the importance of information disclosure, including financial statements and other reports, and ensures that they are complete, accurate, reliable and timely.

- **Consider Appointing the External Auditors and audit fee for year 2018;**

The Audit Committee has taken into consideration the independence, performance, and experience and an appropriate of audit fees. The Audit Committee has passed an unanimous resolution to propose to the Company's Board of Directors for consideration and propose to the shareholders' meeting to consider and approve the appointment of Ms. Wanraya Puttasatien CPA.No. 4387 or Mr. Cherdsakul Onmongkol CPA.No. 7195 or Ms. Waraphorn Intaraprasit CPA.No. 7881 or Ms.Chantra Wongsriu-domporn or Ms.Chonthicha Lertwilai CPA.No. 12258 or Ms.Waraporn Phanpakdeenupong CPA.No. 12261 from CWWP Co., Ltd., to serve as the Company's external auditor for the year 2018, the audit fee will be within Baht 3,580,000 for the Company and subsidiaries.

- **Reviewed related parties transactions;** The Audit Committee has reviewed and given opinion towards related party transactions to ensure the company has complied to normal business conditions, reasonable and created high benefit to company.

In summary, Audit Committee had performed duties according to Charter approved from Board of Directors, and given recommendations to all parties to manage with good governance, legally and appropriate in order to achieve companies' goals.



Mr. Prachuab Chaiyasan
Chairman of the Audit Committee

Report of the Board of Director's Responsibility to the financial Report

The Board of Director of Responsibility information to Financial Report


The Board of Director is responsible for financial statement of The Steel Public Co.,Ltd. which included all financial information as in our annual report. This financial statement has been made in applicable practice methods regularly as general accountancy standards. It has also revealed enough information as in its précised remark in order to be beneficial for our shareholders and investors thoroughly.

The Board of Director who has also made the efficient processes of risk management and internal control appropriately. These processes can be ensuring that our information protections in particular to preserve all company assets effectively, moreover to prevent fraud or any significant abnormal operations.

The Board of Director has appointed the Audit Committee to responsible for reviewing all accountancy policies and financial report accuracies. In charge of verification all internal controls, internal audit system together with risk operating processes as already mentioned in annual report.

The financial statement has been verified by auditor from CWWP Co., Ltd with good cooperation from Board of Director to provide all related information in order to support their audit and independent in expressing opinion. The auditor's opinion was already expressed in our financial report as part company annual report.

Thus, the board of director has concluded that our internal control systems are satisfactory. And the financial statement of The Steel Public Co., Ltd. for year ended December 31, 2017 can be reliable and conformed to laws and regulations.



Mr.Prachuab Chaiyasan
(Chairman)



Mr.Boonchai Jirapongtrakul
(Managing Director)



Management Discussion and Analysis

Financial Ratio		For Consolidated Financial Statements			For Separated Financial Statements		
		2017	2016	2015	2017	2016	2015
Liquidity ratio							
Current ratio	(times)	1.04	1.21	1.18	1.08	1.19	1.21
Quick ratio	(times)	0.30	0.41	0.52	0.29	0.40	0.49
Cash flow liquidity ratio	(times)	0.35	(0.03)	(0.02)	0.32	(0.05)	(0.14)
Receivables turnover	(times)	8.80	9.48	10.06	8.43	8.26	8.58
Collection period	(day)	40.91	37.98	35.78	42.70	43.59	41.95
Inventory period	(times)	6.94	12.34	11.81	6.55	10.57	10.17
Inventory Turnover period	(day)	51.87	29.17	30.48	54.99	34.05	35.39
Account payable turnover	(times)	16.93	43.92	61.94	15.07	32.79	43.57
Payment period	(day)	21.27	8.20	5.81	23.90	10.98	8.26
Cash Cycle	(day)	71.52	58.95	60.46	73.79	66.65	69.08
Profitability Ratio							
Gross profit margin	(%)	4.61	5.39	0.86	3.79	4.84	(0.45)
Operating Profit Margin	(%)	1.75	4.08	(5.11)	1.08	3.23	(0.45)
Other Income Ratio	(%)	0.21	0.23	0.21	0.32	0.79	0.25
Cash to Profit Ratip	(%)	532.66	(15.19)	7.94	873.21	(33.08)	739.51
Net profit margin (loss)	(%)	1.40	3.47	(5.25)	1.50	3.59	(7.31)
Return on equity	(%)	10.87	35.76	(67.96)	10.62	29.79	(68.71)
Efficiency Ratio							
Return on assets	(%)	3.47	11.56	(17.97)	3.48	10.03	(21.20)
Return on fixed assets	(%)	24.21	73.06	(99.13)	32.84	93.83	(217.39)
Assets turnover	(times)	2.48	3.33	3.43	2.31	2.79	2.90
Financial Ratio							
Debt to equity ratio	(times)	2.07	2.13	1.93	2.08	2.03	1.90
Interest coverage	(times)	12.43	(2.61)	(1.93)	11.80	(3.22)	(6.66)
Cash Basis	(times)	1.63	(0.34)	(0.14)	1.87	(0.55)	(1.09)
Dividend rate	(%)	28.45	40.06	-	28.36	45.48	-
Net profit per share (loss)	(baht)	0.18	0.99	(1.76)	0.18	0.88	(2.02)
Book value per share	(baht)	1.70	3.14	2.54	1.72	3.19	2.71
Growth Ratio							
Assets	(%)	6.38	31.86	0.76	9.84	22.56	17.23
Liabilities	(%)	5.43	36.16	(17.66)	10.73	25.13	4.83
Total revenue	(%)	(12.74)	13.22	(17.45)	(4.35)	15.68	(10.55)
Administrative expenses	(%)	(10.60)	3.29	(12.31)	(1.77)	3.98	(9.20)
Net profit (loss)	(%)	(64.79)	174.84	(952.34)	(59.91)	156.83	(1,443.07)

Management Discussion on Operations

The Company's operation results and financial status of year 2017 – 2016 were as follows:

Statement of Comprehensive Income

Total revenues of the Company and subsidiaries for the year ended December 31, 2017 equaled Baht 13,788.27 million compared with Baht 15,798.65 million of year 2016, decreasing Baht 2,010.38 million or 12.73%. Total revenues decreased mainly due to reducing of sale quantities around 20.48%, but average selling price increased around 10.34%.

Cost of goods sold for year 2017 presented Baht 13,151.02 million compared with Baht 14,889.81 million of 2016, decreased Baht 1,737.79 million or 11.67%, which was closed to sale reduction, resulting there was gross profit only Baht 636.25 million in 2017, while was gross profit Baht 908.83 million in 2016. Selling and administrative expenses of 2017 equaled Baht 273.62 million compared to Baht 236.75 million in 2016, increasing Baht 36.87 million due to higher commission from adding more selling teams and more sale promotion programs to accelerate sale volumes.

Finance cost of 2017 was Baht 97.38 million, increased from 2016 which was Baht 85.97 million due to higher interest rates and using more short term loans during the year for reserved inventories to support higher sale volumes. For sharing of profit from associated company was Baht 8.42 million in 2017 while 2016 was loss recognition Baht 5.40 million. And there was providing of allowance for doubtful accounts Baht 114.96 million in this year for slow payment debtors. This providing of allowance for doubtful accounts came from 2 major groups as follows:-

1. Group 1 : 4 existing customers who have been traded with the Company for years, no problem, until facing lack of liquidity since 2016, resulting sale amounted Baht 102.37 million was overdue for more than 1 year. The Company has gradually provided allowance since beginning of 2017 and providing full amount in this year.

2. Group 2 : several small trading customers whose bills were overdue for more than 1 year were also provided allowance for doubtful accounts for Baht 12.59 million in this year.

3. The Company has been contacting both Group 1 and Group 2 customers and closely pursuing the collection, especially Group 1 customers have been asked by the Company to make payments by their lands or buildings for compensation if they cannot clear the outstanding debts, which was under negotiation.

4. Though gradually providing allowance for doubtful accounts was done, but it was little portion compared with drastically increasing of sale volume. There was no impact to Company's liquidity both short or long term. In addition, the Company had made debt insurance to protect the risk.



After deducting all expenses and income tax, the Company reported net profit attribute to equity holders of Company for year 2017 Baht 200.50 million, compared to net profit of Baht 545.29 million of 2016, decreasing of net profit Baht 344.79 million or 63.23%

Statement of Financial Position

Total Assets of the Company as of December 31, 2017 equaled Baht 5,748.10 million compare to Baht 5,403.33 million of year 2016, assets increased due to higher purchasing of inventories amount Baht 500 million to support sales at year end 2017 till 1st quarter of 2018.

Total Liabilities increased from Baht 3,677.25 million in 2016 to Baht 3,876.92 million in year 2017 due to using more creditors but less short term loans to purchase inventories for sales supporting, resulting D/E ratio decreased from 2.17 as at December 31, 2016 to 2.08 as at December 31, 2017.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of THE STEEL PUBLIC COMPANY LIMITED

Opinion

I have audited the consolidated and separate financial statements of THE STEEL PUBLIC COMPANY LIMITED and its subsidiaries (“the Group”) and of THE STEEL PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statement of financial position as at 31 December 2017, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in shareholders’ equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of THE STEEL PUBLIC COMPANY LIMITED and its subsidiaries and of THE STEEL PUBLIC COMPANY LIMITED as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Business Acquisition

The Company has purchased assets which are considered as acquisition of business as in Note to the financial statement No. 4, the Company recorded the value of assets on fair value on the acquisition date. The Company has gain from a bargain purchase are significant to the financial statements. The definition fair value, it required significant management judgment in determining the fair values of the assets as basis in recording the initial asset acquisition price, including the said recognition of the gain from a bargain purchase. Therefore, my audit is concentrated on this area.

Therefore, my audit methods have included assessing the appropriateness of the management judgment in determining the assumptions applied in determining the business acquisition price and the fair values of the assets from the business acquisition, including assessment of the appropriateness of the appraiser's report for the fair value of the assets on the acquisition date. The methods also included the assessment of the sufficiency of the information disclosed under the financial reporting standards.

Measurement of Trade Account Receivables

As in Note to the financial statements No.10, are significant to the financial statements. The Group and the Company shall report the trade account receivables at the net realizable value. The net realizable value of the trade account receivables depend on the appropriateness of the amount of the allowance for doubtful account, which is a significant matter that require the management to exercise high level of discretion. The determination of the net realizable value of the trade account receivables is the process involving unavoidable uncertainty. Therefore, my audit is concentrated on this area.

Therefore, my audit methods have included obtaining an understanding of the process in determining the policy for the management to consider the net realizable value of the trade account receivables, assessing and testing of the controls regarding the calculation of net realizable value. The audit methods also included assessing the quality of the information and system utilized in calculation of the trade account receivable aging report, considering individual trade account receivables' ability to make payment, and considering the payment received from the trade account receivables after the end of the period. The methods also included the assessment of the sufficiency of the information disclosed under the financial reporting standards.

Measurement of Inventories

As in Note to the financial statements No.11, are significant to the financial statement. The Group and the Company shall report the value of the inventories at the lower of cost or net realizable value. The Group's inventories have a direct relation to the market prices. Several items are price sensitive commodity goods and the raw materials have been reserved for finished goods production. The management judgment is required in considering the calculated net realizable value to be compared with the cost. The information gathering of the realizable value has effect to my audit. Therefore, my audit is concentrated on this area.

Therefore, my audit methods have included obtaining an understanding of the process in testing the net realizable value of the inventories, assessing the reliability of the selling price after the end of the period, the price stated in the goods reservation form, the market prices and the selling expense that applied in the calculation of the realizable value to be compared with the cost. The methods also included the assessment of the sufficiency of the information disclosed under the financial reporting standards.

Other Information

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

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



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

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

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

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

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

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

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

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

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

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

I communicate with those charged with governance in various importance matters, including the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control if I identify during my audit.



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

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

(Miss Wanraya Puttasatien)

Certified Public Accountant, Registration No. 4387

CWWP Company Limited

Bangkok

27 February 2018

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

CONSOLIDATED FINANCIAL STATEMENTS				
	Notes	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	8	126,985,600.64	91,413,595.82	41,196,998.06
Current Investments	9	3.69	9,512,842.01	5,071,837.73
Trade and Other Current Receivables	10	1,069,177,224.89	1,841,465,945.80	1,469,288,115.88
Inventories	11	2,172,255,513.79	1,618,366,667.99	804,229,991.32
Advance Payment for Inventories	11	563,471,191.43	777,979,222.62	838,566,968.43
Current Tax Assets		4,292,472.77	1,866,238.38	3,010,202.63
TOTAL CURRENT ASSETS		3,936,182,007.21	4,340,604,512.62	3,161,364,114.05
NON-CURRENT ASSETS				
Investment in Associate	12	367,507,595.15	130,001,235.14	135,402,873.00
Property, Plant and Equipment	15	1,345,631,915.76	901,772,794.11	767,979,993.37
Other Intangible Assets	16	1,503,720.87	1,333,255.57	796,567.05
Deferred Tax Assets	17	92,285,516.28	24,865,436.79	29,808,098.47
Other Non - Current Assets		4,989,499.27	4,750,340.27	2,274,632.02
TOTAL NON-CURRENT ASSETS		1,811,918,247.33	1,062,723,061.88	936,262,163.91
TOTAL ASSETS		5,748,100,254.54	5,403,327,574.50	4,097,626,277.96

Notes to the financial statements are an integral part of these financial statements.



THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

CONSOLIDATED FINANCIAL STATEMENTS				
	Notes	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdrafts and Short - Term Borrowings				
from Financial Institutions	19	2,654,220,474.83	3,004,494,665.14	2,462,819,379.67
Trade and Other Current Payables	20	1,078,670,682.84	559,727,661.21	190,967,514.22
Advances Received for Inventories		18,977,960.00	4,143,977.44	10,071,656.23
Current Portion				
Liabilities under Finance Lease Agreements	21	19,066,804.17	9,837,616.38	-
Long - Term Borrowings from Financial Institutions	22	-	1,073,820.84	21,600,000.00
Income Tax Payable		30,545,810.89	5,153,162.05	2,652,480.52
TOTAL CURRENT LIABILITIES		3,801,481,732.73	3,584,430,903.06	2,688,111,030.64
NON-CURRENT LIABILITIES				
Liabilities under Finance Lease Agreements	21	54,354,598.00	73,773,450.50	-
Long - Term Borrowings from Financial Institutions	22	-	-	490,894.13
Non-Current Provisions for Employee Benefit	23	8,516,134.00	11,457,565.78	11,011,258.01
Deferred Tax Liabilities	17	10,990,301.24	6,194,818.35	-
Other Non - Current Liabilities		1,574,799.00	1,392,300.00	1,023,250.00
TOTAL NON-CURRENT LIABILITIES		75,435,832.24	92,818,134.63	12,525,402.14
TOTAL LIABILITIES		3,876,917,564.97	3,677,249,037.69	2,700,636,432.78
SHAREHOLDERS' EQUITY				
Share Capital	24			
Authorized Share Capital				
1,650,015,240 Ordinary Shares @ Baht 0.50		825,007,620.00	-	-
1,100,010,160 Ordinary Shares @ Baht 0.50		-	550,005,080.00	550,005,080.00
Issued and Paid - Up Share Capital				
1,100,010,160 Ordinary Shares @ Baht 0.50		550,005,080.00	550,005,080.00	550,005,080.00
Share Premiums on Ordinary Shares	24	941,791,495.95	941,791,495.95	1,395,249,920.00
Retained Earnings				
Appropriated				
Legal Reserve	27	33,750,000.00	24,050,000.00	36,620,000.00
Unappropriated		524,114,635.19	384,584,669.25	(406,753,395.32)
Other Components of Shareholder's Equity		(189,192,356.40)	(202,360,859.69)	(202,360,859.69)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO				
OWNERS OF THE PARENT		1,860,468,854.74	1,698,070,385.51	1,372,760,744.99
Non - Controlling Interests	14	10,713,834.83	28,008,151.30	24,229,100.19
TOTAL SHAREHOLDERS' EQUITY		1,871,182,689.57	1,726,078,536.81	1,396,989,845.18
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,748,100,254.54	5,403,327,574.50	4,097,626,277.96

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

SEPARATE FINANCIAL STATEMENTS				
	Notes	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	8	105,454,739.98	68,178,024.96	20,732,278.69
Current Investments	9	3.69	9,512,842.01	5,071,837.73
Trade and Other Current Receivables	10	1,059,936,321.57	1,761,350,823.37	1,405,239,773.13
Short - Term Loans to Subsidiaries	34.3	324,500,000.00	194,800,000.00	159,500,000.00
Inventories	11	2,172,421,079.01	1,604,369,711.18	802,529,812.99
Advance Payment for Inventories	11	563,471,191.43	777,979,222.62	1,118,094,738.32
Current Tax Assets		-	-	1,239,607.48
TOTAL CURRENT ASSETS		4,225,783,335.68	4,416,190,624.14	3,512,408,048.34
NON-CURRENT ASSETS				
Investment in Associate	12	410,000,000.00	200,000,000.00	200,000,000.00
Investment in Subsidiaries	13	228,519,176.36	110,197,399.36	41,350,000.00
Property, Plant and Equipment	15	898,710,804.26	557,332,023.40	548,843,603.42
Other Intangible Assets	16	1,379,117.77	1,333,253.57	796,565.05
Deferred Tax Assets	17	67,112,929.34	24,057,223.17	29,338,202.45
Other Non - Current Assets		1,569,052.50	1,565,207.48	247,700.00
TOTAL NON-CURRENT ASSETS		1,607,291,080.23	894,485,106.98	820,576,070.92
TOTAL ASSETS		5,833,074,415.91	5,310,675,731.12	4,332,984,119.26

Notes to the financial statements are an integral part of these financial statements.



THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

SEPARATE FINANCIAL STATEMENTS				
	Notes	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdrafts and Short - Term Borrowings				
from Financial Institutions	19	2,654,220,474.83	3,003,218,981.14	2,452,070,528.47
Trade and Other Current Payables	20	1,192,421,151.63	535,364,951.41	307,773,969.52
Advances Received for Inventories		18,977,960.00	4,143,977.44	10,071,656.23
Short-Term Loans from Subsidiaries	34.3	30,000,000.00	-	-
Income Tax Payable		30,545,810.89	5,018,113.91	-
TOTAL CURRENT LIABILITIES		3,926,165,397.35	3,547,746,023.90	2,769,916,154.22
NON-CURRENT LIABILITIES				
Non-Current Provisions for Employee Benefit	23	6,207,459.00	7,382,587.77	8,632,844.00
Contingent Liability on Guarantees of the Subsidiary		-	-	62,638,545.08
Deferred Tax Liabilities	17	4,092,061.36	-	-
TOTAL NON-CURRENT LIABILITIES		10,299,520.36	7,382,587.77	71,271,389.08
TOTAL LIABILITIES		3,936,464,917.71	3,555,128,611.67	2,841,187,543.30
SHAREHOLDERS' EQUITY				
Share Capital	24			
Authorized Share Capital				
1,650,015,240 Ordinary Shares @ Baht 0.50		825,007,620.00	-	-
1,100,010,160 Ordinary Shares @ Baht 0.50		-	550,005,080.00	550,005,080.00
Issued and Paid - Up Share Capital				
1,100,010,160 Ordinary Shares @ Baht 0.50		550,005,080.00	550,005,080.00	550,005,080.00
Share Premiums on Ordinary Shares		941,791,495.95	941,791,495.95	1,395,249,920.00
Retained Earnings				
Appropriated				
Legal Reserve	27	33,750,000.00	24,050,000.00	36,620,000.00
Unappropriated		371,062,922.25	239,700,543.50	(490,078,424.04)
TOTAL SHAREHOLDERS' EQUITY		1,896,609,498.20	1,755,547,119.45	1,491,796,575.96
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,833,074,415.91	5,310,675,731.12	4,332,984,119.26

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
Revenue from Sales and Services		13,788,265,937.74	15,798,647,665.60	12,848,281,843.92	13,369,773,792.63
Cost of Sales and Services		(13,152,016,799.50)	(14,889,813,071.09)	(12,361,521,607.66)	(12,722,834,601.78)
GROSS PROFIT		636,249,138.24	908,834,594.51	486,760,236.26	646,939,190.85
Interest Income		192,961.43	163,926.83	14,768,940.66	11,265,567.97
Other Income		12,861,784.03	21,000,590.44	10,538,026.14	17,658,244.93
Gain (Loss) on Exchange Rate		(13,367,840.35)	19,914,355.80	(13,367,840.35)	19,914,355.80
A Gain from a Bargain Purchase	4	16,449,297.32	-	16,449,297.32	-
Reversal Contingent Liability on Guarantees of the Subsidiary		-	-	-	62,638,545.08
Reversal from Impairment on Investment in Subsidiaries		-	-	118,740,346.00	68,847,399.36
Loss from Impairment on Investment in Subsidiaries		-	-	(15,968,569.00)	-
Distribution Costs		(136,121,241.44)	(128,806,647.34)	(125,266,148.42)	(112,187,210.00)
Administrative Expenses		(137,505,987.00)	(107,943,940.85)	(96,259,095.51)	(81,642,290.45)
Doubtful Debts		(114,957,316.98)	(21,774,451.08)	(111,010,415.47)	(21,774,451.08)
Loss from Impairment of Goodwill Arising from Business Acquisition	4	(6,816,037.02)	-	-	-
Share of Gain (Loss) of Associate		8,423,442.59	(5,401,637.86)	-	-
Finance Costs		(97,383,305.74)	(85,967,108.86)	(94,591,036.94)	(80,971,821.09)
PROFIT BEFORE INCOME TAX		168,024,895.08	600,019,681.59	190,793,740.69	530,687,531.37
Income Tax (Expense) Revenue	29.1	25,319,316.59	(50,935,993.34)	3,113,538.64	(46,981,943.26)
PROFIT FOR THE YEAR		193,344,211.67	549,083,688.25	193,907,279.33	483,705,588.11
Other Comprehensive Income (Expense)					
Items that will not be subsequently reclassified to Profit or Loss					
Gain (Loss) on Remeasurement of Defined Benefit Plans -					
net of tax	29.2	3,659,972.03	1,075.38	2,154,117.42	41,027.38
Total Items that will not be subsequently reclassified to Profit or Loss - net of tax		3,659,972.03	1,075.38	2,154,117.42	41,027.38
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)					
FOR THE YEAR - NET OF TAX		3,659,972.03	1,075.38	2,154,117.42	41,027.38
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		197,004,183.70	549,084,763.63	196,061,396.75	483,746,615.49
Profit (Loss) Attributable to					
Shareholders of the Company		200,497,478.31	545,291,484.50		
Non - Controlling Interests	14	(7,153,266.64)	3,792,203.75		
PROFIT (LOSS) FOR THE YEAR		193,344,211.67	549,083,688.25		
Total Comprehensive Income (Expense) Attributable to					
Shareholders of the Company		204,228,983.94	545,305,712.52		
Non - Controlling Interests	14	(7,224,800.24)	3,779,051.11		
Total Comprehensive Income (Expense) for the Year		197,004,183.70	549,084,763.63		
Basic Earnings Per Share	30	0.18	0.50	0.18	0.44

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2017

CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Attribute to Owners of the Parent										Non-Controlling Interests	Total
		Issued and Paid-Up Share Capital	Share Premiums on Ordinary Shares	Retained Earnings		Other Components of Shareholder's equity				Total Shareholders of the Parent Company			
				Appropriated Legal reserve	Unappropriated	Discount on Change of Interest in Subsidiaries	Discount on Change of Interest in Associated	Total					
									Baht		Baht		
Beginning Balance as at 1 January 2016		550,005,080.00	1,395,249,920.00	36,620,000.00	(406,753,395.32)	(197,910,016.66)	(4,450,843.03)	(202,360,859.69)	1,372,760,744.99	24,229,100.19	1,396,989,845.18		
Transactions with owners													
Contributions by and Distributions to Owners of the Company													
Appropriated Legal Reserve	27	-	-	24,050,000.00	(24,050,000.00)	-	-	-	-	-	-		
Legal Reserve Compensating Deficit	24	-	-	(36,620,000.00)	36,620,000.00	-	-	-	-	-	-		
Share Premiums Compensating Deficit	24	-	(453,458,424.05)	-	453,458,424.05	-	-	-	-	-	-		
Dividend	26	-	-	-	(219,996,072.00)	-	-	-	(219,996,072.00)	-	(219,996,072.00)		
Total Contributions by and Distributions to Owners of the Company													
		-	(453,458,424.05)	(12,570,000.00)	246,032,352.05	-	-	-	(219,996,072.00)	-	(219,996,072.00)		
Total Transactions with Owners													
		-	(453,458,424.05)	(12,570,000.00)	246,032,352.05	-	-	-	(219,996,072.00)	-	(219,996,072.00)		
Total Comprehensive Income (Expense) for the year													
Profit for the Year		-	-	-	545,291,484.50	-	-	-	545,291,484.50	3,792,203.75	549,083,688.25		
Other Comprehensive Income (Expense) for the Year		-	-	-	14,228.02	-	-	-	14,228.02	(13,152.64)	1,075.38		
Total Comprehensive Income (Expense) for the Year													
		-	-	-	545,305,712.52	-	-	-	545,305,712.52	3,779,051.11	549,084,763.63		
Ending Balance as at 31 December 2016		550,005,080.00	941,791,495.95	24,050,000.00	384,584,669.25	(197,910,016.66)	(4,450,843.03)	(202,360,859.69)	1,698,970,385.51	28,008,151.30	1,726,978,536.81		

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2017

CONSOLIDATED FINANCIAL STATEMENTS

Attribute to Owners of the Parent													
	Notes	Retained Earnings			Other Components of Shareholder's equity				Total Shareholders of the Parent Company	Non-Controlling Interests	Total		
		Issued and Paid-Up Share Capital	Share Premiums on Ordinary Shares	Appropriated Legal reserve	Unappropriated	Discount on Change of Interest in Subsidiaries	Discount on Change of Interest in Associated	Total					
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Beginning Balance as at 1 January 2017		550,005,080.00	941,791,495.95	24,050,000.00	384,584,669.25	(197,910,016.66)	(4,450,843.03)	(202,360,859.69)	1,698,070,385.51	28,008,151.30	1,726,078,536.81		
Transactions with owners													
Contributions by and Distributions to Owners of the Company													
Appropriated Legal Reserve	27	-	-	9,700,000.00	(9,700,000.00)	-	-	-	-	-	-		
Dividend	26	-	-	-	(54,999,018.00)	-	-	-	(54,999,018.00)	-	(54,999,018.00)		
Total Contributions by and Distributions to Owners of the Company													
		-	-	9,700,000.00	(64,699,018.00)	-	-	-	(54,999,018.00)	-	(54,999,018.00)		
Changes in Ownership Interests in the Subsidiaries without a Change in Control													
Decrease Non-Controlling Interests without a Change in Control	3.3.2	-	-	-	-	(5,914,414.13)	-	(5,914,414.13)	(5,914,414.13)	(9,985,585.87)	(15,900,000.00)		
Increase Non-Controlling Interests without a Change in Control	12.3	-	-	-	-	-	19,082,917.42	19,082,917.42	19,082,917.42	-	19,082,917.42		
Decrease in Non-Controlling Interests from Dissolution and Liquidation of Subsidiary	3.3.1	-	-	-	-	-	-	-	-	(83,930.36)	(83,930.36)		
Total Changes in Ownership Interests in the Subsidiaries without a Change in Control													
		-	-	-	-	(5,914,414.13)	19,082,917.42	13,168,503.29	13,168,503.29	(10,069,516.23)	3,098,987.06		
Total Transactions with Owners of the Company													
		-	-	9,700,000.00	(64,699,018.00)	(5,914,414.13)	19,082,917.42	13,168,503.29	(41,830,514.71)	(10,069,516.23)	(51,900,030.94)		
Total Comprehensive Income (Expense) for the Year													
Profit for the Year		-	-	-	200,497,478.31	-	-	-	200,497,478.31	(7,153,266.64)	193,344,211.67		
Other Comprehensive Income (Expense) for the Year		-	-	-	3,731,505.63	-	-	-	3,731,505.63	(71,533.60)	3,659,972.03		
Total Comprehensive Income (Expense) for the Year													
		-	-	-	204,228,983.94	-	-	-	204,228,983.94	(7,224,800.24)	197,004,183.70		
Ending Balance as at 31 December 2017		550,005,080.00	941,791,495.95	33,750,000.00	524,114,635.19	(203,824,430.79)	14,632,074.39	(189,192,356.40)	1,860,468,854.74	10,713,834.83	1,871,182,689.57		

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

SEPARATE FINANCIAL STATEMENT

	Notes	Issued and Paid-Up Share Capital	Share Premiums on Ordinary Shares	Retained Earnings		Total
				Appropriated Legal reserve	Unappropriated	
		Baht	Baht	Baht	Baht	Baht
Beginning Balance as at 1 January 2017		550,005,080.00	1,395,249,920.00	36,620,000.00	(490,078,424.04)	1,491,796,575.96
Transactions with Owners						
Contributions by and Distributions to Owners of the Company						
Appropriated Legal Reserve	27	-	-	24,050,000.00	(24,050,000.00)	-
Legal Reserve Compensating Deficit	24	-	-	(36,620,000.00)	36,620,000.00	-
Share Premiums Compensating Deficit	24	-	(453,458,424.05)	-	453,458,424.05	-
Dividend	26	-	-	-	(219,996,072.00)	(219,996,072.00)
Total Contributions by and Distributions to Owners of the Company		-	(453,458,424.05)	(12,570,000.00)	246,032,352.05	(219,996,072.00)
Total Transactions with Owners		-	(453,458,424.05)	(12,570,000.00)	246,032,352.05	(219,996,072.00)
Total Comprehensive Income (Expense) for the year						
Profit for the Year		-	-	-	483,705,588.11	483,705,588.11
Other Comprehensive Income (Expense) for the Year		-	-	-	41,027.38	41,027.38
Total Comprehensive Income (Expense) for the Year		-	-	-	483,746,615.49	483,746,615.49
Ending Balance as at 31 December 2016		550,005,080.00	941,791,495.95	24,050,000.00	239,700,543.50	1,755,547,119.45
Transactions with Owners						
Contributions by and Distributions to Owners of the Company						
Appropriated Legal Reserve	27	-	-	9,700,000.00	(9,700,000.00)	-
Dividend	26	-	-	-	(54,999,018.00)	(54,999,018.00)
Total Contributions by and Distributions to Owners of the Company		-	-	9,700,000.00	(64,699,018.00)	(54,999,018.00)
Total Transactions with Owners		-	-	9,700,000.00	(64,699,018.00)	(54,999,018.00)
Total Comprehensive Income (Expense) for the year						
Profit for the Year		-	-	-	193,907,279.33	193,907,279.33
Other Comprehensive Income (Expense) for the Year		-	-	-	2,154,117.42	2,154,117.42
Total Comprehensive Income (Expense) for the Year		-	-	-	196,061,396.75	196,061,396.75
Ending Balance as at 31 December 2017		550,005,080.00	941,791,495.95	33,750,000.00	371,062,922.25	1,896,609,498.20

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended 31 December 2017

	CONSOLIDATED		SEPARATE		
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before Income Tax	168,024,895.08	600,019,681.59	190,793,740.69	530,687,531.37	
Adjustment to Profit before Income Tax for					
Cash Received (Paid) from Operations :					
Depreciation and Amortization	79,317,646.81	57,373,585.33	45,915,364.83	33,252,352.10	
Doubtful Debts	114,957,316.98	21,774,451.08	111,010,415.47	21,774,451.08	
Loss from Decline in Value of Inventories (Reversal)	7,571.19	(41,892,880.79)	7,571.19	(41,892,880.79)	
Tranfer Cost of Goods as Fixed Assets	(1,160,567.00)	-	-	-	
Loss from Impairment on Investment in Subsidiaries	-	-	15,968,569.00	-	
Reversal from Impairment on Investment in Subsidiaries	-	-	(118,740,346.00)	(68,847,399.36)	
Reversal Contingent Liability on Guarantees of the Subsidiary	-	-	-	(62,638,545.08)	
Unrealised (Gain) Loss on Exchange Rate	1,190,966.05	(5,823,338.18)	1,190,966.05	(5,823,338.18)	
Loss from Impairment of Goodwill Arising from Business Acquisition	6,816,037.02	-	-	-	
Unrealised (Gain) Loss on Changes in Fair Value of					
Current Investments	5.44	(5,036,210.47)	5.44	(5,036,210.47)	
Loss from Sales of Current Investments	7,666,230.58	-	7,666,230.58	-	
(Gain) Loss from Sales of Fixed Assets	(818,768.62)	(1,282,820.10)	(1,023,636.86)	(575,307.62)	
(Gain) Loss from Write off of Fixed Assets	1.00	27,970.00	1.00	27,970.00	
Written-off of Assets to Expenses	-	1,654,973.08	-	621,123.91	
Share of (Gain) Loss of Associate	(8,423,442.59)	5,401,637.86	-	-	
A Gain from a Bargain Purchase	(16,449,297.32)	-	(16,449,297.32)	-	
Loss on Dissolution and Liquidation of Subsidiary	762.50	-	154,925.00	-	
Employee Benefit Expenses	2,095,705.25	4,365,350.00	1,636,018.00	2,415,902.00	
Interest Income	(192,961.43)	(163,926.83)	(14,768,940.66)	(11,265,567.97)	
Interest Expenses	97,383,305.74	85,492,336.13	94,591,036.94	80,971,821.09	
Profit from Operating Activities before Changes in					
Operating Assets and Liabilities	450,415,406.68	721,910,808.70	317,952,623.35	473,671,902.08	
(Increase) Decrease in Operating Assets					
Trade and Other Current Receivables	653,588,086.17	(426,710,830.27)	586,584,428.83	(378,192,761.97)	
Inventories	(553,908,074.57)	(774,369,466.32)	(568,070,596.60)	(762,072,687.84)	
Advances Payment for Inventories	214,519,688.77	63,199,133.07	214,519,688.77	342,726,902.96	
Other Non - Current Assets	189,419.58	393,621.59	(3,845.00)	(77,900.00)	
Increase (Decrease) in Operating Liabilities					
Trade and Other Current Payables	521,434,245.81	367,779,493.12	656,357,434.18	227,325,528.43	
Advance Received for Inventories	14,833,982.56	(5,927,678.81)	14,833,982.56	(5,927,678.81)	
Non-Current Provisions for Employee Benefit	(462,172.00)	(3,917,698.00)	(118,500.00)	(3,614,874.00)	
Other Non-Current Liabilities	182,499.00	369,050.00	-	-	
Cash Received (Paid) from Operating Activities	1,300,793,082.00	(57,273,566.92)	1,222,055,216.09	(106,161,569.15)	
Cash Received from Withholding Tax	1,437,659.81	-	-	-	
Cash Received from Interest Income	192,961.43	163,926.83	186,888.60	152,433.70	
Cash Paid for Income Tax	(19,528,412.01)	(40,848,474.00)	(14,973,262.87)	(36,693,106.92)	
Net Cash Provided from (Used in) Operating Activities	1,282,895,291.23	(97,958,114.09)	1,207,268,841.82	(142,702,242.37)	

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended 31 December 2017

	CONSOLIDATED			SEPARATE	
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
CASH FLOW FROM INVESTING ACTIVITIES					
Cash Received from Current Investments		1,846,602.30	-	1,846,602.30	-
Cash Received from Interest Income for Short-Term Loans to Subsidiaries		-	-	14,663,391.80	10,934,678.10
Cash Received from Short - Term Loans to Subsidiaries		-	-	13,000,000.00	89,000,000.00
Cash Paid for Short - Term Loans to Subsidiaries		-	-	(142,700,000.00)	(124,300,000.00)
Cash Paid for Investments in Associate		(210,000,000.00)	-	(210,000,000.00)	-
Cash Received from Dissolution and Liquidation of Subsidiaries		-	-	195,075.00	-
Cash Paid for Dissolution and Liquidation of Subsidiaries		(99,692.86)	-	-	-
Cash Paid for Investments in Subsidiaries		(15,900,000.00)	-	(15,900,000.00)	-
Cash Paid for Purchase of Fixed Assets		(506,050,810.96)	(69,131,702.46)	(362,741,204.72)	(41,245,274.61)
Cash Received from Disposal of Fixed Assets		1,421,570.10	1,646,268.91	1,221,570.10	596,268.91
Cash Paid for Purchase of Other Intangible Assets		(646,600.00)	(571,500.00)	(496,800.00)	(571,500.00)
Net Cash Provided from (Used in) Investing Activities		(729,428,931.42)	(68,056,933.55)	(700,911,365.52)	(65,585,827.60)
CASH FLOW FROM FINANCING ACTIVITIES					
Increase (Decrease) In Overdrafts and Short - Term Borrowings from Financial Institutions		(351,465,156.36)	547,498,623.65	(350,189,472.36)	556,971,790.85
Cash Received from Short - Term Loans from Subsidiaries		-	-	30,000,000.00	90,000,000.00
Cash Paid for Short - Term Loans from Subsidiaries		-	-	-	(90,000,000.00)
Cash Paid for Long - Term Borrowings from Financial Institutions		(1,073,820.84)	(21,017,073.29)	-	-
Cash Paid for Liabilities under Finance Lease Agreements		(12,964,691.25)	(3,529,811.03)	-	-
Cash Paid in Payable for Assets		(3,185,501.00)	(2,144,839.22)	(535,535.00)	-
Cash Paid in Interest Expenses		(94,207,808.42)	(84,595,005.43)	(93,358,376.80)	(81,257,725.33)
Cash Paid in Dividend		(54,997,377.12)	(219,980,249.28)	(54,997,377.12)	(219,980,249.28)
Net Cash Provided from (Used in) Financing Activities		(517,894,354.99)	216,231,645.40	(469,080,761.28)	255,733,816.24
Net Increase (Decrease) in Cash and Cash Equivalents		35,572,004.82	50,216,597.76	37,276,715.02	47,445,746.27
Cash and Cash Equivalents at The Beginning of the Period		91,413,595.82	41,196,998.06	68,178,024.96	20,732,278.69
Cash and Cash Equivalents at The Ending of the Period	8	126,985,600.64	91,413,595.82	105,454,739.98	68,178,024.96

Notes to the financial statements are an integral part of these financial statements.

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. General Information

THE STEEL PUBLIC COMPANY LIMITED became a public company limited on 3 July 2006 and listed on the Stock Exchange of Thailand on 9 August 2007 with the Company registration number 0107549000106. Its head office is situated at 1401 Eagachai Rd., Bang Bon, Bangkok, Thailand and have three branches constitution. The Company's major shareholder is Jirapongtrakul family.

The Company main businesses activities are selling and transforming hot rolled coils and sheets and structural steels.

2. Basis in Preparation of Financial Statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.2 The financial statements were presented in compliance with the notification of Department of Business Development relating to determination of abbreviated items in the financial statements.
- 2.3 In order to prepare the financial statements to comply with Thai Financial Reporting Standards, the management of the Company has to make some estimates and assumptions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning to assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.



3. Basis in Preparation of Consolidated Financial Statements

3.1 In preparation of the consolidated financial statements, the Company will only take its subsidiaries which are under the control of THE STEEL PUBLIC COMPANY LIMITED. As at 31 December 2017 and 2016, the Company has the investment ratio in the subsidiaries as follows:

Name of the entity	Type of business	% Ownership interest	
		2017	2016
The Steel Logistic Co., Ltd.	Logistic service	60.00	60.00
The Steel Industry Co., Ltd.	Manufacturing and distributing pipe	99.99	70.00
Liberty Steel Siam Co., Ltd.	Selling hot rolled coils and structural steels	99.99	99.99
The Siam Power Co.,Ltd.	Study and invest in Electrical business	-	70.00

3.2 Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases

3.3 The consolidated financial statement are prepared by include financial statements of THE STEEL PUBLIC COMPANY LIMITED and its subsidiaries. For the year ended 31 December 2017, there are changes in the component of the Group as follows:

3.3.1 Dissolution and Liquidation of Subsidiaries

During the year, The Siam Power Co., Ltd, which is a subsidiary, have registered the dissolution and the completeness of liquidation with the Department of Business Development, Ministry of Commerce on 1 June 2017 and 27 June 2017.

The detail of The Siam Power Co., Ltd as at the dissolution and liquidation date is as follows:

	<u>Baht</u>
Carrying Amount of Assets as at the Dissolution Date	
Cash and Cash Equivalents	294,767.86
Other Current Receivables	5,000.00
Total Assets	<u>299,767.86</u>

	<u>Baht</u>
Carrying Amount of Liabilities as at the Dissolution Date	
Other Current Payables	(20,000.00)
Total Liabilities	(20,000.00)
The Carrying Amount of Net Assets as at the Dissolution Date	279,767.86
<u>Less</u> Non-Controlling Interests (30.00%)	(83,930.36)
The Carrying Amount of Net Assets as at the Dissolution Date	
by Investments Ratio (70.00%)	195,837.50
Cash Payback from Dissolution and Liquidation of Subsidiaries	195,837.50
Carrying Amount of Net Assets as at the Dissolution Date	
by Investments Ratio (70.00%)	(195,075.00)
Loss on Dissolution and Liquidation of Subsidiaries	(762.50)
Cash Payback from Dissolution and Liquidation of Subsidiaries	195,075.00
<u>Less</u> Cash and Cash Equivalents of The Siam Power Co., Ltd	(294,767.86)
Cash Paid for Dissolution and Liquidation of Subsidiaries	(99,692.86)

3.3.2 Acquisition of Interests in Subsidiary

In accordance with the resolution of the Board of Directors Meeting No. 5/2017 held on 31 May 2017, has passed the resolved to acquire investment in The Steel Industry Co., Ltd. (Subsidiary) from shareholders of subsidiary totaling 150,000 shares in amount of Baht 15.90 million. The Company the share transferring on 31 May 2017, As a result, the proportion of investment increased to 99.99%.

The detail of The Steel Industry Co., Ltd as at the acquisition of interests in subsidiary date is as follows:

	<u>Baht</u>
Carrying Amount of Assets	
Cash and Cash Equivalents	624,395.57
Trade and Other Current Receivables	9,110,166.25
Inventories	3,536,714.47
Current Tax Assets	1,234,085.29



	<u>Baht</u>
Property, Plant and Equipment	267,623,858.47
Other Intangible Assets	2.00
Deferred Tax Assets	630,973.95
Other Non - Current Assets	3,395,031.78
Total Assets	<u>286,155,227.78</u>
Carrying Amount of Liabilities	
Overdrafts	4,311,536.38
Trade and Other Current Payables	11,249,672.96
Current Portion Liabilities under Finance Lease Agreements	15,034,462.57
Short - Term Loans and Accrued Interest Expense from Parent Company	147,184,335.62
Liabilities under Finance Lease Agreements	65,995,309.39
Non - Current Provisions for Employee Benefits	3,179,249.07
Deferred Tax Liabilities	5,915,375.56
Total Liabilities	<u>252,869,941.55</u>
Carrying Amount of Net Assets	33,285,286.23
Carrying Amount of Additional Acquired Interests (30.00%)	9,985,585.87
<u>Less</u> Cash Paid for Investments in The Steel Industry Co., Ltd	<u>(15,900,000.00)</u>
Surplus (Discount) from Changes of Shareholding in Subsidiaries	<u>(5,914,414.13)</u>

The above surplus (discount) from changes of shareholding in subsidiaries is presented as other surplus (discount) under the shareholders of the Parent Company in the consolidated statement of financial position.

- 3.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 3.5 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 3.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

4. Business Acquisition

In accordance with the minute of Extraordinary Genral Meeting of Shareholders of the Company No. 1/2017 on 30 March 2017, as resolved to purchase assets for the Company's business by cash paid in the amount of Baht 464.81 million for purchase assets as follows:

- 1) The Company purchase lands from Mrs.Wanna Sittisirinukul.
- 2) The Company purchase buildings from V.P. Steel and Wiremesh Co.,Ltd.
- 3) The Company purchase machineries and equipment from V.P. Steel and Wiremesh Co.,Ltd.
- 4) The Company purchase lands from Mr.Suwit Jiraphongtrakul.
- 5) The Company purchase buildings from Namtai Steel Co.,Ltd.
- 6) The Company purchase machineries and equipment from Namtai Steel Co.,Ltd.
- 7) The Steel Logistics Co., Ltd (Subsidiary) purchase lands from Mr. Suwit Jiraphongtrakul.
- 8) The Steel Logistics Co., Ltd (Subsidiary) purchase land from Mrs.Wanna Sittisirinukul.
- 9) The Steel Logistics Co., Ltd (Subsidiary) purchase buildings from Kim Logistics Co., Ltd.
- 10) The Steel Logistics Co., Ltd (Subsidiary) purchase machineries, equipment and motor vehicles from Kim Logistics Co., Ltd.
- 11) The Steel Logistics Co., Ltd (Subsidiary) purchase motor vehicles from V.P. Steel & Wiremesh Co., Ltd
- 12) The Steel Logistics Co., Ltd (Subsidiary) purchase motor vehicles from Namtai Steel Co., Ltd.

The objectives of the business combination are expansion of the Company.

Details of the consideration transferred and the assets acquired from the business acquisition are as follows:

	Consolidated Financial Statements Fair Value Baht
The Consideration Transferredand	
Cash Paid	464,811,072.00
Net Asset Acquired	
Property, Plant and Equipment	476,852,647.39
<u>Less</u> Deferred Tax Liabilities	(2,408,315.08)
Net Asset Acquired	474,444,332.31
The Value of Consideration Transferred Exceed the Value of	
Consideration Acquired (A Gain from a Bargain Purchase)	(9,633,260.31)
<u>Less</u> Loss from Impairment of Goodwill Arising from Business Acquisition	(6,816,037.02)
Net	(16,449,297.33)

	Separate Financial Statements Fair Value Baht
The Consideration Transferred and	
Cash Paid	330,300,890.00
Net Asset Acquired	
Property, Plant and Equipment	350,862,511.66
<u>Less</u> Deferred Tax Liabilities	(4,112,324.33)
Net Asset Acquired	346,750,187.33
The Value of Consideration Transferred Lower the Value of Consideration Acquired (A Gain from a Bargain Purchase)	(16,449,297.33)

The Company and subsidiary paid cash to purchase assets from its related persons and companies by entering into do not a competition agreement. This transaction is considered as business combination. As of the acquisitions date, the Company and subsidiary have the fair value of the consideration transferred exceed (lower) the fair value of the consideration acquired. The Company had a gain from a bargain purchase in amount of Baht 16.45 million thus it is shown in the consolidated and separate statement of comprehensive income, respectively. Nevertheless, the Company recognized a gain from the bargain purchase at the value which is lower than fair value by the said amount.

Subsequently in the fourth quarter of 2017, subsidiary has reviewed the value of the goodwill arising from business combinations and found that it does not obviously cause the economic benefits to the Group. The management have reviewed the carrying value of the goodwill, and considered that an impairment of such goodwill must be made as the whole amount. The Group has recorded an allowance for impairment of goodwill and an impairment loss of goodwill arising from business combinations in the amount of Baht 6.82 million in the consolidated financial statements.

5. The Adoption of New Financial Reporting Standards

The Company has adopted the new accounting standards, financial reporting standards, accounting standard interpretations, financial reporting standard interpretations and accounting guidance, which are effective for accounting periods beginning on or after 1 January 2017, with no impact to the current financial report.

6. New Financial Reporting Standards Not Yet Effective

New accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations which are not yet effective for the current accounting periods that the Company has not early adopted, are as follows:

Effective for the accounting period beginning on or after 1 January 2018

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture



TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases – Incentives
TSIC 25 (revised 2017)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate

TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company believes that the above financial reporting standards will not have any significant impact on the financial report when they are applied.

7. Summary of Significant Accounting Policies

7.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

7.2 Foreign Currencies

Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the ended of period are converted into Baht by closing rate as at ended period. Profit or loss arising from such conversion is shown as revenues or expense in the statement of comprehensive income for that period.

7.3 Financial Instruments

Financial assets which are shown in the statement of financial position composed of cash and cash equivalents, investments, trade and other current receivables, advance payment for inventories and long-term loans and accrued interest income to subsidiaries. Financial liabilities which are shown in the statement of financial position composed of overdrafts and short-term borrowings from financial institutions, trade and other current payables, advances received for inventories, liabilities under finance lease agreements and long-term borrowings. The accounting policy of each item would be disclosed in separated items.

7.4 Cash and Cash Equivalents

Cash and cash equivalents include bank deposit in type of current accounts, saving accounts and not over 3 months fixed accounts without guarantee obligation.



7.5 Current Investments

Investment is investment in marketable security which the Company holds as trading security is reflected by fair value. The fair value of registered security is computed as of the date in the statement of financial position from the latest price offered of The Stock Exchange of Thailand. The Company recognized the change of investment value as gain (loss) transaction in the statement of comprehensive income, for the cost of investment disposed during the period computed according to the average method.

7.6 Trade and Other Current Receivables

Trade and other current receivables are stated at the net realizable value.

7.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

7.8 Investment

- Investments in subsidiaries and associated are reported by using the cost method of accounting in the separate financial statements.
- Investments in associated are reported by using the equity method of accounting in the consolidated financial statements.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

7.9 Property, Plant and Equipment

Property, plant and equipment are recorded at initial cost deducted by the accumulated depreciation and the accumulated impairment loss (if any). Depreciation is calculated on a straight-line basis over the approximate useful-life as follows:

Buildings and structures	5 - 32 Years
Machineries and equipment	5 - 10 Years
Fixtures and office equipment	5 Years

Depreciation of assets occurred during the usage period of producing the other fixed assets is calculated and capitalized as a part of the cost of that other assets and it would be ceased when that other fixed assets is ready for its intended use.

The Company did not carry depreciation for land, land improvements and assets under construction.

Replacement cost will be capitalized as a part of carrying amount of assets when it is probable that the Company will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Replacement cost will be depreciated by the basis of estimated useful-life. Repair and maintenance expenses are recognized as expenses during the period that they are incurred.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net proceeds and the carrying amount and recognized as revenue or expense in profit or loss of that period.

7.10 Other Intangible Assets

Computer Software License

Acquired computer software license are recorded as assets by the costs incurred to acquire and bring that software to intended use. These costs are amortized over 5 years estimated useful-life.

7.11 Borrowing Costs

Interest expenses is the borrowing costs for acquiring the assets for several projects. The Group recorded interest expenses into the portion of construction assets and it will stop to record when the construction is finished.

7.12 Impairment of Assets

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash-generating unit.

Impairment loss is recognized as expenses in profit or loss immediately.



Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment Loss

- The loss on impairment of assets recognized in the prior period will be reversed if the estimation for indicated recoverable amount changes since the last impairment loss was recognized just to be the carrying amount of the asset not exceed the carrying amount that would have been determine (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

7.13 Employee Benefits

Short-Term Employee Benefits

- The Group recognized salary, wage, bonus and social security fund as expenses on date when the transactions occur.

Long-Term Employee Benefits

- Defined contribution plans

The Group and employees of the Group have jointly established a provident fund so as to pay to employees on termination in accordance with the fund's rules, which include the monthly contributions from employees and the Group. The planned assets of each plan are separated from the Group's assets. The Group recognizes the contribution as expense in statement of comprehensive income for the accounting period which the transaction incurred.

- Defined benefit plans

The Group recognizes provision for post-employment employee benefits or retirement employee benefits to employees under the labor laws applicable in Thailand which is defined benefit plans. Provision for employee benefits is calculated by an independent actuary in accordance with the actuarial technique, and discounted benefits by the projected unit credit method. The expected future cash flows shall reflect employee salaries, turnover rate, mortality rate, length of service and others. The Company presents provision for employee benefits as non-

current liabilities. The costs associated with employee benefits are recognized in the statement of comprehensive income so as to spread the cost over the employment period.

Gain or loss on remeasurement for post-employment benefits will be recognized in other comprehensive income (expense).

7.14 Provision

Provision will be recognized when the Group has a present legal or constructive obligation as a result of past events which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Reimbursement is recognized as a separate asset, when, and only when it is virtually certain that reimbursement will be received if the Group settles the obligation, but not exceed the amount of related provision.

7.15 Appropriation of Legal Reserve

The appropriation of legal reserve is attributable to the Public Limited Companies Act B.E. 2535 which the Company will appropriate legal reserve when it is approved at the board of directors which will report to the next meeting of shareholders. This legal reserve is not available for dividend distribution.

7.16 Recognition of Revenues

- Revenue from sales is recognized when the significant risks and rewards of ownership have been transferred to the buyer.
- Revenue from service is recognized by the stage of completion of service rendered.
- Interest income is recognized by the effective interest rate method.
- Other incomes are recognized on accrual basis.

7.17 Recognition of Expenses

- Expenses are recognized on accrual basis.

7.18 Income Taxes

Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income (expense) or recognized directly in equity which will be recognized in other comprehensive income (expense) or recognized directly in equity as same as that item.

Current Tax

Current tax is recognized at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation, using the tax rates enacted at the end of reporting period.



Deferred tax

Deferred tax is recognized by the statement of financial position liability method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of reporting period.

Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that the related tax benefit will be realized.

7.19 Earnings per Share

Basic earnings per share are calculated by dividing the profit with the weighted average number of issued and paid-up ordinary shares. There is not calculate the fully diluted earnings per share because it does not have ordinary share equivalents.

7.20 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies a quoted market price in an active market to measure the assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company will measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 inputs are quoted prices in active market for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs are other observable inputs either directly or indirectly, for the assets or liabilities other than quoted price included within Level 1 inputs.

Level 3 inputs are unobservable inputs for the assets and liabilities.

At the end of each reporting period, the Company will determine the necessary of any transfers between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

7.21 Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures in the financial statements which the actual results may differ from these estimates. Significant judgements and estimates are as follows:

Lease

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for Doubtful Accounts - Receivables

The management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Net Realizable Value of Inventories

The management uses the discretion in estimating the net realizable value of inventories. The sum of money expected to receive from inventories is considered from the change in sale price or cost directly related to the events occurring after of report period.

Depreciation of Plant and Equipment

The management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

Impairment of Asset

The management is required to review of asset for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Other Intangible Asset

Other intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Provision for Post-Employment Benefits

Liabilities on post-employment benefits are calculated by actuarial technique, from the present value of expected future cash flows discounted by yields on the government bonds which have terms to maturity similar to the terms of such liabilities. The expected future cash flows are estimated from employee salaries, turnover rate, mortality rate, length of service and others related demographic factors. In determining the discount rate, the management of the Company has to use judgment in the consideration of the interest rate which reflecting the present economic circumstances.

Deferred Tax Assets

The management of the Company has to use judgment in the consideration to recognize deferred tax assets by estimating the future taxable profit in each period and assess the probable that the Group will have sufficient future taxable profit which can be utilised.

8. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Cash	148,185.81	339,632.00	53,989.81	60,849.00
Cheque on hand	16,606,794.89	4,314,453.19	16,606,794.89	4,314,453.19
Bank deposit – Current accounts	95,138,239.84	52,888,623.64	78,589,068.49	34,297,942.87
Bank deposit – Savings accounts	15,092,380.10	33,870,886.99	10,204,886.79	29,504,779.90
Total	<u>126,985,600.64</u>	<u>91,413,595.82</u>	<u>105,454,739.98</u>	<u>68,178,024.96</u>

9. Current Investments

Consist of:

	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
<u>Investment Units in Marketable Security</u>		
G J STEEL PUBLIC COMPANY LIMITED		
Original Value as at Date of Transfer	48.54	13,989,473.54
<u>Less</u> Allowance for Devaluation	-	(4,561,982.07)
Original Value as at Date of Transfer– Net	48.54	9,427,491.47
Changes in Fair Value of Investments	(44.85)	85,350.54
Fair Value of Investment	3.69	9,512,842.01

For the year ended 31 December 2017 and 2016, the movement of current investments as follows:

	Consolidated / Separate Financial Statements	
	31 December 2017	31 December 2016
	Baht	Baht
Beginning Carrying Amount	9,512,842.01	5,071,837.73
Disposal during the period	(1,846,602.30)	-
Transfer out	-	(595,206.19)
Changes in fair value		
Realized	(7,666,230.58)	-
Unrealized	(5.44)	5,036,210.47
Ending carrying amount	3.69	9,512,842.01

The fair value measurement of investment units in marketable security using the last bid price quoted on the Stock Exchange of Thailand as at the date of statement of financial position which are Level 1 inputs.

10. Trade and Other Current Receivables

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade and Note Receivables	1,245,929,712.17	1,887,863,770.57	1,231,539,356.74	1,816,199,570.53
<u>Less</u> Allowance for Doubtful Debt	<u>(221,532,174.56)</u>	<u>(106,574,857.58)</u>	<u>(217,577,023.05)</u>	<u>(106,566,607.58)</u>
Trade Receivables-Net	1,024,397,537.61	1,781,288,912.99	1,013,962,333.69	1,709,632,962.95
Other Current Receivables	44,779,687.28	60,177,032.81	45,973,987.88	51,717,860.42
Total	<u>1,069,177,224.89</u>	<u>1,841,465,945.80</u>	<u>1,059,936,321.57</u>	<u>1,761,350,823.37</u>

As at 31 December 2017 and 2016, trade and note receivables were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Within due period	512,269,018.85	1,273,246,736.81	507,368,727.43	1,221,221,347.28
Trade and Note Receivables over due period :				
Less than 3 months	371,702,418.40	281,335,989.92	362,220,604.39	262,731,429.41
Over 3 months to 6 months	62,443,010.95	50,001,487.66	62,443,010.95	48,975,487.66
Over 6 months to 12 months	54,391,868.95	93,102,092.45	54,391,868.95	93,102,092.45
Over over 12 months	245,123,395.02	190,177,463.73	245,115,145.02	190,169,213.73
Total	1,245,929,712.17	1,887,863,770.57	1,231,539,356.74	1,816,199,570.53
<u>Less</u> Allowance for doubtful debt	<u>(221,532,174.56)</u>	<u>(106,574,857.58)</u>	<u>(217,577,023.05)</u>	<u>(106,566,607.58)</u>
Net	<u>1,024,397,537.61</u>	<u>1,781,288,912.99</u>	<u>1,013,962,333.69</u>	<u>1,709,632,962.95</u>

As at 31 December 2017 and 2016, other current receivables consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Advance Payment	6,015,241.59	8,588,424.64	5,770,302.59	8,256,607.64
Revenue Department Receivable	35,266,732.01	41,538,319.28	32,005,045.18	30,214,327.72
Others	3,497,713.68	10,050,288.89	8,198,640.11	13,246,925.06
Total	<u>44,779,687.28</u>	<u>60,177,032.81</u>	<u>45,973,987.88</u>	<u>51,717,860.42</u>

For the year ended 31 December 2017 and 2016, the movement of allowance for doubtful account was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	(106,574,857.58)	(84,800,406.50)	(106,566,607.58)	(84,792,156.50)
Increased during the year	(115,052,315.48)	(21,774,451.08)	(111,105,413.97)	(21,774,451.08)
Decreased during the year	94,998.50	-	94,998.50	-
Ending Carrying Amount	<u>(221,532,174.56)</u>	<u>(106,574,857.58)</u>	<u>(217,577,023.05)</u>	<u>(106,566,607.58)</u>

11. Inventories

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Finished Goods	1,575,252,330.21	1,373,846,057.06	1,575,417,895.43	1,370,712,008.52
Goods in Transit	591,802,539.92	235,020,617.22	591,802,539.92	235,020,617.22
Work in Process	2,971,629.66	10,862,908.27	2,971,629.66	-
Supplies	4,096,874.15	485,716.82	4,096,874.15	485,716.82
Less Allowance for Decline in Value				
of Inventories	<u>(1,867,860.15)</u>	<u>(1,848,631.38)</u>	<u>(1,867,860.15)</u>	<u>(1,848,631.38)</u>
Net	<u>2,172,255,513.79</u>	<u>1,618,366,667.99</u>	<u>2,172,421,079.01</u>	<u>1,604,369,711.18</u>

For the year ended 31 December 2017 and 2016, the movement of allowance for decline in value of inventories was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	(1,848,631.38)	(41,130,124.91)	(1,848,631.38)	(41,130,124.91)
Increased during the year	(10,947,514.91)	(13,229,177.51)	(10,947,514.91)	(13,229,177.51)
Decreased during the year	10,928,286.14	52,510,671.04	10,928,286.14	52,510,671.04
Ending Carrying Amount	(1,867,860.15)	(1,848,631.38)	(1,867,860.15)	(1,848,631.38)

As at 31 December 2017 and 31 December 2016, the consolidated and the separate financial statements, the Group and the Company had advance payments for inventories of Baht 563.47 and Baht 777.98 million respectively.

As at 31 December 2016, a part of recorded an allowance for decline in value amount of Baht 0.01 million.

These represented advance payments of inventory to the related companies and other companies with these inventories do not yet receive at the end of the period.

12. Investment in Associate

12.1 Details of Associate

		Consolidated Financial Statements					
		Investments		Equity method		Dividend Income	
		Ratio		As at 31 December		For the year ended 31 December	
		2017	2016	2017	2016	2017	2016
	Paid-up Share Capital						
Name of Equity	Baht	%	%	Baht	Baht	Baht	Baht
Prime Steel Mill Co., Ltd. (Formerly named Delong (Thailand) Co., Ltd.)	1,000,000,000.00	50	20	367,507,595.15	130,001,235.14	-	-

		Separate Financial Statements					
		Investments		Cost Method		Dividend Income	
		Ratio		As at 31 December		For the year ended 31 December	
		2017	2016	2017	2016	2017	2016
	Paid-up Share Capital						
Name of Equity	Baht	%	%	Baht	Baht	Baht	Baht
Prime Steel Mill Co., Ltd. (Formerly named Delong (Thailand) Co., Ltd.)	1,000,000,000.00	50	20	410,000,000.00	200,000,000.00	-	-

12.2 The Financial Information of Associate

Summary financial information of significant associate is as follows:

Prime Steel Mill Co., Ltd.		
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Current Assets	620,795,294.00	1,003,031,081.00
Non-Current Assets	1,914,775,370.00	1,959,121,265.00
Current Liabilities	(1,502,174,585.00)	(2,319,297,306.00)
Non-Current Liabilities	(298,468,708.00)	(1,878,371.00)
Net Assets	<u>734,927,371.00</u>	<u>640,976,669.00</u>
	For the year ended	For the year ended
	31 December 2017	31 December 2016
	Baht	Baht
Total Revenue	4,732,511,038.00	3,971,818,201.00
Total Expenses	(4,638,213,422.00)	(4,007,855,897.00)
Profit (Loss) for the year	<u>94,297,616.00</u>	<u>(36,037,696.00)</u>
Other Comprehensive Income (Expense) for the year	(346,914.00)	-
Total Comprehensive Income (Expense) for the year	<u>93,950,702.00</u>	<u>(36,037,696.00)</u>

The reconciliation of the above financial information with the carrying amount of interest in associate which is recognized in the financial statements in which the equity method is applied is as follows:

Prime Steel Mill Co., Ltd.		
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Net Assets	734,927,371.00	640,976,669.00
Investments Ratio (%)	<u>50</u>	<u>20</u>
Carrying Amount of Investments	367,463,685.50	128,195,333.80
<u>Add</u> Share of Loss in Inventories	<u>43,909.65</u>	<u>1,805,901.34</u>
Ending Carrying Amount	<u>367,507,595.15</u>	<u>130,001,235.14</u>

12.3 Acquisition of Interests in Associate

In accordance with the resolution of the Board of Directors Meeting of the Company No. 1/2017 held on 25 January 2017, has passed the resolution to approve the acquisition of investment ordinary shares of Prime Steel Mill Co., Ltd. (formerly Delong (Thailand) Co., Ltd.) from existing shareholders totaling 3.00 million shares in amount of Baht 70 per share totaling in amount of Baht 210 million. Presently, the Company receipt to transfer shares and paid on 31 January 2017, As a result, the proportion of investment increased to 50%.

The detail of Prime Steel Mill Co., Ltd. as at the acquisition of interests in associate date is as follows:

	Baht
Carrying Amount of Net Assets	763,609,724.72
Carrying Amount of Additional Acquired Interests (30.00%)	229,082,917.42
<u>Less</u> Cash Paid for Investments in Prime Steel Mill Co., Ltd.	<u>(210,000,000.00)</u>
Surplus (Discount) from Changes of Shareholding in Associate	<u>19,082,917.42</u>

The above surplus (discount) from changes of shareholding in associate is presented as other surplus (discount) under the shareholders of the Parent Company in the consolidated statement of financial position.

13. Investment in Subsidiaries

Consisted of:

Company's name	Type of business	Paid-up Capital	Percentage of shareholding		Separate Financial Statements Cost method	
			2017	2016	As at	As at
					31 December	31 December
					2017	2016
		'000 Baht	%	%	Baht	Baht
The Steel Logistic Co., Ltd.	Logistic services	10,000	60	60	6,000,000.00	6,000,000.00
The Steel Industry Co., Ltd.	Manufacturing pipe	50,000	99.99	70	50,900,000.00	35,000,000.00
Liberty Steel Siam Co., Ltd.	Selling hot rolled coils and structural steels	450,000	99.99	99.99	297,500,005.00	297,500,005.00
The Siam Power Co.,Ltd.	Study and invest in electrical business	500	-	70	-	350,000.00
Total					354,400,005.00	338,850,005.00
<u>Less</u> Allowance for Impairment Investment					<u>(125,880,828.64)</u>	<u>(228,652,605.64)</u>
Net					<u>228,519,176.36</u>	<u>110,197,399.36</u>

For the year ended 31 December 2017 and 2016, the movements of allowance for impairment investment were as follows:

	Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2017	31 December 2016
	Baht	Baht
Beginning Carrying Amount	(228,652,605.64)	(297,500,005.00)
Increased during the year	(15,968,569.00)	-
Decreased during the year	118,740,346.00	68,847,399.36
Ending Carrying Amount	<u>(125,880,828.64)</u>	<u>(228,652,605.64)</u>

The Siam Power Co., Ltd.

In accordance with the resolution of the Board of Directors Meeting No. 4/2017 held on 12 May 2017, has passed the resolved to dissolution and liquidation The Siam Power Co., Ltd.

The Steel Industry Co., Ltd.

In accordance with the resolution of the Board of Directors Meeting No. 5/2017 held on 31 May 2017, has passed the resolved to to acquire investment in The Steel Industry Co., Ltd (Subsidiary) from shareholders of subsidiary totaling 150,000 shares in amount of Baht 15.90 million. The Company the share transferring on 31 May 2017, As a result, the proportion of investment increased to 99.99%.

Liberty Steel Siam Co., Ltd.

The separate financial statements for the year ended 31 December 2016, the Company reversal to reflected loss of the subsidiary's registered capital as the guarantor in Liberty Steel Siam Co., Ltd, in amount of Baht 62.64 million. As the Company has not risk result in loss above.

14. Non-controlling Interests

The Group's subsidiaries with non-controlling interests which are significant before eliminations

	As at 31 December 2017		(unit:Baht)
	The Steel Logistic Co., Ltd 40%	Eliminations	Total
Percentage of Non-controlling Interests			
Current Assets	20,713,097.85		
Non-Current Assets	200,063,619.12		
Current Liabilities	(185,416,284.46)		
Non-Current Liabilities	(4,196,305.30)		
Net Assets	31,164,127.21		
Carrying Amount of Non-controlling Interests	12,465,650.88	(1,751,816.05)	10,713,834.83
Revenue	156,269,233.07		
Profit(Loss) for the year	(2,790,005.74)		
Other comprehensive Income	(213,462.39)		
Total Comprehensive Income	(3,003,468.13)		
Profit(Loss) Attributable to Non-Controlling Interests	(1,116,002.30)	(6,037,264.34)	(7,153,266.64)
Comprehensive Income Attributable to Non-Controlling Interests	(1,201,387.25)	(6,023,412.99)	(7,224,800.24)
Net Cash Provided from (Used in) Operating Activities	26,175,270.57		
Net Cash Provided from (Used in) Investing Activities	(139,040,384.51)		
Net Cash Provided from (Used in) Financing Activities	113,246,657.53		
Net Increase (Decrease) in Cash and Cash Equivalents	381,543.59		

	As at 31 December 2016				(unit:Baht)
	The Steel Logistic Co.,Ltd 40%	The Steel Industry Co.,Ltd. 30%	Other Subsidiaries are immaterial	Eliminations	Total
Percentage of Non-controlling Interests					
Current Assets	38,718,829.50	24,241,900.14			
Non-Current Assets	77,061,678.44	274,168,362.42			
Current Liabilities	(21,953,387.30)	(23,707,717.95)			
Non-Current Liabilities	(59,659,525.30)	(221,480,439.74)			
Net Assets	34,167,595.34	53,222,104.87			
Carrying Amount of Non-controlling Interests	13,667,038.14	15,966,631.46	99,606.10	(1,725,124.40)	28,008,151.30
Revenue	163,720,822.44	87,197,881.31			
Profit(Loss) for the year	13,840,546.52	(5,673,232.73)			
Other comprehensive Income	(11,670.40)	(28,281.60)			
Total Comprehensive Income	13,828,876.12	(5,701,514.33)			
Profit(Loss) Attributable to Non-Controlling Interests	5,536,218.61	(1,701,969.82)	(42,045.04)	-	3,792,203.75
Comprehensive Income Attributable to Non-Controlling Interests	5,531,550.45	(1,710,454.30)	(42,045.04)	-	3,779,051.11
Net Cash Provided from (Used in) Operating Activities	25,590,224.04	12,485,937.57			
Net Cash Provided from (Used in) Investing Activities	(2,264,060.48)	(23,479,499.14)			
Net Cash Provided from (Used in) Financing Activities	(22,259,815.07)	11,678,363.56			
Net Increase (Decrease) in Cash and Cash Equivalents	1,066,348.49	684,801.99			



15. Property Plant, and Equipment

Consist of:

	Consolidated Financial Statements						
	Land	Building and improvement	Machine and factory equipment	Office equipment	Vehicles	Assets in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2015							
Costs	278,059,039.43	390,936,371.08	258,477,289.51	16,831,159.58	166,229,950.36	32,256,903.63	1,142,790,713.59
<u>Less Accumulated Depreciation</u>	-	(121,364,240.07)	(165,384,469.05)	(11,745,351.99)	(76,316,659.11)	-	(374,810,720.22)
Carrying Amount	278,059,039.43	269,572,131.01	93,092,820.46	5,085,807.59	89,913,291.25	32,256,903.63	767,979,993.37
Transactions During the Year ended 31 December 2016							
Purchase	-	15,040,226.87	1,757,911.88	3,827,549.19	3,119,840.00	134,739,392.13	158,484,920.07
Transfer in	-	59,050,793.87	130,123,356.53	-	-	33,954,270.00	223,128,420.40
Disposal	-	-	(58,026.53)	(28,337.00)	(4,416,500.00)	-	(4,502,863.53)
Write off	-	-	(186,156.20)	(578,893.53)	-	-	(765,049.73)
Transfer out	-	-	-	(101,917.72)	-	(190,064,429.35)	(190,166,347.07)
Depreciation for the Year	-	(19,693,819.44)	(24,934,713.53)	(1,764,925.34)	(10,751,561.86)	-	(57,145,020.17)
Accumulated Depreciation for Disposal	-	-	50,801.46	14,604.78	4,074,008.48	-	4,139,414.72
Accumulated Depreciation for Write off	-	-	186,146.20	550,933.53	-	-	737,079.73
Accumulated Depreciation for Transfer out	-	-	-	(117,753.68)	-	-	(117,753.68)
Ending Carrying Amount	278,059,039.43	323,969,332.31	200,032,140.27	6,887,067.82	81,939,077.87	10,886,136.41	901,772,794.11
As at 31 December 2016							
Costs	278,059,039.43	465,027,391.82	390,114,375.19	19,949,560.52	164,933,290.36	10,886,136.41	1,328,969,793.73
<u>Less Accumulated Depreciation</u>	-	(141,058,059.51)	(190,082,234.92)	(13,062,492.70)	(82,994,212.49)	-	(427,196,999.62)
Carrying Amount	278,059,039.43	323,969,332.31	200,032,140.27	6,887,067.82	81,939,077.87	10,886,136.41	901,772,794.11

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	Land	Building and improvement	Machine and factory equipment	Office equipment	Vehicles	Assets in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2016							
Costs	278,059,039.43	465,027,391.82	390,114,375.19	19,949,560.52	164,933,290.36	10,886,136.41	1,328,969,793.73
<u>Less Accumulated Depreciation</u>	-	(141,058,059.51)	(190,082,234.92)	(13,062,492.70)	(82,994,212.49)	-	(427,196,999.62)
Carrying Amount	278,059,039.43	323,969,332.31	200,032,140.27	6,887,067.82	81,939,077.87	10,886,136.41	901,772,794.11
Transactions During the Year ended 31 December 2017							
Purchase	158,388,740.00	191,999,275.64	48,385,309.25	5,577,239.09	99,095,660.00	2,604,586.98	506,050,810.96
Increased from Business Acquisition	2,733,110.00	23,734,217.26	(3,753,019.77)	(1,150,656.26)	(9,394,838.60)	-	12,168,812.63
Transfer in	-	4,444,956.37	13,952,193.84	-	-	312,165.60	18,709,315.81
Disposal	-	-	(12,530,318.59)	(12,720.00)	(481,500.00)	-	(13,024,538.59)
Write off	-	-	-	(6,360.00)	-	-	(6,360.00)
Transfer out	-	-	-	-	-	(13,498,265.90)	(13,498,265.90)
Depreciation for the Year	-	(27,388,397.38)	(36,144,789.54)	(2,551,753.75)	(12,913,141.85)	-	(78,998,082.52)
Accumulated Depreciation for Disposal	-	-	12,332,387.35	12,718.00	76,631.76	-	12,421,737.11
Accumulated Depreciation for Write off	-	-	-	6,359.00	-	-	6,359.00
Accumulated Depreciation for Transfer out	-	-	-	29,333.15	-	-	29,333.15
Ending Carrying Amount	439,180,889.43	516,759,384.20	222,273,902.81	8,791,227.05	158,321,889.18	304,623.09	1,345,631,915.76
As at 31 December 2017							
Costs	439,180,889.43	685,205,841.09	436,168,539.92	24,357,063.35	254,152,611.76	304,623.09	1,839,369,568.64
<u>Less Accumulated Depreciation</u>	-	(168,446,456.89)	(213,894,637.11)	(15,565,836.30)	(95,830,722.58)	-	(493,737,652.88)
Carrying Amount	439,180,889.43	516,759,384.20	222,273,902.81	8,791,227.05	158,321,889.18	304,623.09	1,345,631,915.76
Depreciation for the year ended 31 December 2016 (Included in Cost of Sales amount of Baht 40.58 million, the rest included in Administrative Expenses)							57,145,020.17
Depreciation for the year ended 31 December 2017 (Included in Cost of Sales amount of Baht 50.55 million, the rest included in Administrative Expenses)							78,998,082.52





	Separate Financial Statements					
	Land	Building and improvement	Machine and factory equipment	Office equipment	Vehicles	Assets in progress
	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2015						
Costs	268,558,066.00	312,963,658.11	179,865,355.66	14,120,068.58	22,649,133.13	798,876,529.15
Less Accumulated Depreciation	-	(102,817,031.76)	(123,922,696.63)	(10,153,898.28)	(13,139,299.06)	(250,032,925.73)
Carrying Amount	268,558,066.00	210,146,626.35	55,942,659.03	3,966,170.30	9,509,834.07	548,843,603.42
Transactions During the Year ended 31 December 2016						
Purchase	-	8,229,982.63	267,884.11	2,286,752.39	-	30,996,190.48
Transfer in	-	24,984,557.23	6,551,880.92	-	-	31,536,438.15
Disposal	-	-	(58,026.53)	(28,337.00)	(3,135,000.00)	(3,221,363.53)
Write off	-	-	(186,156.20)	(578,893.53)	-	(765,049.73)
Transfer out	-	-	-	(101,917.72)	-	(31,638,355.87)
Depreciation for the Year	-	(15,242,524.95)	(13,174,558.88)	(1,203,027.84)	(3,403,675.27)	(33,023,786.94)
Accumulated Depreciation for Disposal	-	-	50,801.46	14,604.78	3,134,996.00	3,200,402.24
Accumulated Depreciation for Write off	-	-	186,146.20	550,933.53	-	737,079.73
Accumulated Depreciation for Transfer out	-	-	-	(117,753.68)	-	(117,753.68)
Ending Carrying Amount	268,558,066.00	228,118,641.26	49,580,630.11	4,788,531.23	6,106,154.80	557,332,023.40
As at 31 December 2016						
Costs	268,558,066.00	346,178,197.97	186,440,937.96	15,697,672.72	19,514,133.13	836,569,007.78
Less Accumulated Depreciation	-	(118,059,556.71)	(136,860,307.85)	(10,909,141.49)	(13,407,978.33)	(279,236,984.38)
Carrying Amount	268,558,066.00	228,118,641.26	49,580,630.11	4,788,531.23	6,106,154.80	557,332,023.40

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	Land	Building and improvement	Machine and factory equipment	Office equipment	Vehicles	Assets in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2016							
Costs	268,558,066.00	346,178,197.97	186,440,937.96	15,697,672.72	19,514,133.13	180,000.00	836,569,007.78
Less Accumulated Depreciation	-	(118,059,556.71)	(136,860,307.85)	(10,909,141.49)	(13,407,978.33)	-	(279,236,984.38)
Carrying Amount	268,558,066.00	228,118,641.26	49,580,630.11	4,788,531.23	6,106,154.80	180,000.00	557,332,023.40
Transactions During the Year ended 31 December 2017							
Purchase	121,348,490.00	181,986,075.64	47,208,697.95	4,967,941.13	7,230,000.00	-	362,741,204.72
Increased from Business Acquisition	2,123,510.00	23,462,601.64	(3,749,849.42)	(1,147,403.31)	-	-	20,688,858.91
Transfer in	-	-	3,738,317.76	-	-	-	3,738,317.76
Disposal	-	-	(12,530,318.59)	(12,720.00)	-	-	(12,543,038.59)
Write off	-	-	-	(6,360.00)	-	-	(6,360.00)
Depreciation for the Year	-	(21,519,337.77)	(18,303,794.33)	(1,831,189.95)	(3,966,677.39)	-	(45,620,999.44)
Accumulated Depreciation for Disposal	-	-	12,332,387.35	12,718.00	-	-	12,345,105.35
Accumulated Depreciation for Write off	-	-	-	6,359.00	-	-	6,359.00
Accumulated Depreciation for Transfer out	-	-	-	29,333.15	-	-	29,333.15
Ending Carrying Amount	392,030,066.00	412,047,980.77	78,276,070.83	6,807,209.25	9,369,477.41	180,000.00	898,710,804.26
As at 31 December 2017							
Costs	392,030,066.00	551,626,875.25	221,107,785.66	19,499,130.54	26,744,133.13	180,000.00	1,211,187,990.58
Less Accumulated Depreciation	-	(139,578,894.48)	(142,831,714.83)	(12,691,921.29)	(17,374,655.72)	-	(312,477,186.32)
Carrying Amount	392,030,066.00	412,047,980.77	78,276,070.83	6,807,209.25	9,369,477.41	180,000.00	898,710,804.26
Depreciation for the year ended 31 December 2016 (Included in Cost of Sales amount of Baht 23.92 million, the rest included in Administrative Expenses)							33,023,786.94
Depreciation for the year ended 31 December 2017 (Included in Cost of Sales amount of Baht 31.58 million, the rest included in Administrative Expenses)							45,620,999.44

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As at 31 December 2017 and 2016, the Group has a part of assets to the vehicles under financial leases agreements with costing in amount of Baht 119.27 million equally for two periods and the carrying amount of Baht 102.66 million and Baht 114.59 million, respectively.

As at 31 December 2017 and 2016, the Group has assets which fully depreciated but still in use, costing in amount of Baht 169.77 million and Baht 174.95 million, respectively. The carrying amounts are in amount of Baht 1,197 and Baht 774, respectively.

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As at 31 December 2017 and 2016, the Company has assets which fully depreciated but still in use, costing in amount of Baht 150.66 million and Baht 159.08 million, respectively. The carrying amounts are in amount of Baht 813 and Baht 758, respectively.

16. Intangible Asset

Consist of:

	Consolidated Financial Statements Computer Software Baht	Separate Financial Statements Computer Software Baht
As at 31 December 2015		
Costs	1,821,840.00	1,753,840.00
<u>Less</u> Accumulated Amortization	(1,025,272.95)	(957,274.95)
Carrying Amount	796,567.05	796,565.05
Transactions During the Year Ended 31 December 2016		
Purchase	571,500.00	571,500.00
Transfer in	76,000.00	76,000.00
Amortization for the Year	(228,565.16)	(228,565.16)
Accumulated Amortization for Transfer out	117,753.68	117,753.68
Ending Carrying Amount	1,333,255.57	1,333,253.57
As at 31 December 2016		
Costs	2,469,340.00	2,401,340.00
<u>Less</u> Accumulated Amortization	(1,136,084.43)	(1,068,086.43)
Carrying Amount	1,333,255.57	1,333,253.57
Transactions During the Year Ended 31 December 2017		
Purchase	646,600.00	496,800.00
Increased from Business Acquisition	(127,237.26)	(127,237.26)
Amortization for the Year	(319,564.29)	(294,365.39)
Accumulated Amortization for Transfer in	(29,333.15)	(29,333.15)
Ending Carrying Amount	1,503,720.87	1,379,117.77
As at 31 December 2017		
Costs	2,988,702.74	2,770,902.74
<u>Less</u> Accumulated Amortization	(1,484,981.87)	(1,391,784.97)
Carrying Amount	1,503,720.87	1,379,117.77



17. Deferred Tax Assets

Deferred income taxes are calculated on temporary differences, using the liability method and applying a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarized below:

	Consolidated Financial Statements			
	As at	Recognized in	Recognized in other	As at
	31 December 2016	profit or (loss)	comprehensive	31 December 2017
	Baht	Baht	Baht	Baht
Deferred Tax Assets				
Allowance for Doubtful Debt –				
Trade Receivables	21,313,321.52	22,202,083.09	-	43,515,404.61
Allowance for Doubtful Debt –				
Advance Payment for Inventories	2,331.51	(2,331.51)	-	-
Loss from Decline in Value of Inventories	369,726.28	3,845.75	-	373,572.03
Unrealised Loss on Changes in				
Fair Value of Investments	895,326.31	(895,317.34)	-	8.97
Loss from Impairment of Investments	-	21,982,451.93	-	21,982,451.93
Value of Assets from Business Acquisition	-	1,660,774.93	-	1,660,774.93
Non-Current Provisions for Employee Benefits	2,284,731.17	322,551.65	(909,157.80)	1,698,125.02
Loss Carry Forward Not Over 5 Years	-	23,055,178.79	-	23,055,178.79
Total	<u>24,865,436.79</u>	<u>68,329,237.29</u>	<u>(909,157.80)</u>	<u>92,285,516.28</u>
Deferred Tax Liabilities				
Assets under Finance Lease Agreements	(4,451,423.35)	(14,006,858.05)	-	(18,458,281.40)
Loss from Sale and Leaseback	-	(2,073,302.62)	-	(2,073,302.62)
Value of Assets from Business Acquisition	-	(5,142,997.66)	-	(5,142,997.66)
Current Portion Liabilities				
under Finance Lease Agreements	(625,414.97)	101,461.04	-	(523,953.93)
Liabilities under Finance Lease Agreements	(1,117,980.03)	16,326,214.40	-	15,208,234.37
Total	<u>(6,194,818.35)</u>	<u>(4,795,482.89)</u>	<u>-</u>	<u>(10,990,301.24)</u>
Deferred Tax Assets	<u>18,670,618.44</u>	<u>63,516,030.51</u>	<u>(909,157.80)</u>	<u>81,277,491.15</u>

	Consolidated Financial Statements			
	As at	Recognized in	Recognized in	As at
	31 December 2015	profit or (loss) for the year	other comprehensive income (expense)	31 December 2016
	Baht	Baht	Baht	Baht
Deferred Tax Assets				
Allowance for Doubtful Debt –				
Trade Receivables	16,958,431.30	4,354,890.22	-	21,313,321.52
Allowance for Doubtful Debt –				
Advance Payment for Inventories	-	2,331.51	-	2,331.51
Loss from Decline in Value of Inventories	8,750,633.95	(8,380,907.67)	-	369,726.28
Unrealised Loss on Changes in				
Fair Value of Investments	1,902,568.40	(1,007,242.09)	-	895,326.31
Non-Current Provisions for Employee Benefits	2,196,464.82	89,149.96	(883.61)	2,284,731.17
Total	<u>29,808,098.47</u>	<u>(4,941,778.07)</u>	<u>(883.61)</u>	<u>24,865,436.79</u>
Deferred Tax Liabilities				
Assets under Finance Lease Agreements	-	(4,451,423.35)	-	(4,451,423.35)
Current Portion Liabilities				
under Finance Lease Agreements	-	(625,414.97)	-	(625,414.97)
Liabilities under Finance Lease Agreements	-	(1,117,980.03)	-	(1,117,980.03)
Total	<u>-</u>	<u>(6,194,818.35)</u>	<u>-</u>	<u>(6,194,818.35)</u>
Deferred Tax Assets	<u>29,808,098.47</u>	<u>(11,136,596.42)</u>	<u>(883.61)</u>	<u>18,670,618.44</u>



	Separate Financial Statements			
	As at	Recognized in	Recognized in other	As at
	31 December 2016	profit or (loss)	comprehensive	31 December 2017
	Baht	for the year	income (expense)	Baht
Deferred Tax Assets				
Allowance for Doubtful Debt –				
Trade Receivables	21,313,321.52	22,202,083.09	-	43,515,404.61
Allowance for Doubtful Debt –				
Advance Payment for Inventories	2,331.51	(2,331.51)	-	-
Loss from Decline in Value of Inventories	369,726.28	3,845.75	-	373,572.03
Unrealised Loss on Changes in				
Fair Value of Investments	895,326.31	(895,317.34)	-	8.97
Loss from Impairment of Investments	-	21,982,451.93	-	21,982,451.93
Non-Current Provisions for Employee Benefits	1,476,517.55	303,503.60	(538,529.35)	1,241,491.80
Total	24,057,223.17	43,594,235.52	(538,529.35)	67,112,929.34
Deferred Tax Liabilities				
Value of Assets from Business Acquisition	-	(4,092,061.36)	-	(4,092,061.36)
Total	-	(4,092,061.36)	-	(4,092,061.36)
Deferred Tax Assets	24,057,223.17	39,502,174.16	(538,529.35)	63,020,867.98

	Separate Financial Statements			
	As at	Recognized in	Recognized in other	As at
	31 December 2015	profit or (loss)	comprehensive	31 December 2016
	Baht	for the year	income (expense)	Baht
Deferred Tax Assets				
Allowance for Doubtful Debt –				
Trade Receivables	16,958,431.30	4,354,890.22	-	21,313,321.52
Allowance for Doubtful Debt –				
Advance Payment for Inventories	-	2,331.51	-	2,331.51
Loss from Decline in Value of Inventories	8,750,633.95	(8,380,907.67)	-	369,726.28
Unrealised Loss on Changes in				
Fair Value of Investments	1,902,568.40	(1,007,242.09)	-	895,326.31
Non-Current Provisions for Employee Benefits	1,726,568.80	(239,794.40)	(10,256.85)	1,476,517.55
Total	29,338,202.45	(5,270,722.43)	(10,256.85)	24,057,223.17
Deferred Tax Liabilities	-	-	-	-
Deferred Tax Assets	29,338,202.45	(5,270,722.43)	(10,256.85)	24,057,223.17

18. Credit Facility and Guarantee

As at 31 December 2017 and 2016, the Group has credits line from Commercial bank and several financial institutions in term of bank overdrafts, trust receipts, promissory note, letter of guarantee and credits line for forward contracts as follows:

	Consolidated/Separate Financial Statements	
	For the year ended	
	31 December 2017	31 December 2016
	Million Baht	Million Baht
Bank Overdrafts	105.00	165.00
Trust Receipts and Promissory Notes	5,970.00	6,470.00
Total	6,075.00	6,635.00

	Consolidated/Separate Financial Statements	
	For the year ended	
	31 December 2017	31 December 2016
	Million USD	Million USD
Forward Contract	50.00	50.00
Total	50.00	50.00

19. Overdrafts and Short – Term Borrowings from Financial Institutions

Consisted of :

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Bank Overdrafts	-	1,275,684.00	-	-
Trust Receipt	399,220,474.83	453,218,981.14	399,220,474.83	453,218,981.14
Promissory Notes	2,255,000,000.00	2,550,000,000.00	2,255,000,000.00	2,550,000,000.00
Total	2,654,220,474.83	3,004,494,665.14	2,654,220,474.83	3,003,218,981.14

The consolidated and separate financial statements as at 31 December 2016, Bank overdrafts has the interest rates of MOR per annum.

The consolidated and separate financial statements as at 31 December 2017 and 2016, trust receipts is carried by interest rates of 0.85% – 2.50% and 1.00% – 5.00% per annum respectively. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the commercial bank until there will be repayment of trust receipt to the commercial bank.

The consolidated and separate financial statement as at 31 December 2017 and 2016, short term borrowings from the financial institutes is borrowing in term of promissory note, carried interest rate of 2.50% – 3.95% , equally for two years.

20. Trade and Other Current Payables

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade Payables – Domestic	444,916,543.38	277,539,274.61	553,363,216.81	256,266,324.78
Trade Payables – Overseas	596,353,365.00	235,020,617.22	596,353,365.00	235,020,617.22
Other Current Payables	37,400,774.44	47,167,769.38	42,704,569.82	44,078,009.41
Total	1,078,670,682.82	559,727,661.21	1,192,421,151.63	535,364,951.41

As at 31 December 2017 and 2016, other current payables consist of :

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Accrued Interest Expenses	2,261,906.72	1,029,246.58	2,261,906.72	1,029,246.58
Accrued Commission Expenses	19,949,201.66	17,762,923.31	19,949,201.66	15,258,487.03
Other Current Payables	675,403.65	1,151,150.22	571,576.88	996,632.38
Payables for Assets	-	3,185,501.00	-	535,535.00
Accrued Expenses	14,514,262.41	24,038,948.27	19,921,884.54	26,258,108.42
Total	37,400,774.44	47,167,769.38	42,704,569.80	44,078,009.41

21. Liabilities under Finance Lease Agreements

Consisted of:

	Consolidated Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Minimum Lease Payments under Finance Lease Agreements	79,478,980.20	92,328,041.91
<u>Less</u> Deferred Interest	(6,057,578.03)	(8,716,975.03)
Liabilities under Finance Lease Agreements	73,421,402.17	83,611,066.88
<u>Less</u> Current Portion	(19,066,804.17)	(9,837,616.38)
Net	54,354,598.00	73,773,450.50

As at 31 December 2017 and 2016, the aggregate minimum lease payments under finance leases agreements are as follows:

	Consolidated Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Not Over 1 year	21,423,757.92	12,964,691.25
Over 1 year but not over 5 years	58,055,222.28	79,363,350.66
Total	79,478,980.20	92,328,041.91

22. Long-Term Borrowings from Financial Institutions

Consisted of:

Subsidiary No.	Credit line		Monthly repayment (Million Baht)	Interest rate (Per annum)	Consolidated Financial Statements	
	(Million Baht)	Term of repayment			As at	As at
					31 December 2017	31 December 2016
					Baht	Baht
1	120	September 2011 - February 2017	1.8	MLR-2.25	-	1,073,820.84
Long-Term Borrowings from Financial Institutions					-	1,073,820.84
<u>Less</u> Current Portion					-	(1,073,820.84)
Long-Term Borrowings from Financial Institutions – Net					-	-

For the years ended 31 December 2017 and 2016, long-term borrowings from financial institution were as follows:

	Consolidated Financial Statements	
	For the years ended	For the years ended
	31 December 2017	31 December 2016
	Baht	Baht
Beginning Carrying Amount	1,073,820.84	22,090,894.13
Increased During the Year	-	-
Decreased During the Year	(1,073,820.84)	(21,017,073.29)
Ending Carrying Amount	-	1,073,820.84

These long – term borrowings are guaranteed by the Company, some directors of the subsidiary and pledged by the subsidiary’s land with building.

Under the loan agreement terms, the subsidiaries must comply with the condition of loan covenants such as:

- Debt to Equity Ratio not over than 1.5 times
- Debt Service Coverage at lease 1.1 times

23. Non-Current Provisions for Employee Benefits

For the year end 31 December 2017 and 2016, non-current provisions for employee benefits has the movement are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Beginning Balance	11,457,565.78	11,011,258.01	7,382,587.77	8,632,844.00
Current Service Cost	1,810,036.34	3,532,679.17	1,407,235.00	2,138,882.00
Interest Expenses	285,668.91	832,670.83	228,783.00	277,020.00
(Gain) Loss on Remeasurements of				
Defined Benefit Plans	(4,574,965.03)	(1,344.23)	(2,692,646.77)	(51,284.23)
Benefits Paid During the Year	(462,172.00)	(3,917,698.00)	(118,500.00)	(3,614,874.00)
Ending Balance	8,516,134.00	11,457,565.78	6,207,459.00	7,382,587.77

Employee Benefit Expenses which included in profit (loss) for the year consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Current Service Cost	1,810,036.34	3,532,679.17	1,407,235.00	2,138,882.00
Interest Expenses	285,668.91	832,670.83	228,783.00	277,020.00
Total	<u>2,095,705.25</u>	<u>4,365,350.00</u>	<u>1,636,018.00</u>	<u>2,415,902.00</u>

The above expenses are included in the items as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Cost of Sales and Services	956,491.23	2,031,038.42	606,120.00	828,049.00
Distribution Costs	307,358.00	475,046.00	307,358.00	475,046.00
Administrative Expenses	831,856.02	1,859,265.58	772,540.00	1,112,807.00
Total	<u>2,095,705.25</u>	<u>4,365,350.00</u>	<u>1,636,018.00</u>	<u>2,415,902.00</u>

(Gain) loss on remeasurements of defined benefit plans as gain from actuarial gain that recognised in other comprehensive income (expense) as at the end of the reporting period arising from:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Demography Assumption	(522,900.00)	(36,696.23)	(1,658,022.00)	(51,284.23)
Finance Assumption	(1,304,824.00)	(29,362.00)	(1,204,343.00)	-
Adjustment Experience	(2,747,241.03)	64,714.00	169,718.23	-
Total	<u>(4,574,965.03)</u>	<u>(1,344.23)</u>	<u>(2,692,646.77)</u>	<u>(51,284.23)</u>

The key assumptions used for the purposes of the actuarial valuation were as follows:

	Consolidated/Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2017	31 December 2016
Discount Rate	1.87 – 3.19 % per annum	2.57 – 3.54 % per annum
Salary Increase Rate	2.35 – 6.45 % per annum	2.54 – 6.54 % per annum
Turnover Rates	0 – 72 % per annum	0 – 75 % per annum

Sensitivity Analysis

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

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Discount Rate				
Rate Increase 0.50 %	(492,866.00)	(467,716.00)	(315,746.00)	(281,958.00)
Rate Decrease 0.50 %	535,630.00	499,021.00	339,699.00	299,039.00
Salary Increase Rate				
Rate Increase 0.50 %	517,066.00	512,470.00	327,000.00	324,611.00
Rate Decrease 0.50 %	(481,072.00)	(484,856.00)	(307,195.00)	(308,565.00)
Turnover Rate				
Rate Increase 0.50 %	(537,882.00)	(553,574.00)	(350,657.00)	(351,890.00)
Rate Decrease 0.50 %	456,246.00	449,183.00	376,343.00	373,154.00

24. Share Capital

For the years ended 31 December 2017 and 2016, the Company has movements of share capital are as follows:

	For the year ended 31 December 2017			For the year ended 31 December 2016		
	Par value Per Share Baht	Number of share Shares	Amount Baht	Par value Baht	Number of share Shares	Amount Shares
Authorized Share Capital						
Beginning Ordinary Shares	0.50	1,100,010,160	550,005,080.00	0.50	1,100,010,160	550,005,080.00
Increase Ordinary Shares	0.50	550,005,080	275,002,540.00		-	-
Ending Ordinary Shares	0.50	<u>1,650,015,240</u>	<u>825,007,620.00</u>	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>
Issued and Paid-up Share Capital						
Beginning Ordinary Shares	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>
Ending Ordinary Shares	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>

For the year ended 31 December 2017 and 2016, the Company has movements of share premium on ordinary shares are as follows:

	For the year ended 31 December 2017 Consolidated/Separate Financial Statements Baht	For the year ended 31 December 2016 Consolidated/Separate Financial Statements Baht
Beginning Share Premiums on Ordinary Shares	941,791,495.95	1,395,249,920.00
Increased During the Year	-	-
Decreased During the Year	-	(453,458,424.05)
Ending Share Premiums on Ordinary Shares	<u>941,791,495.95</u>	<u>941,791,495.95</u>

In accordance with the minute of Extraordinary Genral Meeting of Shareholders of the Company No. 1/2017 on 30 March 2017, had resolved as follows:

- 1) The alteration of the Company's par value from Baht 1.00 per share to Baht 0.50 per share from amount of 550,005,080 ordinary shares with the par value of Baht 1.00 to amount of 1,100,010,160 ordinary shares with the par value of Baht 0.50

- 2) The increase of Company's capital from amount of Baht 550,005,080 to amount of Baht 825,007,620 by issuing the newly issued shares in the amount of 550,005,080 shares with the par value of Baht 0.50 to support the exercise of THE-W2.

On 5 April 2017, the Company has registered the alteration of the Company's par value and increase of Company's capital to the Department of Business Development.

In accordance with the resolution of Annual General Shareholders' Meeting for year 2016 held on 29 April 2016, it resolved to grant approval to transfer Baht 453.46 million of capital surplus and Baht 36.62 million of legal reserve to offset Baht 490.08 million of deficit to zero.

25. Warrants

In accordance with the minute of Extraordinary Genral Meeting of Shareholders of the Company No. 1/2017 on 30 March 2017, it had approved the issuance and offering of warrants to purchase the ordinary shares of the Company to the existing shareholders by right offering (THE-W2), which the detail is as follows:

Issue and Offer Date of Warrants	Exercise Price (Baht per Share)	Exercise Ratio (Warrant per Ordinary Share)	Exercised Ordinary Share (Shares)	Remaining Reserve Ordinary Share (Shares)	Expire Date of Warrants
20 April 2017	3.50	4:1	-	549,990,180	17 April 2020

26. Dividend Payment

26.1 In accordance with the minute of the Annual General Meeting of the Shareholders for year 2017 held on 27 April 2017, has passed the resolution to pay the dividend from the operating result for the year 2016 to the shareholders of 550,005,080 ordinary shares at Baht 0.10 per share, aggregated to in the amount of Baht 55.00 million. Moreover, there is to set the record date to receive the dividend on 15 March 2017 and the dividend will be paid on 24 May 2017.

26.2 In accordance with the Company's board of directors meeting No. 8/2016 held on 15 August 2016, has passed the resolution to pay the interim dividend from the operating result for the first six months of the year 2016 to the shareholders of 550,005,080 ordinary shares at Baht 0.40 per share, aggregated to in the amount of Baht 220.00 million. Moreover, there is to set the record date to receive the interim dividend on 30 August 2016 and the interim dividend will be paid on 15 September 2016

27. Legal Reserve

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of any deficit brought forward as a legal reserve until the reserve reaches 10% of the authorized capital.

In accordance with the resolution of Board of Directors Meeting no. 1/2018 held on 27 February 2018, approved allocation of net profit for year 2017 as legal reserve at least 5% in amount of Baht 9.70 million.

In accordance with the resolution of Board of Directors Meeting no. 3/2017 held on 28 February 2017, approved allocation of net profit for year 2016 as legal reserve at least 5% in amount of Baht 24.05 million.

28. Capital Management

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

29. Tax Income (Expenses)

29.1 Income tax which is recognized in the profit (loss) for the period, consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Income Tax (Expense) Revenue for				
Current Year	(40,628,588.08)	(39,798,782.16)	(40,500,959.85)	(41,711,220.83)
Deferred Income Tax				
Deferred Income Tax (Expense) Revenue	65,947,904.67	(11,137,211.18)	43,614,498.49	(5,270,722.43)
Income Tax (Expense) Revenue Recognized				
in Profit (Loss) for the Year	<u>25,319,316.59</u>	<u>(50,935,993.34)</u>	<u>3,113,538.64</u>	<u>(46,981,943.26)</u>

The differences between income tax (expense) revenue which were calculated from accounting profit (loss) at the tax rate for the year ended 31 December 2017 and 2016, in 20%, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Profit before Income Tax	<u>168,024,895.08</u>	<u>600,019,681.59</u>	<u>190,793,740.69</u>	<u>530,687,531.37</u>
Income Tax (Expense) Revenue Calculated				
at the Tax Rate of 20%	(33,604,979.02)	(120,003,936.32)	(38,158,748.14)	(106,137,506.27)
Expenses that are Not Deductible	(2,475,947.27)	(1,029,361.44)	(1,264,520.55)	(787,784.01)
Temporary Differences that Not Recognized				
as Deferred Tax Assets	41,749,107.22	27,618,189.96	42,536,807.33	26,297,188.89
Tax Loss in Prior Year which is Unrecognized				
as Deferred Tax Assets	<u>19,651,135.66</u>	<u>42,479,114.46</u>	<u>-</u>	<u>33,646,158.13</u>
Income Tax (Expense) Revenue Recognized				
in the Profit (Loss) for the Year	<u>25,319,316.59</u>	<u>(50,935,993.34)</u>	<u>3,113,538.64</u>	<u>(46,981,943.26)</u>

29.2 Income tax which is recognized in the other comprehensive income (expense), consist of:

	Consolidated Financial Statements		
	Amount	Income tax	Amount
	Before Tax	(Expenses) Revenues	Net of Tax
	Baht	Baht	Baht
For the Year Ended 31 December 2017			
Gain on Remeasurement of			
Defined Benefit Plans	4,574,965.03	(914,993.00)	3,659,972.03
For the year ended 31 December 2016			
Gain on Remeasurement of			
Defined Benefit Plans	1,344.23	(268.85)	1,075.38

	Separate Financial Statements		
	Amount	Income tax	Amount
	Before Tax	(Expenses) Revenues	Net of Tax
		Income Tax	
	Baht	Baht	Baht
For the Year ended 31 December 2017			
Gain on Remeasurement of			
Defined Benefit Plans	2,692,646.77	(538,529.35)	2,154,117.42
For the Year Ended 31 December 2016			
Gain on Remeasurement of			
Defined Benefit Plans	51,284.23	(10,256.85)	41,027.38

As at 31 December 2017 and 2016, tax losses is not recognized as deferred tax asset which are classified by expiring year of tax benefits as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Expiring year of tax benefits				
2018	-	60.69	-	-
2019	-	154.41	-	-
2020	-	0.03	-	-
2021	-	0.14	-	-
Total	<u>-</u>	<u>215.27</u>	<u>-</u>	<u>-</u>

The Company has not recognized the above deferred tax assets because it is not probable that future taxable profit will be available which the Company can utilize the tax benefits there from.

30. Basic Earning Per Share

Resulting of changes in par value from Baht 1 each to Baht 0.5 each, in accordance with the minute of Extraordinary Genral Meeting of Shareholders of the Company No. 1/2017 held on 30 March 2017, therefore, the Company adjusts the number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, by adjusting in proportion to the change in the number of shares, as changes in par value had been issued at the beginning of the earliest period reported. The Company is calculated basic earning per share by dividing the net profit for the Company by the weighted average number of issued as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Net Profit Attributable to Shareholders of the Company	<u>200,497,478.31</u>	<u>545,291,484.50</u>	<u>193,907,279.33</u>	<u>483,705,588.11</u>
Weighted Average Number of Ordinary Shares restated				
Weighted Average Number of Ordinary Shares During Period	550,005,080	550,005,080	550,005,080	550,005,080
Impact from Changes in Par Value	<u>550,005,080</u>	<u>550,005,080</u>	<u>550,005,080</u>	<u>550,005,080</u>
Total	<u>1,100,010,160</u>	<u>1,100,010,160</u>	<u>1,100,010,160</u>	<u>1,100,010,160</u>
Basic Earnings per Share	<u>0.18</u>	<u>0.50</u>	<u>0.18</u>	<u>0.44</u>

31. Operating Segments

Expenses by nature for the year ended 31 December 2017 and 2016, as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Changes in finished goods (Increase) Decrease	(557,207,688.33)	(4,274,679,137.31)	(568,070,596.60)	(527,052,070.62)
Purchases of finished goods	13,488,914,400.90	18,927,365,666.23	12,759,227,332.13	13,151,859,992.93
Service cost of manufacturing	1,136,794.98	85,968,352.85	53,987,161.52	85,968,352.85
Depreciation and amortization	79,317,646.81	57,373,585.33	45,915,364.83	33,252,352.10
Employee benefit Expenses	179,589,946.87	161,456,374.58	115,192,520.34	88,806,180.64
Transportation and distribution expenses	30,578,008.11	26,229,608.81	52,149,024.72	54,393,463.39
Utilities expenses	17,994,794.84	15,651,080.20	11,197,088.26	4,200,529.51
Repairs and maintenance expenditure	82,508,281.93	86,462,871.23	2,416,737.09	572,280.90
Commission and sales promotion	58,149,224.25	51,548,426.30	55,350,982.20	44,330,011.10

32. Operating Segments

The Group is engaged in the business of manufacturing and distributing many types of coils and of logistic service. The operating segment can be classified into 3 segments as follows:

- A. Transactions relating to sales of coils
- B. Transactions relating to service cutting of coils and manufacturing
- C. Transactions relating to logistic services

In the consolidated financial statements for the year ended 31 December 2017 and 2016, information based on operating sectors is as follow:

Consolidated Financial Statements
For the year ended 31 December 2017

('000:Baht)

	A	B	C	Eliminate Items	Total
Revenue from Sales and Services					
External Customers	13,688,759	2,686	96,821	-	13,788,266
Inter-Segment	1,808,376	52,850	58,599	(1,919,825)	-
Total	15,497,135	55,536	155,420	(1,919,825)	13,788,266
Gross (Loss)Profit	590,838	(6,426)	25,135	26,702	636,249
Depreciation and Amortization	46,015	26,382	9,288	(2,368)	79,317
Assets as at 31 December 2017					
Investment in Associate	367,507	-	-	-	367,507
Other Assets	5,653,546	284,669	220,794	(778,416)	5,380,593
Total	6,021,053	284,669	220,794	(778,416)	5,748,100
Total Liabilities as at 31 December 2017	3,936,837	249,737	189,613	(499,270)	3,876,917

Consolidated Financial Statements
For the year ended 31 December 2016

('000:Baht)

	A	B	C	Eliminate Items	Total
Revenue from Sales and Services					
External Customers	19,333,017	86,987	162,393	(3,783,749)	15,798,648
Inter-Segment	-	-	-	-	-
Total	19,333,017	86,987	162,393	(3,783,749)	15,798,648
Gross (Loss)Profit	848,016	18,357	29,392	13,070	908,835
Depreciaton and Amortization	33,352	16,657	7,364	-	57,373
Assets as at 31 December 2016					
Investment in Associate	130,001	-	-	-	130,001
Other Assets	5,256,387	298,410	115,781	(397,251)	5,273,327
Total	5,386,388	298,410	115,781	(397,251)	5,403,328
Total Liabilities as at 31 December 2016	3,561,655	245,188	81,613	(211,207)	3,677,249



33. Financial Instruments

33.1 Policy of Financial Risk Management

The Group are not engaged in the trading of any derivative financial instruments for speculative purposes.

33.2 Interest Rate Risk

The interest rate risk arises from the fluctuation of interest rates in the future which will affected the financial performance and cash flows of the Group. The Group had financial assets and financial liabilities which it exposes to risk on interest rate as follows:

Consolidated Financial Statements

As at 31 December 2017

	Floating Interest Rate Baht	Fixed Interest Rate Baht	Non-Interest Bearing Baht	Total Baht	Interest Rate % per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	15,092,380.10	-	111,893,220.54	126,985,600.64	0.125-0.75
<u>Financial Liabilities</u>					
Short-Term Borrowings from					
Financial Institutions	-	2,654,220,474.83	-	2,654,220,474.83	0.85-5.00
Liabilities under Finance Leases					
Agreements	-	73,421,402.17	-	73,421,402.17	0.16 – 0.23

Consolidated Financial Statements

As at 31 December 2016

	Floating Interest Rate Baht	Fixed Interest Rate Baht	Non-Interest Bearing Baht	Total Baht	Interest Rate % per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	33,538,424.63	-	57,875,171.19	91,413,595.82	0.125 – 0.75
<u>Financial Liabilities</u>					
Bank Overdrafts	1,275,684.00	-	-	1,275,684.00	MOR
Short-Term Borrowings from					
Financial Institutions	-	3,003,218,981.14	-	3,003,218,981.14	1.00 – 5.00
Long-Term Borrowings from					
Financial Institutions	1,073,820.84	-	-	1,073,820.84	MLR-2.50
Liabilities under Finance Lease					
Agreements	-	83,611,066.88	-	83,611,066.88	0.16 – 0.23

Separate Financial Statements

As at 31 December 2017

	Floating Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	10,204,886.79	-	95,249,853.19	105,454,739.98	0.25-0.625
Short – Term Loans to Subsidiaries	-	324,500,000.00	-	324,500,000.00	5.50
<u>Financial Liabilities</u>					
Short – Term Borrowings from					
Financial Institutions	-	2,654,220,474.83	-	2,654,220,474.83	1.00-5.00
Short – Term Loans from					
Subsidiaries	-	30,000,000.00	-	30,000,000.00	5.50

Separate Financial Statements

As at 31 December 2016

	Floating Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	29,504,779.90	-	38,673,245.06	68,178,024.96	0.25 – 0.625
Short – Term Loans to Subsidiaries	-	194,800,000.00	-	194,800,000.00	5.50
<u>Financial Liabilities</u>					
Short – Term Borrowings from					
Financial Institutions	-	3,003,218,981.14	-	3,003,218,981.14	1.00 – 5.00

33.3 Risk on Exchange Rate

The Group constitutes risk on exchange rate regarding to purchase raw material, machines and sales denominated in foreign currencies. The Group has financial assets and financial liabilities in foreign currencies as follows:

Consolidated/ Separate Financial Statements

Currencies	Financial assets		Financial Liability	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
USD Dollar	-	-	15,138,254.37	6,106,215.90

33.4 Credit Risks

The Group constitutes credit risk related to general trading accounts receivable. However, since the Company will mainly provide credit facility to accounts receivable who have ability in debt repayment. As a result, the Company does not anticipate to receive damage that is materiality from debt collection from those accounts receivable apart from portion that already set up allowance for doubtful debt.

33.5 Fair Value

Owing to mainly financial assets and financial liabilities were classified as short-term type and several borrowings have an interest rate nearby the market rate, thence the management of the Company believes that the fair value of such financial assets and liabilities do not materially differ from the carrying amount.

33.6 Fair Value Hierarchy

33.6.1 Financial Assets and Financial Liabilities Measurement at Fair Value

As at 31 December 2017 and 2016, the Group has financial assets and financial liabilities which have fair value disclosures are categorized by the fair value hierarchy as follows:

Consolidated/ Separate Financial Statements					
		Fair Value			
	Carrying	Level 1	Level 2	Level 3	
	Amount	Inputs	Inputs	Inputs	Total
	Baht	Baht	Baht	Baht	Baht
As at 31 December 2017					
Current Financial Assets					
Investment Units in Marketable Security	3.69	3.69	-	-	3.69
As at 31 December 2016					
Current Financial Assets					
Investment Units in Marketable Security	9,512,842.01	9,512,842.01	-	-	9,512,842.01

33.6.2 Financial Assets and Financial Liabilities not Measurement at Fair Value

Book value of financial assets and financial liabilities are cash and cash equivalent, temporary investment, account receivable and other receivable, borrowing, trade payable and other payable, loan and liabilities under financial lease agreement. They are having its value nearly fair value. Since it have short-term installment.

34. Inter-Transaction Between Related Persons and Parties

The Company constitutes important business transaction with the related companies and persons. Such business transactions are complied with trading term and criteria as per mutually agreed between the Company and related companies which is complied and persons with the normal course of business whereby it can be summarized as follows:

34.1 Relationship of the Company

Company's name	Relationship with the Company
The Steel Logistic Co., Ltd.	60% shareholding
The Steel Industry Co., Ltd.	99.99% shareholding (2016 : 70%)
Liberty Steel Siam Co., Ltd.	99.99% shareholding
The Siam Power Co., Ltd.	70% shareholding
Prime Steel Mill Co., Ltd.	50% shareholding
(Formerly Delong (Thailand) Co., Ltd.)	
Precision Perfect Pipe Co., Ltd.	Common shareholders and Directorship
Thaithanol Power PCL.	Common shareholders and Directorship
Taiping Ethanol Co., Ltd.	Common shareholders and Directorship
Kim Yuan Enterprise Co., Ltd.	Common shareholders
Bearings Corporation Co., Ltd.	Common shareholders
K.S. Metaltech Co., Ltd.	Common shareholders and Directorship with Subsidiary
Kim Heng Loha Co., Ltd.	Close relative of directors
Kim Chua Steel Co., Ltd.	Close relative of directors
Kim Seng Steel Co., Ltd.	Common Directorship
Kim Chai Steel Co., Ltd.	Close relative of directors
Kim Hong Metal Co., Ltd.	Close relative of directors
V. P. Steel & Wire Mesh Co., Ltd.	Common shareholders
Kim Logistic Co., Ltd.	Close relative of directors of Related Company
Numthai Steel Co., Ltd.	Close relative of directors
Metal Inter Co., Ltd.	Close relative of directors
Mahachai Soon Ruam Lek Co., Ltd.	Close relative of directors
K Steel Center Co., Ltd.	Close relative of directors
G Steel PCL.	The Group of Close relative of director and director hold 11.51%
Kyoei Global Logistic (Thailand) Co., Ltd.	Common shareholders and Directorship
Mr. Nirum Ngamchumnarit	Shareholding and close relative of directors
Mr. Win Suteerachai	Director of Related Company
Mr. Boonchai Jirapongtrakul	Director of Company
Mr. Suroj Jirapongtrakul	Director of Company

Company's name	Relationship with the Company
Mr. Suwit Jiraphongtrakul	Director of Subsidiary Company
Mr. Somsak Wongsirisup	Director of Subsidiary Company (Resigned on 31 May 2017)
Mrs. Wanna Sittisirinukul	Director of Related Party and Shareholding of Company

34.2 Inter - Transaction

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
	Pricing Policy	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
Inter-Transactions with Subsidiary					
(Eliminated from the Consolidated Financial Statements)					
Revenue from Sales	As normal course of business prices closed to other entities	-	-	1,316,085.00	-
Interest Income	Interest rate 5 % per annum	-	-	14,582,052.06	11,113,134.26
Rental Income	Agreed price and contract price	-	-	2,220,000.00	3,790,000.00
Other Income	As normal course of business prices closed to other entities	-	-	5,520.00	-
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	-	-	1,807,266,972.74	3,624,061,986.67
Transportation Expenses	At normal course of business prices closed to other entities	-	-	58,048,730.25	69,204,478.20
Service Cost of Manufacturing	At normal course of business prices closed to other entities	-	-	52,850,366.54	84,022,877.80
Rental Expenses	contract price	-	-	15,000,000.00	-
Administrative Expenses of Manufacturing	contract price	-	-	3,600,000.00	-
Interest Expenses	Interest rate 5.50 % per annum	-	-	113,013.70	269,726.33

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
	Pricing Policy	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
Inter - Transactions with Associate					
Revenue from Sales and Services	As normal course of business prices closed to other entities	1,263,572,725.21	1,012,402,474.45	1,238,911,324.05	1,003,323,194.88
Rental Income	contract price	280,000.00	-	280,000.00	-
Other Income	As normal course of business prices closed to other entities	114,000.00	-	114,000.00	-
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	927,850,936.75	1,171,120,790.33	927,850,936.75	1,171,120,790.33
Rental to building	contract price	320,000.00	-	-	-
Inter - Transactions with Related Companies					
Revenue from Sales	As normal course of business prices closed to other entities	829,713,317.54	1,343,288,648.45	172,883,262.65	858,603,573.23
Rental Income	contract price	192,000.00	180,000.00	192,000.00	-
Other Income	As normal course of business prices closed to other entities	272,460.00	-	167,460.00	-
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	5,043,864,487.95	7,220,646,067.25	3,175,343,750.45	3,233,356,015.49
Rental to Machine Expense	contract price	300,000.00	600,000.00	300,000.00	600,000.00
Rental to Vehicles Expense	contract price	-	1,605,000.00	-	-
Repair Expenses	At normal course of business prices closed to other entities	856,000.00	1,035,242.18	-	574,953.04
Value from the Purchase of Asset	contract price	306,012,000.00	-	212,852,400.00	-
Inter - Transactions with Related Person					
Rental of Factory Building Expense	contract price	600,000.00	900,000.00	600,000.00	900,000.00
Value from the Purchase of Asset	contract price	157,100,000.00	-	120,600,000.00	-



34.3 Inter – Outstanding Balances

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade Receivable				
Subsidiary				
The Steel Logistic Co., Ltd.	-	-	856.00	-
The Steel Industry Co., Ltd.	-	-	-	44,512.00
Associate				
Prime Steel Mill Co.,Ltd.	74,197,769.71	412,061,859.70	70,023,112.11	407,130,926.80
Related Parties				
Precision Perfect Pipe Co., Ltd	258,960.00	546,316.11	19,260.00	856.00
Taiping Ethanol Co., Ltd.	848,364.71	23,796,951.75	833,364.71	23,119,951.75
Thaithanol Power PCL.	-	200,978.10	-	200,978.10
Kim Chua Steel Co., Ltd.	1,226,153.45	84,750,978.49	1,226,153.45	83,821,371.29
Kim Heng Loha Co., Ltd.	2,395,411.77	929,205.50	2,395,411.77	929,205.50
Kim Chai Steel Co., Ltd.	1,573,565.54	680,952.17	1,573,565.54	680,952.17
V. P. Steel & Wire Mesh Co., Ltd.	-	18,108.00	-	-
K.S. Metaltech Co., Ltd	2,535,089.42	20,701,077.54	2,497,407.82	20,682,944.54
Kim Hong Metal Co., Ltd.	1,008,989.46	5,396,391.99	1,008,989.46	5,396,391.99
Kim Yuan Enterprise Co., Ltd.	-	2,741.34	-	2,741.34
G Steel Public Co., Ltd.	5,349,938.56	50,586,234.25	-	-
Metal Inter Co., Ltd.	2,118,000.00	1,953,000.00	-	-
Mahachai Steel Center Co., Ltd.	-	10,170,000.00	-	-
Kyoei Global Logistic (Thailand) Co., Ltd.	-	2,239,575.60	-	-
Kim Logistic Co., Ltd.	725,754.80	-	-	-
Total	<u>92,237,997.42</u>	<u>614,034,370.54</u>	<u>79,578,120.86</u>	<u>542,010,831.48</u>
Cheques in Transit				
Related Party				
Kim Hong Metal Co., Ltd.	3,738,413.08	1,916,343.25	3,738,413.08	1,916,343.25
Other Receivables				
Subsidiary				
The Steel Industry Co., Ltd.	-	-	-	652,798.13
Associate				
Prime Steel Mill Co.,Ltd.	116,630.00	-	116,630.00	-

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Advance Payment				
Associate				
Prime Steel Mill Co.,Ltd.	1,136,069.60	-	1,136,069.60	-
Advance Payment for Inventories				
Associate				
Prime Steel Mill Co.,Ltd.	328,048,907.82	213,888,715.28	328,048,907.82	213,888,715.28
Related Party				
V. P. Steel & Wire Mesh Co., Ltd.	-	78,402,374.70	-	78,402,374.70
Total	<u>328,048,907.82</u>	<u>292,291,089.98</u>	<u>328,048,907.82</u>	<u>292,291,089.98</u>
Short – Term Loan				
Subsidiaries				
The Steel Logistic Co., Ltd.	-	-	178,000,000.00	57,000,000.00
The Steel Industry Co., Ltd.	-	-	146,500,000.00	137,800,000.00
Accrued Interest				
Subsidiaries				
The Steel Logistic Co., Ltd.	-	-	831,479.45	269,123.29
The Steel Industry Co., Ltd.	-	-	-	643,695.89
Total	<u>-</u>	<u>-</u>	<u>325,331,479.45</u>	<u>195,712,819.18</u>
Accrued Income				
Subsidiaries				
Liberty Steel Siam Co., Ltd.	-	-	60,000.00	60,000.00
The Steel Industry Co., Ltd.	-	-	5,170,000.00	3,949,977.24
Associate				
Prime Steel Mill Co.,Ltd.	60,000.00	-	60,000.00	-
Related Party				
V. P. Steel & Wire Mesh Co., Ltd.	96,000.00	-	96,000.00	-
Total	<u>156,000.00</u>	<u>-</u>	<u>5,386,000.00</u>	<u>4,009,977.24</u>
Trade Payables				
Subsidiaries				
The Steel Industry Co., Ltd.	-	-	-	4,757,863.16
Liberty Steel Siam Co., Ltd.	-	-	118,640,438.29	-



	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Related Parties				
K.S. Metaltech Co., Ltd	782,226.71	3,522,295.55	782,226.71	3,522,295.55
Kim Yuan Enterprise Co., Ltd.	145,585.27	159,280.20	145,585.27	-
G Steel Public Co.,Ltd.	7,615,527.26	76,426,546.40	7,615,527.26	76,426,546.40
Bearings Corporation Co., Ltd.	40,028.70	-	40,028.70	-
Mahachai Soon Ruam Lek Co., Ltd.	150,032,779.44	-	150,032,779.44	-
Total	158,616,147.38	80,108,122.15	227,256,585.67	84,706,705.11
Other Payables				
Subsidiary				
The Steel Logistic Co., Ltd.	-	-	2,717,536.55	5,938,644.26
Advance Received				
Director				
Mr. Suwit Jiraphongtrakul	26,000.00	-	26,000.00	-
Mr. Suroj Jirapongtrakul	25,000.00	-	25,000.00	-
Total	51,000.00	-	51,000.00	-
Short – Term Loan				
Subsidiary				
Liberty Steel Siam Co., Ltd.	-	-	30,000,000.00	-

For the year ended 31 December 2017 and 2016, the movement of short-term loans and accrued interest income of subsidiaries are as follows:

	Separate Financial Statements		
	As at	Movement during the period	
	1 January 2017	Increase	Decrease
	Baht	Baht	Baht
Short-Term Loan			
The Steel Logistic Co., Ltd.	57,000,000.00	134,000,000.00	(13,000,000.00)
The Steel Industry Co., Ltd.	137,800,000.00	8,700,000.00	-
Accrued Interest			
The Steel Logistic Co., Ltd.	269,123.29	6,652,739.73	(6,090,383.57)
The Steel Industry Co., Ltd.	643,695.89	7,929,312.34	(8,573,008.23)
Total	195,712,819.18	157,282,052.07	27,663,391.80

	Separate Financial Statements			
	As at	Movement during the period		As at
	1 January 2016	Increase	Decrease	31 December 2016
	Baht	Baht	Baht	Baht
Short-Term Loan				
The Steel Logistic Co., Ltd.	75,500,000.00	-	(18,500,000.00)	57,000,000.00
The Steel Industry Co., Ltd.	84,000,000.00	124,300,000.00	(70,500,000.00)	137,800,000.00
Accured Interest				
The Steel Logistic Co., Ltd.	352,678.08	3,676,260.28	(3,759,815.07)	269,123.29
The Steel Industry Co., Ltd.	381,684.93	7,436,873.98	(7,174,863.02)	643,695.89
Total	160,234,363.01	135,413,134.26	(99,934,678.09)	195,712,819.18

For the year ended 31 December 2017 and 2016, the movement of short-term loans and accrued interest expense of subsidiaries are as follows:

	Separate Financial Statements			
	As at	Movement during the period		As at
	1 January 2017	Increase	Decrease	31 December 2017
	Baht	Baht	Baht	Baht
Short-Term Loan				
Liberty Steel Siam Co., Ltd.	-	30,000,0000.00	-	30,000,0000.00
	Separate Financial Statements			
	As at	Movement during the period		As at
	1 January 2016	Increase	Decrease	31 December 2016
	Baht	Baht	Baht	Baht
Short-Term Loan				
Liberty Steel Siam Co., Ltd.	-	90,000,0000.00	(90,000,000.00)	-
Accured Interest expense				
Liberty Steel Siam Co., Ltd.	-	269,726.03	(269,726.03)	-
Total	-	90,269,726.03	(90,269,726.03)	-

34.4 Key Management Personal Compensation

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Short – Term Employee Benefits	21,873,711.00	16,813,023.00	15,339,594.00	14,389,596.00
Post – Employee Benefits				
- Defined Contribution Plan	208,044.00	187,200.00	208,044.00	187,200.00
- Defined Benefit Plans	208,323.85	675,495.23	187,316.85	571,108.23
Total	<u>22,290,078.85</u>	<u>17,675,718.23</u>	<u>15,734,954.85</u>	<u>15,147,904.23</u>

Remuneration represents the benefits paid to the executive directors of the Company include monetary compensation including salary, benefits and director compensation including compensation in any other form. The Company's management are the persons who are defined under the Securities and Exchange Act.

35. Non-Cash Flow Transaction

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Purchase Fixed Assets with Credit	-	3,185,501.00	-	535,535.00
Purchase of Assets of Liabilities Finance Lease Agreement	-	86,167,716.61	-	-
Fixed Assets Increased from Transfer in Advance Payment Assets	-	33,954,270.00	-	-
Fixed Assets Increased from Business Acquisition	12,168,812.63	-	20,688,858.91	-
Other Intangible Assets Decreased from Business Acquisition	127,237.26	-	127,237.26	-
Fixed Assets Increased from Transfer in Deposit	3,738,317.76	-	3,738,317.76	-
Gain on Remeasurements of Defined Benefit Plans	(4,574,965.03)	(1,344.23)	(2,692,646.77)	(51,284.23)

36. Obligation and Contingent Liabilities

The Group has obligation and contingent liabilities as follows:

- 36.1 As at 31 December 2017 and 2016, the consolidated and separate financial statements, the Group has letters of guarantee issued by bank for the payment of electricity and utility fee of the Company in amount of Baht 4.78 million and 3.02 million, respectively.
- 36.2 As at 31 December 2017 and 2016, the Company has contingent liability from guarantee for one subsidiary' credit facilities in amount of Baht 120.00 million, equally for two periods.
- 36.3 As at 31 December 2017, the Company has obligation from the purchase building contract with one related company in amount of Baht 34.50 million
- 36.4 The Group has obligation under lease company contract of rent for office and goods, lease machinery and the contract security as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Not over 1 year	2.32	2.90	26.13	2.24
Over 1 year but not over 5 years	1.47	0.09	11.26	-
Total	<u>3.79</u>	<u>2.99</u>	<u>37.39</u>	<u>2.24</u>

- 36.5 As at 31 December 2016, the consolidated and separate financial statements, the Group have obligation under financial and legal consulting contract in amount of Baht 0.38 million.
- 36.6 The Group has obligation under lease to buy the machinery contract with domestic and oversea as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Leasing to buy the machines				
Baht	-	481,401.53	-	-
USD dollar	-	3,950.00	-	-

36.7 In addition to the liabilities shown in the statements of financial position, the Group has obligation with the financial institutions follows:

	Consolidated/ Separate Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	<u>Million Baht</u>	<u>Million Baht</u>
- Letters of Credit		
Credit Line for Baht 5,970.00 Million, Unusance Line	4,593.01	-
Credit Line for Baht 6,470.00 Million, Unusance Line	-	5,591.09

36.8 As at 31 December 2017, the Company has obligation from guarantee for long-term loan credit line for business / letter of credit and overdraft facilities with the financial institutions for associate per shareholding proportion in amount of Baht 460 million

37. Employee Provident Fund

The Group and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed equally by both the employees at the rate of 2 percent of the employee's salary (based on the number of employees' working year). The fund will be paid to the employees upon termination in accordance with the rules of the fund. The Company and subsidiary payment is starting 1 July 2006 and 1 March 2011, respectively.

38. Reclassification of Accounts

The Company had reclassified some items in comparative financial statements in to comply with reclassification account transaction for the current period, which does not have any effects on profit (loss) for the period or shareholders' equity already reported. The details of reclassification were as follows:

	As previously		As Newly
	reported	Adjustments	Reported
	Baht	Baht	Baht
Consolidated Financial Statements			
Statement of Financial Position as at 1 January 2016			
Trade and Other Current Receivables	1,473,576,632.59	(4,288,516.71)	1,469,288,115.88
Current Tax Assets	-	3,010,202.63	3,010,202.63
Other Non-Current Assets	996,317.94	1,278,314.08	2,274,632.02

	As previously reported Baht	Adjustments Baht	As Newly Reported Baht
Statement of Financial Position as at 31 December 2016			
Trade and Other Current Receivables	1,847,965,544.92	(6,499,599.12)	1,841,465,945.80
Inventories	1,617,880,951.17	485,716.82	1,618,366,667.99
Current Tax Assets	-	1,866,238.38	1,866,238.38
Other Non-Current Assets	602,696.35	4,147,643.92	4,750,340.27

Statement of Comprehensive Income

For the year ended 31 December 2016

Cost of Sales and Services	14,946,492,002.38	(56,678,931.29)	14,889,813,071.09
Distribution Costs	72,127,716.05	56,678,931.29	128,806,647.34

Separate Financial Statements

Statement of Financial Position as at 1 January 2016

Trade and Other Current Receivables	1,405,745,017.60	(505,244.47)	1,405,239,773.13
Short – Term Loan to Subsidiaries	-	159,500,000.00	159,500,000.00
Current Tax Assets	-	1,239,607.48	1,239,607.48
Long - Term Loans to Subsidiaries	160,234,363.01	(160,234,363.01)	-

Statement of Financial Position as at 31 December 2016

Trade and Other Current Receivables	1,762,163,328.49	(812,505.12)	1,761,350,823.37
Short – Term Loan to Subsidiaries	-	194,800,000.00	194,800,000.00
Inventories	1,603,883,994.36	485,716.82	1,604,369,711.18
Long - Term Loans to Subsidiaries	195,712,819.18	(195,712,819.18)	-
Other Non-Current Assets	325,600.00	1,239,607.48	1,565,207.48

39. Events After the Reporting Period

In accordance with the Company's board of directors meeting No. 1/2018 held on 27 February 2018, has passed the resolution to pay the dividend from the operating result for the year 2017 to the shareholders of 1,100,010,160 ordinary shares at Baht 0.10 per share, aggregated to in amount of Baht 110.00 million. Moreover, there is to set the record date to receive the dividend on 14 March 2018 and the dividend will be paid on 24 May 2018. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2018.

40. Approval of the Financial Statement

These financial statements have been approved by Board of the Company on 27 February 2018.



Information of Director and Managements of the Company (at December 31, 2017)

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
1	Mr.Prachuab Chaiyasan Independent Director/ Chairman of the Board of Director / Chairman of the Audit Committee	73	- B.A (Political Science), Thammasat University - Honorary Doctorate Degree in Political Science - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 83	None	-	2006 - Present 2012 - Present 2006 - Present 2015 - Present 2016 - Present 2003 - Present	- Chairman of the Board of Director (Independent Director) / Chairman of the Audit Committee , The Steel Public Company Limited - Chairman of Board of Director (Independent Director) / Chairman of Audit Committee, Buiram Sugar Public Company Limited - Chairman of Board of Director (Independent Director) / Chairman of Audit Committee , Thai Ethanol Power Public Company Limited - Director , Paksong Hland Co.,Ltd. - Consultant, Thai Ethanol Manufacturing Association - Chairman of Council Ramkhamhaeng University
2	Mr.Boonchai Jirapongtrakul Director/ Chairman of the Executive Committee/ Managing Director	48	- year 12, Brisbane International College Australia - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 79	17.09	-	1991 - Present 2014 - Present 2012 - Present 2011 - Present 2009 - Present 2008 - Present 2006 - Present 2015 - 2017	- Director/ Chairman of the Executive Committee/ Managing Director The Steel Public Company Limited - Director, Prime Steel Mill Co.,Ltd. - Director, Prestition Perfect Pipe Co.,Ltd. - Director, Liberty Steel Siam Co.,Ltd. - Director, The Steel Industry Co.,Ltd. - Director, The Steel Logistics Co.,Ltd. - Director, Thai Ethanol Power PLC. - Director, The Siam Power Co.,Ltd.
3	Mr.Suroj Jirapongtrakul Director / Executive Director	50	- Bachelor Degree of Business Administration, Abac University - Director Accreditation Program (DAP) 137	13.71	-	2015 - Present 2017 - Present 2017 - Present 2016 - Present 2010 - Present 2015 - 2017 2010 - 2015 2010 - 2015	- Director/ Executive Director , The Steel PLC. - Director , Prime Steel Mill Co.,Ltd. - Director, The Steel Industry Co.,Ltd. - Director, Liberty Steel Siam Co.,Ltd. - Director , H Habitat Co.,Ltd. - Director , The Siam Power Co.,Ltd. - Managing Director , Kim Seng Co.,Ltd. - Managing Director, K Steel Center Co.,Ltd.



	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
4	Mr.Nirut Ngamchammunrith Director/ Executive Director	37	- Master Degree in Administrative Marylhurst University - Bachelor Degree of Business Administration, ABAC University - Director Accreditation Program (DAP) 137	14.55	-	2015 - Present 2017 - Present 2017 - Present 2016 - Present 2015 - Present 2013 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present 2015 - 2017	- Director/ Executive Director The Steel PLC. - Director , Prime Steel Mill Co.,Ltd. - Director , The Steel Industry Co.,Ltd. - Director, Liberty Steel Siam Co.,Ltd. - Director , Good Holding Co.,Ltd. - Director , K Wave Co.,Ltd. - Managing Director, Sumico Vanachai Golf Co.,Ltd. - Director, Sumico Development Thai Co.,Ltd. - Director, K to Land Co.,Ltd. - Director, S S Maintenance Co.,Ltd. - Director , The Siam Power Co.,Ltd.
5	Ms.Proudpalin Vacharabenjapat Director/ Nomination and Remuneration Committee	40	- MBA: Marketing Thunderbird, The American Graduate School of International Management - Director Accreditation Program (DAP) 62	None	Wife of Mr.Boonchai	2007 - Present	- Director/ Nomination and Remuneration Committee The Steel Public Company Limited
6	Mrs.Seenual Tasanapant Independent Director/ Audit Committee/ Chairman of the Nomination and Remuneration Committee	71	- Bachelor of Law, Thammasat University - Bachelor of Accounting, Thammasat University - Director Accreditation Program (DAP) 55 - Director Certification Program (DCP) 79 - Audit Committee Program (ACP) 17 - Certified Public Account No.2974	None	-	2006 - Present 2014 – Present 2007 - 2009 1998 - 2006	- Independent Director / Audit Committee/ Nomination and Remuneration Committee The Steel Public Company Limited - Independent Director / Audit Committee / Chairman of Nomination and Compensation Committee / Chairman of Corporate Governance Committee Buriram Sugar Public Company Limited - Advisor of Administrative Director Mahidol University Saving and credit co-op Ltd. - Manager, Mahidol University Saving and credit co-op Ltd.
7	Mr.Teerapong Thanarukvudhikorn Independent Director/ Audit Committee	63	- Bachelor Degree of Business Administrator (Accounting), Rajamangala University of Technology - Director Accreditation Program (DAP) 59	None	-	2010 - Present 2006 - Present 2001 - Present 1994 - Present 1991 - Present	- Independent Director / Audit Committee, The Steel Public Company Limited - Independent Director/ Audit Committee, Thai Ethanol Power PLC. - Executive Director House Holding Group Co.,Ltd - Executive Director, Korn Kaen Royal Dragon Co.,Ltd - Executive Director, Royal International Business Co.,Ltd

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
8	Mr.Sila Wangphornphra Executive Director/ Production Manager	45	- Bachelor Degree of Business Administration, Siam University	None	-	1995 - Present	- Executive Director/ Production Manager The Steel Public Company Limited
9	Mr.Prasertsuk Nudthaisong Executive Director/ Purchasing Manager	45	- Secondary School	None	-	1996 - Present	- Executive Director/ Purchasing Manager The Steel Public Company Limited
10	Mr.Ponthep Pripaisakij Chief Financial Officer	57	- Master Degree in Administrative, Thammasat University	None	-	2009 – Present	- Chief Financial Officer The Steel Public Company Limited
11	Mr.Sanguan Chalchusom Marketing Manager	68	- Diploma (Account)	None	-	2002 - Present	- Marketing Manager The Steel Public Company Limited
12	Ms.Thitima Nortavech Company Secretary	34	Bachelor of Business Administration,UTCC	None	-	2013-present	- Company Secretary The Steel Public Company Limited



Duties and Responsibilities of Company Secretary

1. Prepare and keep documents as follows: -

- 1.1 Director registration
- 1.2 Board of Director meeting letters, Minute of Board of Director meetings, and annual reports.
- 1.3 Annual General Shareholder Meetings and Minute of the meetings.

2. Benefit interest reports prepared by Directors or Managements.

3. Handle other issues per SEC committee announcements

In addition, Company Secretary also has other duties as company assignments as follows: -

- 1. Handle conducting meeting for BOD, AC, remuneration committee, and AGM.
- 2. Coordinate within organization to perform per BOD meeting or resolution from Shareholders meeting
- 3. Coordinate with regulators, such as, SET, SEC and take care all disclosures to report correctly.
- 4. Others per company assignments.



Details of Directors of the company in Subsidiaries and Associates

Name - Surname		THE	Subsidiaries			Associates or Related Companies		
			TSL	TSI	LSS	Prime	PPP	TEP
1. Mr.Boonchai	Jirapongtrakul	3,5,7	5	1,5	1,5	5	5	5
2. Mr.Suroj	Jiraphongtrakul	5,8		5	5	5		
3. Mr.Nirut	Ngamchamnunrith	5,8		5	5	5		
4. Ms.Proudpalin	Vacharabenjapat	5						
5. Mr.Prachuab	Chaiyasan	1,2,6						1,2
6. Mrs.Seenual	Tasanapat	4,6						
7. Mr.Teerapong	Thanarukvudhikorn	4,6						4,6
8. Mr.Sila	Wangpornpra	8,9						
9. Mr.Prasertsuk	Nudthaisong	8,9						
10. Mr.Pornthep	Pripaisalkij	9						
11. Mr.Sanguan	Chaichusorn	9						

Remark :

- Symbol position of Director and Management
 - 1 = Chairman 2 = Chairman of the Audit Committee
 - 3 = Managing Director 4 = Audit Committee
 - 5 = Director 6 = Independent Director
 - 7 = Chairman of the Executive Board 8 = Executive Director
 - 9 = Executive
- Symbol of Company and Subsidiaries and Associates
 - THE The Steel Public Company Limited
 - TSL The Steel Logistic Company Limited
 - TSI The Steel Industry Company Limited
 - LSS Liberty Steel Siam Company Limited
 - Prime Prime Steel Mill Company Limited
 - PPP Precision Perfect Pipe Company Limited
 - TEP Thai Ethanol Power Public Company Limited



Details of Directors of the company in Subsidiaries

Name - Surname		Subsidiaries		
		TSL	TSI	LSS
1.	Mr.Boonchai Jirapongtrakul	2	1,2	1,2,3
2.	Mr.Suroj Jiraphongtrakul		2	2
3.	Mr.Nirut Ngamchamnunrith		2	2
4.	Mr.Siri Sirimahachai	1,3		
5.	Mr.Suwit Jiraphongtrakul		3	

Remark :

- Symbol position of Director and Management

1 = Chairman 2 = Director 3 = Managing Director

- Symbol of Company and Subsidiaries and Associates

TSL The Steel Logistic Company Limited

TSI The Steel Industry Company Limited

LSS Liberty Steel Siam Company Limited





บริษัท เดอะ สตีล จำกัด (มหาชน)

THE STEEL PUBLIC COMPANY LIMITED

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