



THE STEEL PUBLIC COMPANY LIMITED
บริษัท เดอ-สตีล จำกัด (มหาชน)



ANNUAL REPORT 2018
รายงานประจำปี 2561



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Message from the Chairman



Dear all Shareholders and Investors, 2018 was another challenging year for metal business and very fluctuation, i.e., business went up very well both quantities and selling prices in the 1st and 2nd quarter of 2018, but in the 3rd and 4th quarter business were effected by declining economics in European Zone and trade war between People Republic of China and United State of America which was dragged so long, including domestic declining economics due to delay investment of investors, waiting for the new election in 2019. Resulting metal demands drastically went down and caused the Company got loss for Baht 100.22 million in 2018, while was profit of Baht 200.82 million in 2017. Fortunately, operating result of parent company was profit for Baht 88.04 million.

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. And all directors believed that performance would be recovered being profitable in 2019.

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

Mr. Prachuab Chaiyasan
Chairman

Financial Highlights

(Thousand Baht)

	2018	2017	2016
Data from consolidated financial Statements			
Revenue from sales	11,284,737	13,788,266	15,798,647
Gross Profit	316,441	636,249	852,155
Comprehensive Net Profit (Loss)	(100,514)	215,914	549,084
Total Assets	5,100,695	5,747,927	5,403,327
Total Liabilities	3,433,023	3,876,917	3,677,249
Shareholder's Equity	1,667,672	1,871,009	1,726,078
Financial Ratio			
Gross Profit Margin	2.80	4.61	5.39
Net Profit (loss) Margin	(0.89)	1.54	3.47
Return on Assets	(1.86)	3.81	11.56
Return on Equity	(5.73)	11.94	35.76
Current Ratio (times)	0.98	1.04	1.21
Debt to Equity Ratio (times)	2.06	2.07	2.13

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	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Trading						
- Scrap	2,386.58	21.15	1,654.77	12.00	3,083.59	19.52
- Appearance iron	5,180.41	45.91	8,413.86	61.02	8,598.56	54.43
Processing	3,688.56	32.69	3,703.50	26.86	3,872.19	24.51
Grand Total	11,255.55	99.74	13,772.13	99.88	15,554.34	98.45
Other income	29.17	0.26	16.13	0.12	244.31	1.55
Total Revenues	11,284.72	100.00	13,788.26	100.00	15,798.65	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 45.00% and 87.93% in 2018 and 2017 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.

■ Scraps as Raw Material

The Company has been purchasing several kind of scraps, such as shreaded, HMS both domestic and import from abroads, then, selling to clients who have hot roll coil melting stores. And also importing SLAB as row material for associated company, Prime Steel Mill Co.,Ltd., to produce narrow hot roll coils.

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 45.30% of all purchases in 2017 and 41.41% of all purchases in 2018. 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.

5) Risk from Thai Uncertainty Political

Regarding the political change in Thailand, since a revolution in 2014, there was no election for nearly 6 years, resulting investors felt uncertainty in Government stabilization. Therefore, they delayed the investments which affected metal businesses since mid of 2018. And the uncertainty of political after Thai election in beginning of 2019 will affect metal businesses or not.

General Information

INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARY

The Company

Name	:	The Steel Public Company Limited
Head Office	:	1401 Ekkachai Road, Bangbon-Tai Bangbon Bangkok 10150
Branch 1	:	7/4,7/6 Moo 1 Khae rai, Kratumban, Samutsakorn 74110
Branch 2	:	99/5 Moo 1 Bangnamjued Muang Samutsakorn Samutsakorn 74000
Branch 3	:	99/16, 99/57, 99/61 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	:	66 (0) 2894-8889-90
Fax	:	66 (0) 2408-0272-4
Registered capital	:	Baht 825,007,620
Common Shares	:	1,102,060,160 shares
Par Value	:	Baht 0.50
Paid Capital	:	Baht 551,030,080

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 - Tai , Bangbon, Bangkok Branch 1 7/4,7/6 Moo1 Khaerai, Kratumban, Samutsakorn Branch 2 99/5 Moo 1 Bangnam-jued, Mueng Samutsakorn, Samutsakorn Branch 3 99/16,99/57,99/61 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	825,007,620	551,030,080	-

Its Subsidiary

1) The Steel Logistic Co.,Ltd. (0745551000218)	7/8 Moo 1 Ekkachai Road, Khaerai, Kratumban, Samutsakorn 74110 Tel: 66 (0) 2894-8889-90	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 Tel: 66 (0) 2894-8889-90 Fax: 66 (0) 2408-0272-4	Manufacture black pipe	50,000,000	50,000,000	99.9998%
3) Liberty Steel Siam Co., Ltd. (0105554023044)	1401 Ekkachai Rd. Bangbon-Tai, 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)	1011 Supalai Grand Tower, Room No. 1202 12 nd Floor, Rama 3 Road, Chong Nonsi, Yannawa, Bangkok Branch 1 7/447 Moo 6 Mabyangphon, Pluakdang, Rayong Tel: 66 (0) 2107-9117 Fax: 66 (0) 2107-9119	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 : 66 (0) 2009-9999

Auditor

Company Name : CWWP Company Limited
128/180-181, Phayatai Plaza Building,31st Floor, Phayatai Road
Thungphayatai, Ratchatavee, Bangkok 10400, Thailand
Telephone : 66 (0) 2216-2265, 66 (0) 2216-2268-9
Fax : 66 (0) 2216-2268-9
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. 12261

Capital Structure

(1) Company's Securities

The Companies' registered capital was as follows:-

Registered capital	825,007,620	Baht
Paid-up capital	551,030,080	Baht
Ordinary Shares	1,102,060,160	Shares
Par value	0.50	Baht

(2) Shareholder

The 10 major shareholders as at the book closure date on March 12, 2019 are as follows:-

	Name	No. of Shares	%
1	Mr. Boonchai Jirapongtrakul	188,000,000	17.06
2	Mr.Nirut Ngamchamnunrith	160,000,000	14.52
3	Mr.Suroj Jiraphongtrakul	150,810,000	13.68
4	Ms. Ratana Jiraponttrakul	121,100,000	10.99
5	UOB KAY HIAN PRIVATE LIMITED	83,004,000	7.53
6	Mrs.Wanna Sitthisirinukul	79,000,000	7.17
7	Mr. Panu Jarupilun	60,000,000	5.44
8	Mr. Suwit Jiraphongtrakul	55,004,900	4.99
9	Mr.Jumpod Chuwong	54,000,000	4.90
10	Ms.Suwannee Jiraphongtrakul	35,049,200	3.18

(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	4	3
Mr.Boonchai Jirapongtrakul	Director	4	4
Mr.Suroj Jiraphongtrakul	Director	4	4
Mr.Nirut Ngamchamnunrith	Director	4	3
Ms.Proudpalin Vacharabenjapat	Director Nomination and Remuneration Committee	4	4
Mrs.Seenual Tasanapat	Independent Director Audit Committee Chairman of the Nomination and Remuneration Committee	4	4
Mr.Teerapong Tanarukvudhikorn	Independent Director Audit Committee	4	4

Audit Committee:

On December 31, 2018 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.

Secretary of the audit committee: Ms. Thitima Nontavech

Executive Committee:

On December 31, 2018 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, 2018 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:

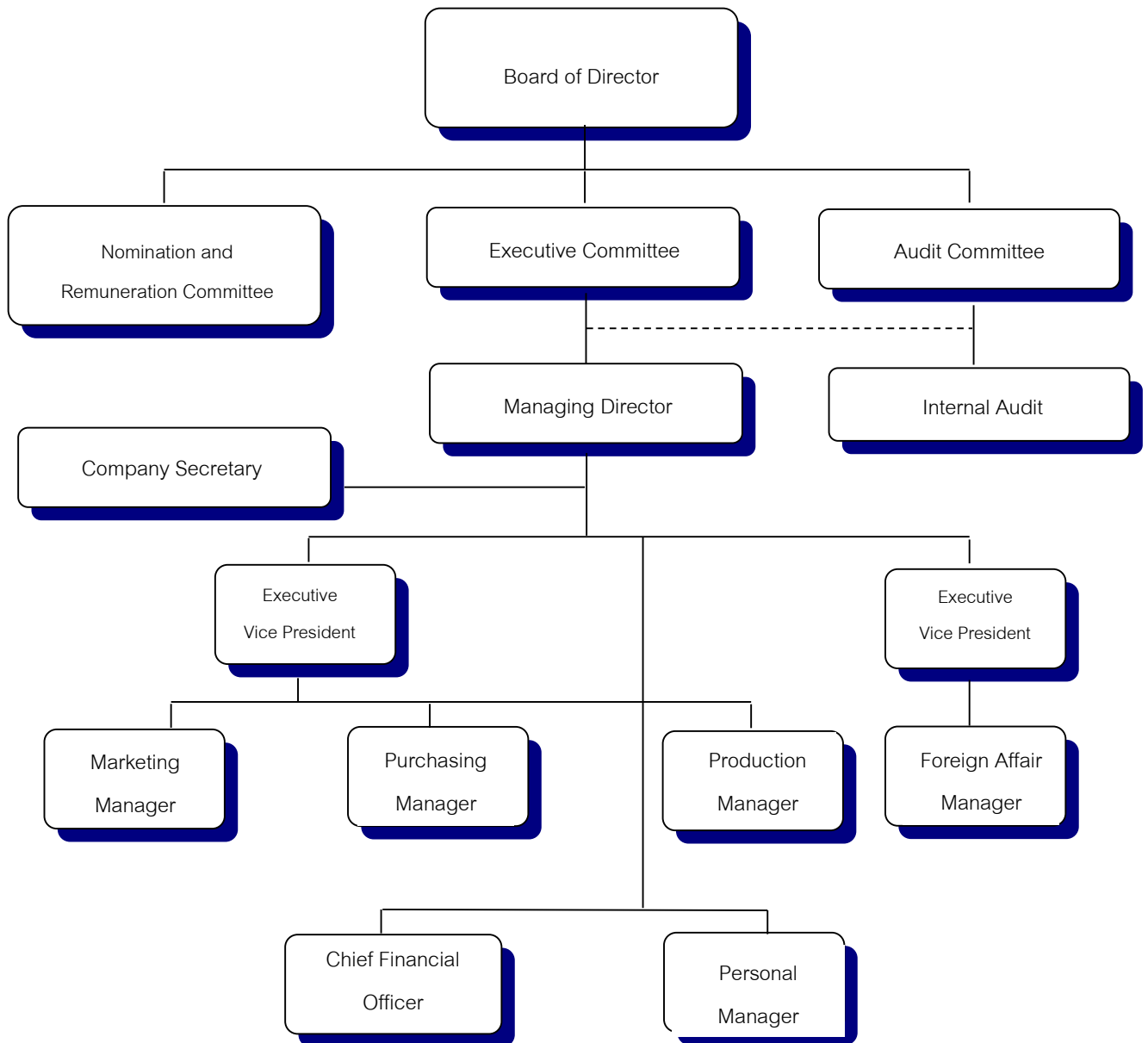
On December 31, 2018 the executives⁽¹⁾ comprised of 5 members according to definition of the Securities and Exchange Commission (SEC) as follows:-

- | | | | |
|----|----------------|----------------|-------------------------|
| 1. | Mr. Boonchai | Jirapongtrakul | Managing Director |
| 2. | Mr. Pornthep | Pripaisalkij | Chief Financial Officer |
| 3. | Mr. Sila | Wangphornphra | Manufacturing Manager |
| 4. | 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, 2018)



Company Secretary:

Board of Director had appointed Ms.Thitima Nontavech handle Company Secretary since November 11, 2016

Remuneration of the Directors and Management Team

A. Remuneration in Cash for the Year Ending 31 December 2018

- 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	88,000	-	-	-	99,000
2. Mr.Suroj Jiraphongtrakul	88,000	-	-	-	88,000
3. Mr.Nirut Ngamchamnunrith	66,000	-	-	-	66,000
4. Mr.Prachuab Chaiyasan	99,000	99,000	-	-	198,000
5. Mrs.Seenual Tasanapant	88,000	88,000	-	-	176,000
6. Mr.Teerapong Thanarukvudhikorn	88,000	88,000	-	-	176,000
7. Ms.Proudpalin Vacharabenjapat	88,000	-	-	-	88,000
8. Mrs.Nartsine Sarnvanichpitak	-	-	-	-	-
TOTAL					880,000

- Management Remuneration

Unit : Baht

Remuneration	Total (person)	Salary/Bonus/Other
Directors as management	3	11,440,000
Executives	4	8,902,852
Total		20,342,852

B. Other remunerations

-None-

Labor dispute

- (1) The total company employees as of December 31, 2018 were 508 persons (exclude executive). This consisted of the employee according to the work lines as follows.

Department		Numbers of Permanent Staff (Person)
		2018
1.	Office	140
2.	Factory	368
	Total	508

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 2018) was Baht 126.10 million. This compensation was in the form of salary, bonus, commission, 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-subidiaries 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 October 16, 2017 – January 31, 2018, 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 2018.

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 3,580,000 was paid as auditor fee for year 2018 for the auditing financial statements of the company and subsidiaries. No other fee was paid.

Good Corporate Governance Compliance

In 2018, 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 2018, 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 2018. 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, but 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 2018

Name	Attendance/Meeting			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Term of Director Term
1. Mr.Boonchai Jirapongtrakul	4/4	-	-	Apr 2016-2019
2. Mr.Suroj Jiraphongtrakul	4/4	-	-	Apr 2017-2020
3. Mr.Nirut Ngamcahmunnurith	3/4	-	-	Apr 2017-2020
4. Mr.Prachuab Chaiyasan	3/4	3/4	-	Apr 2017-2020
5. Mr.Teerapong Thanarukvudhikorn	4/4	4/4	-	Apr 2018-2021
6. Mrs.Seenual Tasanapant	4/4	4/4	-	Apr 2018-2021
7. Ms.Proudpalin Vacharabenjapat	4/4	-	-	Apr 2018-2021
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.2/2019 on February 26, 2019, 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 2018 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 2018



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 2018, 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 2018;**

Reviewed a quarterly and audited financial statements of 2018 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

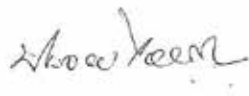
The Board of Director is responsible for financial statement of The Steel Public Co.,Ltd. which included all financial information as in our annual report. This financial statement has been made in applicable practice methods regularly as general accountancy standards. It has also revealed enough information 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, 2018 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		
		2018	2017	2016	2018	2017	2016
Liquidity ratio							
Current ratio	(times)	0.98	1.04	1.21	1.09	1.08	1.19
Quick ratio	(times)	0.59	0.30	0.41	0.58	0.29	0.40
Cash flow liquidity ratio	(times)	(0.06)	0.35	(0.03)	(0.04)	0.32	(0.05)
Receivables turnover	(times)	6.84	8.80	9.48	6.97	8.43	8.26
Collection period	(day)	52.63	40.91	37.98	51.67	42.70	43.59
Inventory period	(times)	6.38	6.94	12.34	6.44	6.55	10.57
Inventory Turnover period	(day)	56.44	51.87	29.17	55.87	54.99	34.05
Account payable turnover	(times)	17.10	16.93	43.92	16.03	15.07	32.79
Payment period	(day)	21.05	21.27	8.20	22.46	23.90	10.98
Cash Cycle	(day)	88.02	71.52	58.95	85.08	73.79	66.65
Profitability Ratio							
Gross profit margin	(%)	2.80	4.61	5.39	1.74	3.79	4.84
Operating Profit Margin	(%)	(0.62)	1.75	4.08	0.92	1.08	3.23
Other Income Ratio	(%)	0.50	0.07	0.23	0.81	0.22	0.79
Cash to Profit Ratip	(%)	292.62	532.31	(15.19)	(131.42)	873.21	(33.08)
Net profit margin (loss)	(%)	(0.89)	1.54	3.47	0.77	1.51	3.59
Return on equity	(%)	(5.73)	11.94	35.76	4.66	10.62	29.79
Efficiency Ratio							
Return on assets	(%)	(1.86)	3.81	11.56	1.59	3.48	10.03
Return on fixed assets	(%)	(0.42)	25.90	73.06	16.25	32.84	93.83
Assets turnover	(times)	2.09	2.47	3.33	2.05	2.31	2.79
Financial Ratio							
Debt to equity ratio	(times)	2.06	2.07	2.13	1.78	2.08	2.03
Interest coverage	(times)	(2.98)	12.43	(2.61)	(2.77)	11.80	(3.22)
Cash Basis	(times)	(1.17)	1.63	(0.34)	(0.89)	1.87	(0.55)
Dividend rate	(%)			40.06	(56.72)	(11.37)	45.48
Net profit per share (loss)	(baht)	(0.09)	0.20	0.99	0.08	0.18	0.88
Book value per share	(baht)	1.52	1.70	3.14	1.71	1.72	3.19
Growth Ratio							
Assets	(%)	(11.26)	6.38	31.86	(10.18)	9.84	22.56
Liabilities	(%)	(11.45)	5.43	36.16	(14.71)	10.73	25.13
Total revenue	(%)	(17.80)	(12.86)	13.22	(11.72)	(4.35)	15.68
Administrative expenses	(%)	(16.19)	(10.60)	3.29	(12.10)	(1.77)	3.98
Net profit (loss)	(%)	(147.41)	(61.31)	174.84	54.60	(59.91)	156.83

Management Discussion on Operations

The Company's operation results and financial status of year 2018-2017 were as follows:

Statement of Comprehensive Income

Total revenues of the Company and subsidiaries for the year ended December 31, 2018 equaled Baht 11,287.74 million compared with Baht 13,788.27 million of year 2017, decreasing Baht 2,503.53 million or 18.16%. Total revenues decreased mainly due to reducing of sale quantities around 29.66%, but average selling price increased around 14.67%.

Cost of goods sold for year 2018 presented Baht 10,968.30 million compared with Baht 13,152.02 million of 2017, decreased Baht 2,183.72 million or 16.60%, which was closed to sale reduction, resulting there was gross profit only Baht 316.44 million in 2018, while gross profit Baht 636.25 million in 2017. Selling and administrative expenses of 2018 equaled Baht 247.29 million compared to Baht 273.62 million in 2017, decreasing Baht 26.33 million due to lower transportation and commission from diminishing of sale volumes.

Finance cost of 2018 was Baht 89.62 million, decreased from 2017 which was Baht 97.38 million due to less using short term loans during the year, impacted from lower purchasing in fourth quarter of 2018. For sharing of profit from associated company was sharing of loss Baht 24.54 million in 2018 while 2017 was profit recognition Baht 27.51 million. And there was providing of allowance for doubtful accounts Baht 138.58 million in this year, incurred from one subsidiary had paid advance money to purchase goods from 3 creditors, unfortunately, they facing liquidity problems and delay goods submission. Hence, top management decided to provide full amount of provision in this year. However, top management has closely purchased to get goods from these 3 creditors. If they cannot submit the goods, will have them paying cash back or their assets.

After deducting all expenses and income tax, the Company reported net loss attribute to equity holders of Company for year 2018 Baht 100.22 million, compared to net profit of Baht 219.58 million of 2017, decreasing of net profit Baht 319.680million or 145.64%

Statement of Financial Position

Total Assets of the Company as of December 31, 2018 equaled Baht 5,100.69 million compare to Baht 5,747.93 million of year 2017, assets decreased due to less purchasing of inventories due to lower sales volume during last period of year 2018, resulting ending inventories reduced Baht 600 million.

Total Liabilities decreased from Baht 3,876.62 million in 2017 to Baht 3,433.02 million in year 2018 due to lower using creditors, subsequently from less purchasing due to lower sale volume, resulting D/E ratio decreased from 2.08 as at December 31, 2017 to 2.07 as at December 31, 2018.

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 2018, 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 2018, 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.

Emphasis of Matters

I draw attention to notes to the consolidated financial statements No. 38, the Company has made the retroactive adjustments to correct the accounting error for prior period thus the Company to retroactively adjusted the consolidated financial statements for prior period which presented herein for comparative purposes. Hereby, my opinion is not modified in respect of this matter.

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.

Allowance for Doubtful Debts of Trade Account Receivables

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. 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 allowance for doubtful debts. 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 events after the reporting period. The methods also included the assessment of the sufficiency of the information disclosed under the financial reporting standards.

Measurement of Inventories and Advance Payment for Inventories

Value of inventories and advance payment for inventories in Note to the financial statements No.11, are significant to the financial statement. The Group and the Company rather report the measurement of the inventories and advance payment for inventories at the lower of cost or net realizable value. The Group's inventories have a rather 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. 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 and advance payment for inventories, verify the reliability of the selling price events after the reporting period, 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 and request that the correction be made.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards (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 Thai Standards on Auditing (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 Thai Standards on Auditing (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 disclosures in the related 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

26 February 2019

THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

CONSOLIDATED FINANCIAL STATEMENTS				
	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht (Restated)	Baht (Restated)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	8	75,656,010.21	126,985,600.64	91,413,595.82
Current Investments	9	-	3.69	9,512,842.01
Trade and Other Current Receivables	10	1,958,270,397.39	1,069,177,224.89	1,841,465,945.80
Inventories	11	1,266,750,487.12	2,172,255,513.79	1,618,366,667.99
Advance Payment for Inventories	11	543,425.40	563,471,191.43	777,979,222.62
Current Tax Assets		16,937,793.15	4,292,472.77	1,866,238.38
TOTAL CURRENT ASSETS		3,318,158,113.27	3,936,182,007.21	4,340,604,512.62
NON-CURRENT ASSETS				
Investment in Associate	12	339,608,942.78	367,334,138.15	130,001,235.14
Property, Plant and Equipment	15	1,310,176,288.86	1,345,631,915.76	901,772,794.11
Other Intangible Assets	16	1,123,867.61	1,503,720.87	1,333,255.57
Deferred Tax Assets	17	123,276,620.09	92,285,516.28	24,865,436.79
Other Non - Current Assets		8,351,136.97	4,989,499.27	4,750,340.27
TOTAL NON-CURRENT ASSETS		1,782,536,856.31	1,811,744,790.33	1,062,723,061.88
TOTAL ASSETS		5,100,694,969.58	5,747,926,797.54	5,403,327,574.50

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 2018

CONSOLIDATED FINANCIAL STATEMENTS				
	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht (Restated)	Baht (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short - Term Borrowings from Financial Institutions	19	3,069,254,375.28	2,654,220,474.83	3,004,494,665.14
Trade and Other Current Payables	20	266,840,100.07	1,078,670,682.84	559,727,661.21
Advances Received for Inventories		18,230,944.79	18,977,960.00	4,143,977.44
Current Portion				
Liabilities under Finance Lease Agreements	21	19,594,408.01	19,066,804.17	9,837,616.38
Long - Term Borrowings from Financial Institutions		-	-	1,073,820.84
Income Tax Payable		-	30,545,810.89	5,153,162.05
TOTAL CURRENT LIABILITIES		3,373,919,828.15	3,801,481,732.73	3,584,430,903.06
NON-CURRENT LIABILITIES				
Liabilities under Finance Lease Agreements	21	34,760,189.99	54,354,598.00	73,773,450.50
Non-Current Provisions for Employee Benefits	22	11,374,272.96	8,516,134.00	11,457,565.78
Deferred Tax Liabilities	17	11,409,958.88	10,990,301.24	6,194,818.35
Other Non - Current Liabilities		1,558,289.00	1,574,799.00	1,392,300.00
TOTAL NON-CURRENT LIABILITIES		59,102,710.83	75,435,832.24	92,818,134.63
TOTAL LIABILITIES		3,433,022,538.98	3,876,917,564.97	3,677,249,037.69
SHAREHOLDERS' EQUITY				
Share Capital	23			
Authorized Share Capital				
1,650,015,240 Ordinary Shares, par value at Baht 0.50 each		825,007,620.00	825,007,620.00	-
1,100,010,160 Ordinary Shares, par value at Baht 0.50 each		-	-	550,005,080.00
Issued and Paid - Up Share Capital				
1,102,060,160 Ordinary Shares, par value at Baht 0.50 each		551,030,080.00	-	-
1,100,010,160 Ordinary Shares, par value at Baht 0.50 each		-	550,005,080.00	550,005,080.00
Share Premiums on Ordinary Shares	23	947,941,495.95	941,791,495.95	941,791,495.95
Retained Earnings				
Appropriated				
Legal Reserve	24	38,160,000.00	33,750,000.00	24,050,000.00
Unappropriated		324,293,357.65	538,746,709.58	380,133,826.22
Other Components of Shareholder's Equity		(203,997,887.79)	(203,997,887.79)	(197,910,016.66)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO				
OWNERS OF THE PARENT		1,657,427,045.81	1,860,295,397.74	1,698,070,385.51
Non - Controlling Interests	14	10,245,384.79	10,713,834.83	28,008,151.30
TOTAL SHAREHOLDERS' EQUITY		1,667,672,430.60	1,871,009,232.57	1,726,078,536.81
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,100,694,969.58	5,747,926,797.54	5,403,327,574.50

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 2018

SEPARATE FINANCIAL STATEMENTS				
	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	8	61,858,579.33	105,454,739.98	68,178,024.96
Current Investments	9	-	3.69	9,512,842.01
Trade and Other Current Receivables	10	1,889,496,726.30	1,059,936,321.57	1,761,350,823.37
Short - Term Borrowings to Subsidiaries	34.3	415,500,000.00	324,500,000.00	194,800,000.00
Inventories	11	1,266,750,487.12	2,172,421,079.01	1,604,369,711.18
Advance Payment for Inventories	11	543,425.40	563,471,191.43	777,979,222.62
Current Tax Assets		13,554,207.91	-	-
TOTAL CURRENT ASSETS		3,647,703,426.06	4,225,783,335.68	4,416,190,624.14
NON-CURRENT ASSETS				
Investment in Associate	12	410,000,000.00	410,000,000.00	200,000,000.00
Investment in Subsidiaries	13	244,587,293.16	228,519,176.36	110,197,399.36
Property, Plant and Equipment	15	881,357,002.66	898,710,804.26	557,332,023.40
Other Intangible Assets	16	1,029,224.11	1,379,117.77	1,333,253.57
Deferred Tax Assets	17	51,742,346.42	67,112,929.34	24,057,223.17
Other Non - Current Assets		2,841,211.46	1,569,052.50	1,565,207.48
TOTAL NON-CURRENT ASSETS		1,591,557,077.81	1,607,291,080.23	894,485,106.98
TOTAL ASSETS		5,239,260,503.87	5,833,074,415.91	5,310,675,731.12

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 2018

SEPARATE FINANCIAL STATEMENTS				
	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short - Term Borrowings from Financial Institutions	19	3,069,254,375.28	2,654,220,474.83	3,003,218,981.14
Trade and Other Current Payables	20	258,208,427.14	1,192,421,151.63	535,364,951.41
Advances Received for Inventories		18,230,944.79	18,977,960.00	4,143,977.44
Short-Term Borrowings from Subsidiaries	34.3	-	30,000,000.00	-
Income Tax Payable		-	30,545,810.89	5,018,113.91
TOTAL CURRENT LIABILITIES		3,345,693,747.21	3,926,165,397.35	3,547,746,023.90
NON-CURRENT LIABILITIES				
Non-Current Provisions for Employee Benefit	22	7,467,090.00	6,207,459.00	7,382,587.77
Deferred Tax Liabilities	17	4,134,742.18	4,092,061.36	-
TOTAL NON-CURRENT LIABILITIES		11,601,832.18	10,299,520.36	7,382,587.77
TOTAL LIABILITIES		3,357,295,579.39	3,936,464,917.71	3,555,128,611.67
SHAREHOLDERS' EQUITY				
Share Capital	23			
Authorized Share Capital				
1,650,015,240 Ordinary Shares, par value at Baht 0.50 each		825,007,620.00	825,007,620.00	-
1,100,010,160 Ordinary Shares, par value at Baht 0.50 each		-	-	550,005,080.00
Issued and Paid - Up Share Capital				
1,102,060,160 Ordinary Shares, par value at Baht 0.50 each		551,030,080.00	-	-
1,100,010,160 Ordinary Shares, par value at Baht 0.50 each		-	550,005,080.00	550,005,080.00
Share Premiums on Ordinary Shares	23	947,941,495.95	941,791,495.95	941,791,495.95
Retained Earnings				
Appropriated				
Legal Reserve	24	38,160,000.00	33,750,000.00	24,050,000.00
Unappropriated		344,833,348.53	371,062,922.25	239,700,543.50
TOTAL SHAREHOLDERS' EQUITY		1,881,964,924.48	1,896,609,498.20	1,755,547,119.45
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,239,260,503.87	5,833,074,415.91	5,310,675,731.12

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 2018

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
			(Restated)		
Revenue from Sales and Rendering of Services		11,284,737,246.01	13,788,265,937.74	11,275,714,020.37	12,848,281,843.92
Cost of Sales and Services		(10,968,295,871.31)	(13,152,016,799.50)	(11,079,665,657.77)	(12,361,521,607.66)
GROSS PROFIT		316,441,374.70	636,249,138.24	196,048,362.60	486,760,236.26
Interest Income		189,648.23	192,961.43	19,287,771.59	14,768,940.66
A Gain from a Bargain Purchase	4	-	9,633,260.31	-	16,449,297.32
Other Income		8,330,612.73	12,861,784.02	7,907,078.86	10,538,026.14
Gain (Loss) on Exchange Rate		48,359,448.33	(13,367,840.35)	48,359,448.33	(13,367,840.35)
Reversal from Impairment on Investment in Subsidiaries		-	-	16,068,116.80	118,740,346.00
Loss from Impairment on Investment in Subsidiaries		-	-	-	(15,968,569.00)
Distribution Costs		(100,294,003.67)	(136,121,241.44)	(88,441,400.29)	(125,266,148.42)
Administrative Expenses		(146,991,130.17)	(137,505,987.00)	(89,134,045.44)	(96,259,095.51)
Doubtful Debts and Reversal		(138,577,853.81)	(114,957,316.98)	84,769,884.47	(111,010,415.47)
Share of Profit (Loss) of Associate		(24,537,027.19)	27,506,360.01	-	-
Finance Costs		(89,624,235.61)	(97,383,305.74)	(87,437,555.84)	(94,591,036.94)
PROFIT (LOSS) BEFORE INCOME TAX		(126,703,166.46)	187,107,812.50	107,427,661.08	190,793,740.69
Income Tax (Expense) Revenue	28.1	25,996,863.69	25,319,316.59	(19,387,203.60)	3,113,538.64
PROFIT (LOSS) FOR THE YEAR		(100,706,302.77)	212,427,129.09	88,040,457.48	193,907,279.33
Other Comprehensive Income (Expense)					
Items that will not be subsequently reclassified to Profit or Loss	28.2				
Share of Other Comprehensive Income (Expense) of Associate - net of tax		-	(173,457.00)	-	-
Gain (Loss) on Remeasurement of Defined Benefit Plans - net of tax		192,536.80	3,659,972.03	138,004.80	2,154,117.42
Total Items that will not be subsequently reclassified to Profit or Loss - net of tax		192,536.80	3,486,515.03	138,004.80	2,154,117.42
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR - NET OF TAX		192,536.80	3,486,515.03	138,004.80	2,154,117.42
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		(100,513,765.97)	215,913,644.12	88,178,462.28	196,061,396.75
Profit (Loss) Attributable to					
Shareholders of the Parent		(100,216,039.93)	219,580,395.73		
Non - Controlling Interests	14	(490,262.84)	(7,153,266.64)		
PROFIT (LOSS) FOR THE YEAR		(100,706,302.77)	212,427,129.09		
Total Comprehensive Income (Expense) Attributable to					
Shareholders of the Parent		(100,045,315.93)	223,138,444.36		
Non - Controlling Interests	14	(468,450.04)	(7,224,800.24)		
Total Comprehensive Income (Expense) for the Period		(100,513,765.97)	215,913,644.12		
Basic Earnings (Loss) Per Share	29	(0.09)	0.20	0.08	0.18

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 2018
CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Attribute to Owners of the Parent										Non-Controlling Interests	Total
		Retained Earnings			Other Components of Shareholder's equity					Total			
		Issued and Paid-Up Share Capital	Share Premiums on Ordinary Shares	Appropriated Legal reserve	Unappropriated	Discount on Change of Interest in Subsidiaries	Premium (Discount) on Change of Interest in Associated	Share of Other Comprehensive Income (Expense) of Associated	Shareholders of the Parent Company				
									Baht	Baht			
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Beginning Balance as at 1 January 2018 (As Previously Reported)	38	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	
Accumulated from Correction of Accounting Errors		-	-	-	14,632,074.39	-	(14,632,074.39)	(173,457.00)	(14,805,531.39)	(173,457.00)	-	(173,457.00)	
Beginning Balance as at 1 January 2018 (Restated)		550,005,080.00	941,791,495.95	33,750,000.00	538,746,709.58	(203,824,430.79)	-	(173,457.00)	(203,997,887.79)	1,860,295,397.74	10,713,834.83	1,871,009,232.57	
Transactions with owners													
Contributions by and Distributions to													
Owners of the Company													
Increase (Decrease) Ordinary Shares	23	1,025,000.00	6,150,000.00	-	-	-	-	-	-	7,175,000.00	-	7,175,000.00	
Appropriated Legal Reserve	24	-	-	4,410,000.00	(4,410,000.00)	-	-	-	-	-	-	-	
Dividend Payment	25	-	-	-	(109,998,036.00)	-	-	-	-	(109,998,036.00)	-	(109,998,036.00)	
Total Contributions by and Distributions to Owners of the Company		1,025,000.00	6,150,000.00	4,410,000.00	(114,408,036.00)	-	-	-	-	(102,823,036.00)	-	(102,823,036.00)	
Total Transactions with Owners of the Company		1,025,000.00	6,150,000.00	4,410,000.00	(114,408,036.00)	-	-	-	-	(102,823,036.00)	-	(102,823,036.00)	
Total Comprehensive Income (Expense) for the Year													
Profit (Loss) for the Year		-	-	-	(100,216,039.93)	-	-	-	-	(100,216,039.93)	(490,262.84)	(100,706,302.77)	
Other Comprehensive Income (Expense) for the Year		-	-	-	170,724.00	-	-	-	-	170,724.00	21,812.80	192,536.80	
Total Comprehensive Income (Expense) for the Year		-	-	-	(100,045,315.93)	-	-	-	-	(100,045,315.93)	(468,450.04)	(100,513,765.97)	
Ending Balance as at 31 December 2018		551,030,080.00	947,941,495.95	38,160,000.00	324,293,357.65	(203,824,430.79)	-	(173,457.00)	(203,997,887.79)	1,657,427,045.81	10,245,384.79	1,667,672,430.60	

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 2018

CONSOLIDATED FINANCIAL STATEMENTS

Attribute to Owners of the Parent													
	Notes	Retained Earnings			Other Components of Shareholder's equity					Total		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	Premium (Discount) on Change of Interest in Associated	Share of Other Comprehensive Income (Expense) of Associated	Total		Shareholders of the Parent Company		
									Baht	Baht			
	38	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	
		-	-	-	(4,450,843.03)	-	4,450,843.03	-	4,450,843.03	-	-	-	
		550,005,080.00	941,791,495.95	24,050,000.00	380,133,826.22	(197,910,016.66)	-	-	(197,910,016.66)	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													
	24	-	-	9,700,000.00	(9,700,000.00)	-	-	-	-	-	-	-	
	25	-	-	-	(54,999,018.00)	-	-	-	-	(54,999,018.00)	-	(54,999,018.00)	
	13	-	-	-	-	-	-	-	-	-	(83,930.36)	(83,930.36)	
Total Contributions by and Distributions to													
		-	-	9,700,000.00	(64,699,018.00)	-	-	-	-	(54,999,018.00)	(83,930.36)	(55,082,948.36)	
Changes in Ownership Interests without a Change in Control													
Decrease Non-Controlling Interests													
	13	-	-	-	-	(5,914,414.13)	-	-	(5,914,414.13)	(5,914,414.13)	(9,985,585.87)	(15,900,000.00)	
Total Changes in Ownership Interests without a Change in Control													
		-	-	-	-	(5,914,414.13)	-	-	(5,914,414.13)	(5,914,414.13)	(9,985,585.87)	(15,900,000.00)	
Total Transactions with Owners of the Company													
		-	-	9,700,000.00	(64,699,018.00)	(5,914,414.13)	-	-	(5,914,414.13)	(60,913,432.13)	(10,069,516.23)	(70,982,948.36)	
Total Comprehensive Income (Expense) for the Year													
	38	-	-	-	219,580,395.73	-	-	-	-	219,580,395.73	(7,153,266.64)	212,427,129.09	
	38	-	-	-	3,731,505.63	-	-	(173,457.00)	(173,457.00)	3,558,048.63	(71,533.60)	3,486,515.03	
Total Comprehensive Income (Expense) for the Year													
		-	-	-	223,311,901.36	-	-	(173,457.00)	(173,457.00)	223,138,444.36	(7,224,800.24)	215,913,644.12	
Ending Balance as at 31 December 2017 (Restated)													
		550,005,080.00	941,791,495.95	33,750,000.00	538,746,709.58	(203,824,430.79)	-	(173,457.00)	(203,997,887.79)	1,860,295,397.74	10,713,834.83	1,871,009,232.57	

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 2018

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 2018		550,005,080.00	941,791,495.95	33,750,000.00	371,062,922.25	1,896,609,498.20
Transactions with Owners						
Contributions by and Distributions to Owners of the Company						
Increase (Decrease) Ordinary Shares	23	1,025,000.00	6,150,000.00	-	-	7,175,000.00
Appropriated Legal Reserve	24	-	-	4,410,000.00	(4,410,000.00)	-
Dividend Payment	25	-	-	-	(109,998,036.00)	(109,998,036.00)
Total Contributions by and Distributions to Owners of the Company		1,025,000.00	6,150,000.00	4,410,000.00	(114,408,036.00)	(102,823,036.00)
Total Transactions with Owners		1,025,000.00	6,150,000.00	4,410,000.00	(114,408,036.00)	(102,823,036.00)
Total Comprehensive Income (Expense) for the year						
Profit for the Year		-	-	-	88,040,457.48	88,040,457.48
Other Comprehensive Income (Expense) for the Year		-	-	-	138,004.80	138,004.80
Total Comprehensive Income (Expense) for the Year		-	-	-	88,178,462.28	88,178,462.28
Ending Balance as at 31 December 2018		551,030,080.00	947,941,495.95	38,160,000.00	344,833,348.53	1,881,964,924.48
Beginning Balance as at 1 January 2017		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	24	-	-	9,700,000.00	(9,700,000.00)	-
Dividend	25	-	-	-	(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.

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THE STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended 31 December 2018

	CONSOLIDATED			SEPARATE	
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before Income Tax	(126,703,166.46)	187,107,812.50	107,427,661.08	190,793,740.69	
Adjustment to Reconcile Profit before Income Tax with					
Cash Received (Used) from Operation :					
Depreciation and Amortization	95,123,914.41	79,317,646.81	56,780,931.63	45,915,364.83	
Amortization of Leasehold Rights	106,013.25	-	106,013.25	-	
Doubtful Debts of Trade and Other Current Receivables (Reversal)	(90,001,407.75)	114,957,316.98	(86,054,506.24)	111,010,415.47	
Bad Debts	1,284,621.77	-	1,284,621.77	-	
Loss from Decline in Value of Inventories and Advance					
Payment of Inventories	8,041,553.29	7,571.19	8,041,553.29	7,571.19	
Doubtful Debts of Advance Payment for Inventories	227,294,639.79	-	-	-	
Transfer Cost of Goods to Cost to Fixed Assets	-	(1,160,567.00)	-	-	
Loss from Impairment on Investment in Subsidiaries	-	-	-	15,968,569.00	
Reversal from Impairment on Investment in Subsidiaries	-	-	(16,068,116.80)	(118,740,346.00)	
Unrealised (Gain) Loss on Exchange Rate	(6,644,622.22)	1,190,966.05	(6,644,622.22)	1,190,966.05	
Unrealised (Gain) Loss on Changes in Fair Value of					
Temporary Investments	3.69	5.44	3.69	5.44	
Loss from Sales of Temporary Investments	-	7,666,230.58	-	7,666,230.58	
Loss from Amortization of Withholding Tax	2,202,704.57	-	-	-	
(Gain) Loss from Sales of Fixed Assets	3,283,253.97	(818,768.62)	2,511,468.68	(1,023,636.86)	
Loss from Amortization of Fixed Assets	242,335.73	1.00	242,326.73	1.00	
Share of (Gain) Loss of Associate	24,537,027.19	(27,506,360.01)	-	-	
Loss on Inter-Outstanding Balances with Associate	3,188,168.18	-	-	-	
A Gain from a Bargain Purchase	-	(9,633,260.31)	-	(16,449,297.32)	
Loss on Dissolution and Liquidation of Subsidiary	-	762.50	-	154,925.00	
Employee Benefit Expenses	3,264,151.96	2,095,705.25	1,597,479.00	1,636,018.00	
Interest Income	(189,648.23)	(192,961.43)	(19,287,771.59)	(14,768,940.66)	
Interest Expenses	89,624,235.61	97,383,305.74	87,437,555.84	94,591,036.94	
Profit from Operating Activities before Changes in					
Operating Assets and Liabilities	234,653,778.75	450,415,406.67	137,374,598.11	317,952,623.35	
(Increase) Decrease in Operating Assets					
Trade and Other Current Receivables	(801,754,558.75)	653,588,086.17	(746,105,103.44)	586,584,428.83	
Inventories	893,510,553.37	(553,908,074.57)	893,676,118.59	(568,070,596.60)	
Advances Payment for Inventories	335,633,126.24	214,519,688.77	562,927,766.03	214,519,688.77	
Other Non - Current Assets	2,000.00	189,419.58	-	(3,845.00)	
Increase (Decrease) in Operating Liabilities					
Trade and Other Current Payables	(812,502,213.72)	520,602,766.37	(934,884,355.43)	656,357,434.18	
Advance Received for Inventories	(747,015.21)	14,833,982.56	(747,015.21)	14,833,982.56	
Non-Current Provisions for Employee Benefit	-	(462,172.00)	-	(118,500.00)	
Other Non-Current Liabilities	(16,510.00)	182,499.00	-	-	
Cash Received (Paid) from Operating Activities	(151,220,839.32)	1,299,961,602.55	(87,757,991.35)	1,222,055,216.09	
Cash Received from Withholding Tax	-	1,437,659.81	-	-	
Cash Received from Interest	189,648.23	192,961.43	182,956.49	186,888.60	
Cash Paid for Income Tax	(52,108,031.25)	(19,528,412.01)	(48,108,459.86)	(14,973,262.87)	
Net Cash Provided from (Used in) Operating Activities	(203,139,222.34)	1,282,063,811.78	(135,683,494.72)	1,207,268,841.82	

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 2018

	CONSOLIDATED		SEPARATE		
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
CASH FLOW FROM INVESTING ACTIVITIES					
Cash Received from Temporary Investments		-	1,846,602.30	-	1,846,602.30
Cash Received from Interest Income for Short-Term Borrowings to Subsidiaries		-	-	19,041,226.05	14,663,391.80
Cash Received from Short - Term Borrowings to Subsidiaries		-	-	5,000,000.00	13,000,000.00
Cash Paid for Short - Term Borrowings to Subsidiaries		-	-	(96,000,000.00)	(142,700,000.00)
Cash Paid for Purchase of 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		(63,407,043.76)	(41,556,538.96)	(41,804,051.59)	(32,757,114.72)
Cash Paid for Purchase of Fixed Assets from Business Acquisition		-	(464,494,272.00)	-	(329,984,090.00)
Cash Received from Disposal of Fixed Assets		4,545,939.82	1,421,570.10	3,925,939.82	1,221,570.10
Cash Paid for Purchase of Other Intangible Assets		-	(329,800.00)	-	(180,000.00)
Cash Paid for Purchase of Intangible Assets from Business Acquisition		-	(316,800.00)	-	(316,800.00)
Net Cash Provided from (Used in) Investing Activities		(58,861,103.94)	(729,428,931.42)	(109,836,885.72)	(700,911,365.52)
CASH FLOW FROM FINANCING ACTIVITIES					
Increase (Decrease) In Short - Term Borrowings from Financial Institutions		421,678,522.67	(351,465,156.36)	421,678,522.67	(350,189,472.36)
Cash Received from Short - Term Borrowings from Subsidiaries		-	-	50,000,000.00	30,000,000.00
Cash Paid from Short - Term Borrowings from Subsidiaries		-	-	(80,000,000.00)	-
Cash Paid for Long - Term Borrowings from Financial Institutions		-	(1,073,820.84)	-	-
Cash Paid for Liabilities under Finance Lease Agreements		(19,066,804.17)	(10,189,664.71)	-	-
Cash Paid in Payable for Assets		(44,940.00)	(3,185,501.00)	(44,940.00)	(535,535.00)
Cash Paid in Interest Expenses		(89,092,436.21)	(96,151,355.51)	(86,905,756.44)	(93,358,376.80)
Cash Received from Issuance of Ordinary Share		7,175,000.00	-	7,175,000.00	-
Cash Paid in Dividend		(109,978,606.44)	(54,997,377.12)	(109,978,606.44)	(54,997,377.12)
Net Cash Provided from (Used in) Financing Activities		210,670,735.85	(517,062,875.54)	201,924,219.79	(469,080,761.28)
Net Increase (Decrease) in Cash and Cash Equivalents		(51,329,590.43)	35,572,004.82	(43,596,160.65)	37,276,715.02
Cash and Cash Equivalents at The Beginning of the Period		126,985,600.64	91,413,595.82	105,454,739.98	68,178,024.96
Cash and Cash Equivalents at The Ending of the Period	8	75,656,010.21	126,985,600.64	61,858,579.33	105,454,739.98

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 2018

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 four branches constitution. The Company's major shareholder is Jirapongtrakul family and Jarupiruj family in 51.59% and 5.45%, respectively.

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 2018 and 2017, the Company has the investment ratio in the subsidiaries as follows:

Name of the entity	Type of business	% Ownership interest	
		2018	2017
The Steel Logistic Co., Ltd.	Logistic service	60.00	60.00
The Steel Industry Co., Ltd.	Manufacturing and distributing pipe	99.99	99.99
Liberty Steel Siam Co., Ltd.	Selling hot rolled coils and structural steels	99.99	99.99

3.2 The accounting period of the subsidiaries is ended on the same date as THE STEEL PUBLIC COMPANY LIMITED.

3.3 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.

3.4 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 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	Separate Financial Statements Fair Value Baht
The Consideration Transferred and		
Cash Paid	464,811,072.00	330,300,890.00
Net Asset Acquired		
Property, Plant and Equipment	476,852,647.39	350,862,511.66
<u>Less</u> Deferred Tax Liabilities	(2,408,315.08)	(4,112,324.34)
Net Asset Acquired	474,444,332.31	346,750,187.32
The Value of Consideration Transferred Lower the Value of		
Consideration Acquired (A Gain from a Bargain Purchase)	(9,633,260.31)	(16,449,297.32)

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 lower the fair value of the consideration acquired. The Company had a gain from a bargain purchase thus it is shown in the consolidated and separate statement of comprehensive income in amount of Baht 9.63 million and Baht 16.45 million, respectively.

5. Applied New and Revised Financial Reporting Standards

The Company has applied the accounting standards, financial reporting standards, accounting standard interpretations, financial reporting standard interpretations and new and revised accounting guidances, which are effective for the accounting period beginning on or after 1 January 2018, with no effect on the current financial report.

6. New and Revised Financial Reporting Standards Not Yet Effective

Accounting standards, financial reporting standards, accounting standard interpretations, financial reporting standard interpretations and new and revised accounting guidances, 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 2019

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events after the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets

TAS 38 (revised 2018)	Intangible Assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First – Time Adoption of Financial Reporting Standards
TFRS 2 (revised 2018)	Share-based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases – Incentives
TSIC 25 (revised 2018)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners

TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Effective for the accounting period beginning on or after 1 January 2020

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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
Motor vehicles	5 - 15 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 Leasehold Rights

Leasehold rights is the prepaid rental payment under the operating lease contract to recorded at initial cost deducted by the accumulated amortized and the accumulated impairment loss (if any). Amortized is calculated on a straight-line basis over the lease term of 7 years and 7 months.

7.12 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.

7.13 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.

7.14 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).

7.15 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.

7.16 Long-term Leases

The Company is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations less finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The assets acquired under finance leases while depreciation is carried

throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long-term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operation leases (net of any incentives received from the lesser) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lesser by way of penalty is recognized as an expense in the period in which termination takes place.

7.17 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.

7.18 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.

7.19 Recognition of Expenses

- Expenses are recognized on accrual basis.

7.20 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

7.21 Earnings per Share

Basic earnings per share are calculated by dividing the profit with the weighted average number of ordinary shares held by outside shareholders outstanding during the year and diluted earnings per share is calculated by dividing profit for the year adjustment with the effect of item related to diluted ordinary shares by the weighted average number of already issued and fully paid shares during the year plus number of ordinary shares which may be issued in order to convert all diluted ordinary shares to ordinary shares.

7.22 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.

7.23 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Cash	242,501.95	148,185.81	60,185.45	53,989.81
Cheque on hand	7,196,863.66	16,606,794.89	7,196,863.66	16,606,794.89
Bank deposit – Current accounts	31,554,055.82	95,138,239.84	24,334,253.77	78,589,068.49
Bank deposit – Savings accounts	36,662,588.78	15,092,380.10	30,267,276.45	10,204,886.79
Total	<u>75,656,010.21</u>	<u>126,985,600.64</u>	<u>61,858,579.33</u>	<u>105,454,739.98</u>

9. Current Investments

Consist of:

	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2018	31 December 2017
	Baht	Baht
<u>Investment Units in Marketable Security</u>		
G J STEEL PUBLIC COMPANY LIMITED		
Original Value as at Date of Transfer	48.54	48.54
<u>Less</u> Allowance for Devaluation	-	-
Original Value as at Date of Transfer– Net	48.54	48.54
Changes in Fair Value of Investments	(48.54)	(44.85)
Fair Value of Investment	-	3.69

For the year ended 31 December 2018 and 2017, the movement of current investments as follows:

	Consolidated / Separate Financial Statements	
	31 December 2018	31 December 2017
	Baht	Baht
Beginning Carrying Amount	3.69	9,512,842.01
Disposal during the period	-	(1,846,602.30)
Changes in fair value		
Realized	-	(7,666,230.58)
Unrealized	(3.69)	(5.44)
Ending carrying amount	-	3.69

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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Trade and Note Receivables	2,053,689,847.51	1,245,929,712.17	2,005,140,847.17	1,231,539,356.74
<u>Less</u> Allowance for Doubtful Debt	<u>(131,530,766.81)</u>	<u>(221,532,174.56)</u>	<u>(131,522,516.81)</u>	<u>(217,577,023.05)</u>
Trade Receivables-Net	1,922,159,080.70	1,024,397,537.61	1,873,618,330.36	1,013,962,333.69
Other Receivables	36,111,316.69	44,779,687.28	15,878,395.94	45,973,987.88
Total	<u>1,958,270,397.39</u>	<u>1,069,177,224.89</u>	<u>1,889,496,726.30</u>	<u>1,059,936,321.57</u>

As at 31 December 2018 and 2017, 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Within due period	1,355,297,863.84	512,269,018.85	1,313,251,957.87	507,368,727.43
Trade and Note Receivables over due period :				
Less than 3 months	440,594,593.62	371,702,418.40	434,099,749.25	362,220,604.39
Over 3 months to 6 months	97,303,674.67	62,443,010.95	97,303,674.67	62,443,010.95
Over 6 months to 12 months	33,571,100.74	54,391,868.95	33,571,100.74	54,391,868.95
Over over 12 months	126,922,614.64	245,123,395.02	126,914,364.64	245,115,145.02
Total	2,053,689,847.51	1,245,929,712.17	2,005,140,847.17	1,231,539,356.74
<u>Less</u> Allowance for doubtful debt	<u>(131,530,766.81)</u>	<u>(221,532,174.56)</u>	<u>(131,522,516.81)</u>	<u>(217,577,023.05)</u>
Net	<u>1,922,159,080.70</u>	<u>1,024,397,537.61</u>	<u>1,873,618,330.36</u>	<u>1,013,962,333.69</u>

As at 31 December 2018 and 2017, other receivables consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Advance Payment	506,196.81	6,015,241.59	212,522.81	5,770,302.59
Revenue Department Receivable	25,439,853.20	35,266,732.01	6,742,974.59	32,005,045.18
Others	10,165,266.68	3,497,713.68	8,922,898.54	8,198,640.11
Total	<u>36,111,316.69</u>	<u>44,779,687.28</u>	<u>15,878,395.94</u>	<u>45,973,987.88</u>

For the year ended 31 December 2018 and 2017, 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	(221,532,174.56)	(106,574,857.58)	(217,577,023.05)	(106,566,607.58)
Increased during the year	(40,118,140.08)	(115,052,315.48)	(40,118,140.08)	(111,105,413.97)
Decreased during the year	130,119,547.83	94,998.50	126,172,646.32	94,998.50
Ending Carrying Amount	<u>(131,530,766.81)</u>	<u>(221,532,174.56)</u>	<u>(131,522,516.81)</u>	<u>(217,577,023.05)</u>

11. Inventories/Advance Payment for Inventories

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Finished Goods	1,271,437,604.97	1,575,252,330.21	1,271,437,604.97	1,575,417,895.43
Goods in Transit	-	591,802,539.92	-	591,802,539.92
Work in Process	697,143.80	2,971,629.66	697,143.80	2,971,629.66
Supplies	4,525,151.79	4,096,874.15	4,525,151.79	4,096,874.15
Total	<u>1,276,659,900.56</u>	<u>2,174,123,373.94</u>	<u>1,276,659,900.56</u>	<u>2,174,288,939.16</u>
<u>Less</u> Allowance for Decline in Value				
of Inventories	<u>(9,909,413.44)</u>	<u>(1,867,860.15)</u>	<u>(9,909,413.44)</u>	<u>(1,867,860.15)</u>
Net	<u><u>1,266,750,487.12</u></u>	<u><u>2,172,255,513.79</u></u>	<u><u>1,266,750,487.12</u></u>	<u><u>2,172,421,079.01</u></u>

Cost of Inventories to Recognized

Expenses and Total to Cost of Sales

- Cost of Sales	10,960,254,318.02	13,152,009,228.31	11,071,624,104.48	12,361,514,036.47
- Decline in net realizable Value	8,041,553.29	7,571.19	8,041,553.29	7,571.19
Net	<u><u>10,968,295,871.31</u></u>	<u><u>13,152,016,799.50</u></u>	<u><u>11,079,665,657.77</u></u>	<u><u>12,361,521,607.66</u></u>

For the year ended 31 December 2018 and 2017, the movement of allowance for decline in value of inventories was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	(1,867,860.15)	(1,848,631.38)	(1,867,860.15)	(1,848,631.38)
Increased during the year	(12,468,343.39)	(10,947,514.91)	(12,468,343.39)	(10,947,514.91)
Decreased during the year	4,426,790.10	10,928,286.14	4,426,790.10	10,928,286.14
Ending Carrying Amount	<u>(9,909,413.44)</u>	<u>(1,867,860.15)</u>	<u>(9,909,413.44)</u>	<u>(1,867,860.15)</u>

As at 31 December 2018 and 2017, advance payments for inventories consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017
	Baht	Baht	Baht	Baht
Advance Payments for Inventories	227,838,065.19	563,471,191.43	543,425.40	563,471,191.43
Less Allowance for Doubtful Debt	<u>(227,294,639.79)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>543,425.40</u>	<u>563,471,191.43</u>	<u>543,425.40</u>	<u>563,471,191.43</u>

For the year ended 31 December 2018 and 2017, the movement of allowance for doubtful account and allowance for decline in value of advance payments for inventories was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	-	(11,657.58)	-	(11,657.58)
Increased during the year				
- Allowance for Doubtful Debt	(228,390,000.00)	-	-	-
Decreased during the year				
- Allowance for Decline in Value	-	11,657.58	-	11,657.58
- Allowance for doubtful debt	1,095,360.21	-	-	-
Ending Carrying Amount	<u>(227,294,639.79)</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. Investment in Associate

12.1 Details of Associate

Name of Equity	Paid-up Share Capital Baht	Consolidated Financial Statements					
		Investments		Equity method		Dividend Income	
		Ratio		As at 31 December		For the year ended 31 December	
		2018	2017	2018	2017	2018	2017
		%	%	Baht	Baht	Baht	Baht
Prime Steel Mill Co., Ltd.	1,000,000,000.00	50	50	339,608,942.78	367,334,138.15	-	-

Name of Equity	Paid-up Share Capital Baht	Separate Financial Statements					
		Investments		Cost Method		Dividend Income	
		Ratio		As at 31 December		For the year ended 31 December	
		2018	2017	2018	2017	2018	2017
		%	%	Baht	Baht	Baht	Baht
Prime Steel Mill Co., Ltd.	1,000,000,000.00	50	50	410,000,000.00	410,000,000.00	-	-

12.2 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 Cash Paid for Investments in Associate</u>	<u>(210,000,000.00)</u>
Surplus (Discount) from Changes of Shareholding in Associate	<u>19,082,917.42</u>

12.3 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 2018	31 December 2017
	Baht	Baht
Current Assets	2,124,215,369.00	620,795,294.00
Non-Current Assets	1,999,242,307.00	1,914,775,370.00
Current Liabilities	(3,086,641,840.00)	(1,502,174,585.00)
Non-Current Liabilities	(349,784,656.00)	(298,468,708.00)
Net Assets	<u>687,031,180.00</u>	<u>734,927,371.00</u>

Prime Steel Mill Co., Ltd.		
	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Total Revenue	6,479,232,047.00	4,732,511,038.00
Total Expenses	(6,527,128,238.00)	(4,638,213,422.00)
Profit (Loss) for the year	(47,896,191.00)	94,297,616.00
Other Comprehensive Income (Expense) for the year	-	(346,914.00)
Total Comprehensive Income (Expense) for the year	<u>(47,896,191.00)</u>	<u>93,950,702.00</u>

Movements of investments in associates for the years ended December 31, 2018 and 2017 are as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Balance as at January 1,	367,334,138.15	130,001,235.14	410,000,000.00	200,000,000.00
Increase in investments	-	210,000,000.00	-	210,000,000.00
Share of profit (loss) of investment				
equity method	(24,537,027.19)	27,506,360.01	-	-
Share of Loss in Inventories	(3,188,168.18)	-	-	-
Share of comprehensive income in associate	-	(173,457.00)	-	-
Balance as at December 31,	<u>339,608,942.78</u>	<u>367,334,138.15</u>	<u>410,000,000.00</u>	<u>410,000,000.00</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 2018	31 December 2017
	Baht	Baht
Net Assets	687,031,180.00	734,927,371.00
Investments Ratio (%)	50	50
Carrying Amount of Investments	343,515,590.00	367,463,685.50
<u>Add</u> Share of Loss in Inventories	(3,906,647.22)	(129,547.35)
Ending Carrying Amount	339,608,942.78	367,334,138.15

13. Investment in Subsidiaries

Consisted of:

		Separate Financial Statements			
		Cost method			
Company's name	Type of business	Paid-up	Percentage of	As at	As at
		Capital	shareholding	31 December 2018	31 December 2017
		'000 Baht	%	Baht	Baht
The Steel Logistic Co., Ltd.	Logistic services	10,000	60.00	6,000,000.00	6,000,000.00
The Steel Industry Co., Ltd.	Manufacturing pipe/ Selling hot rolled coils and structural steels	50,000	99.99	50,900,000.00	50,900,000.00
Liberty Steel Siam Co., Ltd.	Selling hot rolled coils and structural steels	450,000	99.99	297,500,005.00	297,500,005.00
Total				354,400,005.00	354,400,005.00
<u>Less</u> Allowance for Impairment Investment				(109,812,711.84)	(125,880,828.64)
Net				244,587,293.16	228,519,176.36

Movements of investments in subsidiaries for the years ended December 31, 2018 and 2017 were as follow:

	Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
At 1 January	354,400,005.00	338,850,005.00
Acquisitions	-	15,900,000.00
Dissolution	-	(350,000.00)
At 31 December	<u>354,400,005.00</u>	<u>354,400,005.00</u>

For the year ended 31 December 2018 and 2017, the movements of allowance for impairment investment were as follows:

	Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Beginning Carrying Amont	(125,880,828.64)	(228,652,605.64)
Increased during the year	-	(15,968,569.00)
Decreased during the year	16,068,116.80	118,740,346.00
Ending Carrying Amount	<u>(109,812,711.84)</u>	<u>(125,880,828.64)</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. Thus the Subsidiaries Company 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 to cause decrease in non-controlling interests from dissolution and liquidtion of subsidiary in amount of Baht 83,930.36 in the consolidated statement of financial position.

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%.

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 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 Subsidiaries	<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.

14. Non-controlling Interests

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

	As at 31 December 2018		(unit: Baht)
	The Steel Logistic Co., Ltd 40%	Eliminations	Total
Percentage of Non-controlling Interests			
Current Assets	27,123,750.43		
Non-Current Assets	209,899,120.39		
Current Liabilities	(203,484,726.83)		
Non-Current Liabilities	(3,527,418.00)		
Net Assets	30,010,725.99		
Carrying Amount of Non-controlling Interests	12,004,290.40	(1,758,905.61)	10,245,384.79
Revenue	167,206,204.31		
Profit(Loss) for the year	(1,225,657.11)		
Other Comprehensive Income	54,532.00		
Total Comprehensive Income	(1,171,125.11)		
Profit(Loss) Attributable to Non-Controlling Interests	(490,262.84)	-	(490,262.84)
Comprehensive Income Attributable to Non-Controlling Interests	(468,450.04)	-	(468,450.04)
Net Cash Provided from (Used in) Operating Activities	17,784,450.98		
Net Cash Provided from (Used in) Investing Activities	(20,982,992.17)		
Net Cash Provided from (Used in) Financing Activities	3,876,534.22		
Net Increase (Decrease) in Cash and Cash Equivalents	677,993.03		

	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		

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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 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
Less Accumulated Depreciation	-	(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
Transactions During the Year ended 31 December 2018							
Purchase	-	34,718,891.00	2,138,066.37	384,461.81	26,165,624.58	-	63,407,043.76
Transfer in	-	-	3,952,920.01	-	-	-	3,952,920.01
Disposal	-	-	(7,710,262.37)	-	(4,184,514.95)	-	(11,894,777.32)
Write off	-	-	(2,845.11)	(586,623.12)	-	-	(589,468.23)
Depreciation for the Year	-	(33,020,985.22)	(43,147,257.13)	(2,659,589.76)	(15,916,229.04)	-	(94,744,061.15)
Accumulated Depreciation for Disposal	-	-	1,274,292.93	-	2,791,290.60	-	4,065,583.53
Accumulated Depreciation for Write off	-	-	447.42	346,685.08	-	-	347,132.50
Ending Carrying Amount	439,180,889.43	518,457,289.98	178,779,264.93	6,276,161.06	167,178,060.37	304,623.09	1,310,176,288.86
As at 31 December 2018							
Costs	439,180,889.43	719,924,732.09	434,546,418.82	24,154,902.04	276,133,721.39	304,623.09	1,894,245,286.86
Less Accumulated Depreciation	-	(201,467,442.11)	(255,767,153.89)	(17,878,740.98)	(108,955,661.02)	-	(584,068,998.00)
Carrying Amount	439,180,889.43	518,457,289.98	178,779,264.93	6,276,161.06	167,178,060.37	304,623.09	1,310,176,288.86
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)							78,968,749.37
Depreciation for the year ended 31 December 2018 (Included in Cost of Sales amount of Baht 57.01 million, the rest included in Administrative Expenses)							94,744,061.15

	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 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
<u>Less</u> 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
Transactions During the Year ended 31 December 2017						
Purchase	-	15,986,075.64	8,027,597.95	1,513,441.12	7,230,000.00	32,757,114.71
Increased from Business Acquisition	123,472,000.00	189,462,601.64	35,431,250.58	2,307,096.70	-	350,672,948.92
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)	(1,801,856.80)	(3,966,677.39)	(45,591,666.29)
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
Ending Carrying Amount	392,030,066.00	412,047,980.77	78,276,070.83	6,807,209.25	9,369,477.41	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	1,211,187,990.58
<u>Less</u> 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	898,710,804.26

	Separate Financial Statements						Total
	Land	Building and improvement	Machine and factory equipment	Office equipment	Vehicles	Assets in progress	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
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
Transactions During the Year ended 31 December 2018							
Purchase	-	34,718,891.00	2,125,216.20	304,009.81	4,655,934.58	-	41,804,051.59
Transfer in	-	-	3,952,920.01	-	-	-	3,952,920.01
Disposal	-	-	(7,710,262.37)	-	(86,214.95)	-	(7,796,477.32)
Write off	-	-	(2,845.11)	(562,046.12)	-	-	(564,891.23)
Depreciation for the Year	-	(26,833,620.69)	(23,005,249.60)	(2,028,908.41)	(4,563,259.27)	-	(56,431,037.97)
Accumulated Depreciation for Disposal	-	-	1,274,292.93	-	84,775.89	-	1,359,068.82
Accumulated Depreciation for Write off	-	-	447.42	322,117.08	-	-	322,564.50
Ending Carrying Amount	392,030,066.00	419,933,251.08	54,910,590.31	4,842,381.61	9,460,713.66	180,000.00	881,357,002.66
As at 31 December 2018							
Costs	392,030,066.00	586,345,766.25	219,472,814.39	19,241,094.23	31,313,852.76	180,000.00	1,248,583,593.63
Less Accumulated Depreciation	-	(166,412,515.17)	(164,562,224.08)	(14,398,712.62)	(21,853,139.10)	-	(367,226,590.97)
Carrying Amount	392,030,066.00	419,933,251.08	54,910,590.31	4,842,381.61	9,460,713.66	180,000.00	881,357,002.66
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)							45,591,666.29
Depreciation for the year ended 31 December 2018 (Included in Cost of Sales amount of Baht 46.28 million, the rest included in Administrative Expenses)							56,431,037.97

As at 31 December 2018 and 2017, the subsidiary has a part of assets to the vehicles under financial leases agreements with carrying amount of Baht 90.73 million and Baht 102.66 million, respectively. The Company provided guarantees on liabilities under finance lease agreements from a financial institution to subsidiary.

As at 31 December 2018 and 2017, the subsidiary has mortgaged the land with buildings at the carrying amount of Baht 65.21 million and Baht 68.94 million respectively, as collateral the credit facilities for overdrafts and short-term borrowings with a financial institution.

16. Intangible Asset

Consist of:

	Consolidated Financial Statements Computer Software Baht	Separate Financial Statements Computer Software Baht
As at 31 December 2016		
Costs	2,469,340.00	2,401,340.00
<u>Less Accumulated Amortization</u>	<u>(1,136,084.43)</u>	<u>(1,068,086.43)</u>
Carrying Amount	1,333,255.57	1,333,253.57
Transactions During the Year Ended 31 December 2017		
Purchase	329,800.00	180,000.00
Increased from Business Acquisition	189,562.74	189,562.74
Amortization for the Year	(348,897.44)	(323,698.54)
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 Accumulated Amortization</u>	<u>(1,484,981.87)</u>	<u>(1,391,784.97)</u>
Carrying Amount	1,503,720.87	1,379,117.77
Transactions During the Year Ended 31 December 2018		
Amortization for the Year	(379,853.26)	(349,893.66)
Ending Carrying Amount	1,123,867.61	1,029,224.11
As at 31 December 2018		
Costs	2,988,702.74	2,770,902.74
<u>Less Accumulated Amortization</u>	<u>(1,864,835.13)</u>	<u>(1,741,678.63)</u>
Carrying Amount	1,123,867.61	1,029,224.11

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	As at
	31 December 2017	profit or (loss) for the year	other comprehensive income (expense)	31 December 2018
	Baht	Baht	Baht	Baht
Deferred Tax Assets				
Current Investments	8.97	(8.97)	-	-
Trade and Other Current Receivables	43,515,404.61	(17,210,901.25)	-	26,304,503.36
Inventories	373,572.03	1,608,310.66	-	1,981,882.69
Advance Payment for Inventories	-	45,458,927.96	-	45,458,927.96
Investment in Subsidiaries	21,982,451.93	(19,909.56)	-	21,962,542.37
Property, Plant and Equipment	1,660,774.93	957,497.25	-	2,618,272.18
Non-Current Provisions for Employee Benefits	1,698,125.02	624,863.77	(48,134.20)	2,274,854.59
Loss of Tax	23,055,178.79	(379,541.85)	-	22,675,636.94
Total	92,285,516.28	31,039,238.01	(48,134.20)	123,276,620.09
Deferred Tax Liabilities				
Property, Plant and Equipment	(25,674,581.68)	3,393,703.19	-	(22,280,878.49)
Liabilities under Finance Lease Agreements	14,684,280.44	(3,813,360.83)	-	10,870,919.61
Total	(10,990,301.24)	(419,657.64)	-	(11,409,958.88)
Deferred Tax Assets	81,295,215.04	30,619,580.37	(48,134.20)	111,866,661.21

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	As at 31 December 2016	From Business Acquisition	Recognized in Recognized in profit or (loss) for the year	Recognized in other comprehensive income (expense)	As at 31 December 2017
	Baht	Baht	Baht	Baht	Baht
Deferred Tax Assets					
Current Investments	895,326.31	-	(895,317.34)	-	8.97
Trade and Other Current Receivables	21,313,321.52	-	22,202,083.09	-	43,515,404.61
Inventories	369,726.28	-	3,845.75	-	373,572.03
Advance Payment for Inventories	2,331.51	-	(2,331.51)	-	-
Investment in Subsidiaries	-	-	21,982,451.93	-	21,982,451.93
Property, Plant and Equipment	-	1,660,774.93	-	-	1,660,774.93
Non-Current Provisions for Employee Benefits	2,284,731.17	-	328,386.85	(914,993.00)	1,698,125.02
Loss of Tax	-	-	23,055,178.79	-	23,055,178.79
Total	<u>24,865,436.79</u>	<u>1,660,774.93</u>	<u>66,674,297.56</u>	<u>(914,993.00)</u>	<u>92,285,516.28</u>
Deferred Tax Liabilities					
Property, Plant and Equipment	(4,451,423.35)	(5,142,997.66)	(16,080,160.67)	-	(25,674,581.68)
Liabilities under Finance Lease Agreements	(1,743,395.00)	-	16,427,675.44	-	14,684,280.44
Total	<u>(6,194,818.35)</u>	<u>(5,142,997.66)</u>	<u>347,514.77</u>	<u>-</u>	<u>(10,990,301.24)</u>
Deferred Tax Assets	<u>18,670,618.44</u>	<u>(3,482,222.73)</u>	<u>67,021,812.33</u>	<u>(914,993.00)</u>	<u>81,295,215.04</u>

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	As at 31 December 2017	Recognized in profit or (loss) for the year	Recognized in other comprehensive income (expense)	As at 31 December 2018
	Baht	Baht	Baht	Baht
Deferred Tax Assets				
Current Investments	8.97	(8.97)	-	-
Trade and Other Current Receivables	43,515,404.61	(17,210,901.25)	-	26,304,503.36
Inventories	373,572.03	1,608,310.66	-	1,981,882.69
Investment in Subsidiaries	21,982,451.93	(19,909.56)	-	21,962,542.37
Non-Current Provisions for Employee Benefits	1,241,491.80	286,427.40	(34,501.20)	1,493,418.00
Total	<u>67,112,929.34</u>	<u>(15,336,081.72)</u>	<u>(34,501.20)</u>	<u>51,742,346.42</u>
Deferred Tax Liabilities				
Property, Plant and Equipment	(4,092,061.36)	(42,680.82)	-	(4,134,742.18)
Total	<u>(4,092,061.36)</u>	<u>(42,680.82)</u>	<u>-</u>	<u>(4,134,742.18)</u>
Deferred Tax Assets	<u>63,020,867.98</u>	<u>(15,378,762.54)</u>	<u>(34,501.20)</u>	<u>47,607,604.24</u>

	Separate Financial Statements				As at 31 December 2017
	As at	From	Recognized in	Recognized in	
	31 December 2016	Business Acquisition	Recognized in profit or (loss) for the year	other comprehensive income (expense)	
	Baht	Baht	Baht	Baht	Baht
Deferred Tax Assets					
Current Investments	895,326.31	-	(895,317.34)	-	8.97
Trade and Other Current Receivables	21,313,321.52	-	22,202,083.09	-	43,515,404.61
Inventories	369,726.28	-	3,845.75	-	373,572.03
Advance Payment for Inventories	2,331.51	-	(2,331.51)	-	-
Investment in Subsidiaries	-	-	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					
Property, Plant and Equipment	-	(4,092,061.36)	-	-	(4,092,061.36)
Total	-	(4,092,061.36)	-	-	(4,092,061.36)
Deferred Tax Assets	24,057,223.17	(4,092,061.36)	43,594,235.52	(538,529.35)	63,020,867.98

18. Credit Facility and Guarantee

As at 31 December 2018 and 2017, 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 Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Overdrafts	225.00	225.00	105.00	105.00
Trust Receipts and Promissory Notes	6,270.00	5,970.00	6,270.00	5,970.00
Cheque Clearing	60.00	60.00	60.00	60.00
Letters of Guarantee	4.14	5.64	4.14	4.14
Total	6,559.14	6,260.64	6,439.14	6,139.14

19. Short – Term Borrowings from Financial Institutions

Consisted of :

	Consolidated/ Separate Financial Statements	
	As at	As at
	31 December 2018	31 December 2017
	Baht	Baht
Trust Receipt	1,059,254,375.28	399,220,474.83
Promissory Notes	2,010,000,000.00	2,255,000,000.00
Total	<u>3,069,254,375.28</u>	<u>2,654,220,474.83</u>

The consolidated and separate financial statements as at 31 December 2018 and 2017, trust receipts is carried by interest rates of 2.20% – 2.75% and 0.85% – 2.50% 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 2018 and 2017, 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Trade Payables – Domestic	241,537,858.31	444,916,543.40	232,912,190.36	553,363,216.81
Trade Payables – Overseas	-	596,353,365.00	-	596,353,365.00
Other Current Payables	25,302,241.76	37,400,774.44	25,296,236.78	42,704,569.82
Total	<u>266,840,100.07</u>	<u>1,078,670,682.84</u>	<u>258,208,427.14</u>	<u>1,192,421,151.63</u>

As at 31 December 2018 and 2017, other payables consist of :

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Accrued Interest Expenses	2,793,706.12	2,261,906.72	2,793,706.12	2,261,906.72
Accrued Commission Expenses	7,789,492.75	19,949,201.66	7,789,492.75	19,949,201.66
Other Payables	666,332.41	675,403.65	615,782.41	571,576.88
Accrued Expenses	14,052,710.48	14,514,262.41	14,097,255.50	19,921,884.56
Total	<u>25,302,241.76</u>	<u>37,400,774.44</u>	<u>25,296,236.78</u>	<u>42,704,569.82</u>

21. Liabilities under Finance Lease Agreements

Consisted of:

	Consolidated Financial Statements	
	As at	As at
	31 December 2018	31 December 2017
	Baht	Baht
Present Value of Minimum Lease Payments under Finance Lease Agreements		
- Within 1 year	21,423,757.92	21,423,757.92
- Over 1 year but not over 5 years	36,515,834.82	58,055,222.28
Total	<u>57,939,592.74</u>	<u>79,478,980.20</u>
<u>Less</u> Deferred Interest	<u>(3,584,994.74)</u>	<u>(6,057,578.03)</u>
Net	<u>54,354,598.00</u>	<u>73,421,402.17</u>

Minimum Lease Payments under Finance Lease Agreements

Current Liabilities

- Within 1 year	19,594,408.01	19,066,804.17
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Non - Current Liabilities

- Over 1 year but not over 5 years	34,760,189.99	54,354,598.00
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Total	<u>54,354,598.00</u>	<u>73,421,402.17</u>
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22. Non-Current Provisions for Employee Benefits

Non-current provisions for employee benefits has the movement are 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Non-Current Provisions for Employee Benefits at				
Beginning of Year	8,516,134.00	11,457,565.78	6,207,459.00	7,382,587.77
Included in Profit or Loss:				
Current Service Cost	2,921,778.00	1,810,036.34	1,365,124.00	1,407,235.00
Interest Expenses	342,373.96	285,668.91	232,355.00	228,783.00
Included in Other Comprehensive Income:				
(Gain (Loss) on Remeasurement of Defined Benefit Plans				
Financial Assumptions Changes	(240,671.00)	(1,304,824.00)	(172,506.00)	(1,204,343.00)
Demographic Assumptions Changes	-	(522,900.00)	-	(1,658,022.00)
Experience Adjustments	-	(2,747,241.03)	-	169,718.23
Paid Employee Benefits During the Year	(165,342.00)	(462,172.00)	(165,342.00)	(118,500.00)
Non-Current Provisions for Employee Benefits at				
End of Year	11,374,272.96	8,516,134.00	7,467,090.00	6,207,459.00

The consolidated financial statements as at 31 December 2018 and 2017, the weighted average duration of the non-current provisions for employee benefits of the Group is 6 – 20 years and 5 – 22 year respectively.

The separate financial statements as at 31 December 2018 and 2017, the weighted average duration of the non-current provisions for employee benefits of the Company is 7 – 9 years and 10 – 15 year respectively.

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

	Consolidated/Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2018	31 December 2017
Discount Rate	1.87 – 3.19 % per annum	1.87 – 3.19 % per annum
Average salary increase rate	2.35 – 6.45 % per annum	2.35 – 6.45 % per annum
Proportion of employees opting for early retirement	0 – 72 % per annum	0 – 72 % 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 non – current provisions for employee benefits by the amounts shown as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Discount Rate				
Rate Increase 0.50 %	(601,864.00)	(492,866.00)	(361,576.00)	(315,746.00)
Rate Decrease 0.50 %	652,457.00	535,630.00	388,028.00	339,699.00
Salary Increase Rate				
Rate Increase 0.50 %	682,917.00	517,066.00	410,608.00	327,000.00
Rate Decrease 0.50 %	(634,721.00)	(481,072.00)	(385,376.00)	(307,195.00)
Turnover Rate				
Rate Increase 0.50 %	(709,769.00)	(537,882.00)	(440,345.00)	(350,657.00)
Rate Decrease 0.50 %	578,565.00	456,246.00	473,109.00	376,343.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23. Share Capital

For the years ended 31 December 2018 and 2017, the Company has movements of share capital are as follows:

	For the year ended 31 December 2018			For the year ended 31 December 2017		
	Par value Per Share	Number of share	Amount	Par value Per Share	Number of share	Amount
	Baht	Shares	Baht	Baht	Shares	Shares
Authorized Share Capital						
Beginning Ordinary Shares	0.50	1,650,015,240	825,007,620.00	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>1,650,015,240</u>	<u>825,007,620.00</u>
Issued and Paid-up 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 to Receive	0.50	<u>2,050,000</u>	<u>1,025,000.00</u>	-	-	-
Ending Ordinary Shares	0.50	<u>1,102,060,160</u>	<u>551,030,080.00</u>	0.50	<u>1,100,010,160</u>	<u>550,005,080.00</u>

For the year ended 31 December 2018 and 2017, the Company has movements of share premium on ordinary shares are as follows:

	For the year ended 31 December 2018 Consolidated/Separate Financial Statements Baht	For the year ended 31 December 2017 Consolidated/Separate Financial Statements Baht
Beginning Share Premiums on Ordinary Shares	941,791,495.95	941,791,495.95
Increased During the Year	6,150,000.00	-
Decreased During the Year	-	-
Ending Share Premiums on Ordinary Shares	<u>947,941,495.95</u>	<u>941,791,495.95</u>

During the forth quarterly 2018, have expressed intention to exercise the right to exercise the warrant (THE-W2) 8.20 million units converted to common stock 2.05 million ordinary shares, of Bath 3.50 per share which be the cause of an increase of share premium on ordinary in amount of Baht 6.15 million.

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.

24. 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. 1/2019 held on 26 February 2019, approved allocation of net profit for year 2018 as legal reserve at least 5% in amount of Baht 4.41 million.

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.

25. Dividend Payment

25.1 In accordance with the minute of the Annual General Meeting of the Shareholders for year 2018 held on 26 April 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 the amount of Baht 110.00 million. (Actual payment of Baht 109.99 million) Moreover, there is to set the record date to receive the dividend on 14 March 2018 and the dividend paid on 24 May 2018.

25.2 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. 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	2,050,000	547,940,180	17 April 2020

27. 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.

28. Tax Income (Expenses)

28.1 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Income Tax (Expense) Revenue for				
Current Year	(4,622,716.68)	(40,628,588.08)	(4,008,441.06)	(40,500,959.85)
Deferred Income Tax				
Deferred Income Tax (Expense) Revenue	30,619,580.37	65,947,904.67	(15,378,762.54)	43,614,498.49
Income Tax (Expense) Revenue Recognized				
in Profit (Loss) for the Year	25,996,863.69	25,319,316.59	(19,387,203.60)	3,113,538.64

The differences between income tax (expense) revenue which were calculated from accounting profit (loss) at the tax rate for the year ended 31 December 2018 and 2017, in 20%, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Profit before Income Tax	(126,578,166.46)	187,107,812.50	107,427,661.08	190,793,740.69
Income Tax (Expense) Revenue Calculated				
at the Tax Rate of 20%	25,315,633.29	(37,421,562.50)	(21,485,532.22)	(38,158,748.14)
Expenses that are Not Deductible	(7,971,006.18)	(2,475,947.27)	(838,460.83)	(1,264,520.55)
Temporary Differences that Not Recognized				
as Deferred Tax Assets	4,943,414.46	41,749,107.22	2,936,789.45	42,536,807.33
Tax Loss in Prior Year which is Unrecognized				
as Deferred Tax Assets	3,708,822.12	23,467,719.14	-	-
Income Tax (Expense) Revenue Recognized				
in the Profit (Loss) for the Year	25,996,863.69	25,319,316.59	(19,387,203.60)	3,113,538.64

28.2 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
	Income Tax		
	Baht	Baht	Baht
For the Year Ended 31 December 2018			
Gain on Remeasurement of			
Defined Benefit Plans	240,671.00	(48,134.20)	192,536.80
For the Year Ended 31 December 2017			
Share of Other Comprehensive Income (Expense)			
of Associated	(216,821.25)	43,364.25	(173,457.00)
Gain on Remeasurement of			
Defined Benefit Plans	4,574,965.03	(914,993.00)	3,659,972.03

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 2018			
Gain on Remeasurement of			
Defined Benefit Plans	172,506.00	(34,501.20)	138,004.80
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

29. Basic Earning (Loss) Per Share

The Company is calculated basic earning (loss) per share by dividing the net profit (loss) for the parent 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 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Net Profit (Loss) Attributable to Shareholders of the Company	(100,216,039.93)	219,580,395.73	88,040,457.48	193,907,279.33
Weighted Average Number of Ordinary Shares During Period (Share)	1,100,358,379	1,100,010,160	1,100,358,379	1,100,010,160
Basic Earnings (Loss) per Share	(0.09)	0.20	0.08	0.18

30. Diluted Earnings (Loss) per Share

For the year ended 31 December 2018 and 2017, the Company does not present the diluted earnings (loss) per share due to the exercise price of warrants is higher than the fair value of ordinary shares.

31. Expenses by Nature

Expenses by nature for the year ended 31 December 2018 and 2017, as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Changes in finished goods (Increase) Decrease	1,477,725,616.14	(557,207,688.33)	897,629,038.60	(568,070,596.60)
Purchases of finished goods	9,190,060,316.43	13,488,914,400.90	9,973,858,920.72	12,759,227,332.13
Service cost of manufacturing	541,074.38	1,136,794.98	541,074.38	53,987,161.52
Depreciation and amortization	95,123,914.41	79,317,646.81	56,780,931.63	45,915,364.83
Employee benefit Expenses	186,082,263.50	179,589,946.87	137,331,801.62	115,192,520.34
Transportation and distribution expenses	52,662,114.33	30,578,008.11	48,992,505.79	52,149,024.72
Utilities expenses	19,353,677.05	17,994,794.84	19,203,570.69	11,197,088.26
Repairs and maintenance expenditure	63,592,757.46	82,508,281.93	2,055,568.01	2,416,737.09
Commission and sales promotion	22,769,842.20	58,149,224.25	22,769,842.20	55,350,982.20

32. Operating Segments

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

Thus mostly, the Group in one geographic which is Thailand. Thus all income profit and assets as shown on the financial statements were related to the business sector and geographical area as already said.

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 2018 and 2017, information based on operating sectors is as follow:

Consolidated Financial Statements					
For the year ended 31 December 2018					(‘000:Baht)
	A	B	C	Eliminate Items	Total
Revenue from Sales and Services					
External Customers	11,306,204	-	106,689	(128,156)	11,284,737
Inter-Segment	904,125	-	60,517	(964,642)	-
Total	12,210,329	-	167,206	(1,092,798)	11,284,737
Gross Profit	233,433	-	21,975	61,033	316,441
Other Income	83,894	-	468	(75,842)	8,520
Gain (Loss) on Exchange Rate	48,359	-	-	-	48,359
Distribution Costs	(88,441)	-	-	(11,853)	(100,294)
Administrative Expenses	(117,377)	-	(14,633)	(14,981)	(146,991)
Doubtful Debts	(142,525)	-	-	3,948	(138,577)
Share of Profit (Loss) of Associate	-	-	-	(24,537)	(24,537)
Finance Costs	(98,712)	-	(10,187)	19,275	(89,624)
Profit (Loss) Before Income Tax	(81,369)	-	(2,377)	(42,957)	(126,703)
Depreciation and Amortization	83,845	-	11,946	(667)	95,124
Assets as at 31 December 2018					
Investment in Associate	410,000	-	-	(70,391)	339,609
Other Assets	5,811,542	-	237,023	(1,287,479)	4,761,086
Total	6,221,542	-	237,023	(1,357,870)	5,100,695

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
A Gain from a Bargain Purchase	16,449	-	(6,816)	-	9,633
Other Income	25,420	22,457	644	(35,466)	13,055
Gain (Loss) on Exchange Rate	(13,368)	-	-	-	(13,368)
Distribution Costs	(128,054)	-	-	(8,067)	(136,121)
Administrative Expenses	4,843	(30,462)	(13,921)	(97,966)	(137,506)
Doubtful Debts and Reversal	(114,957)	-	-	-	(114,957)
Share of Profit of Associate	-	-	-	27,506	27,506
Finance Costs	(94,595)	(10,519)	(6,653)	14,384	(97,383)
Profit (Loss) Before Income Tax	286,576	(24,950)	(1,611)	(72,907)	187,108
Depreciation and Amortization	(46,015)	(26,382)	(9,289)	2,368	(79,318)
Assets as at 31 December 2017					
Investment in Associate	410,000	-	-	(42,666)	367,334
Other Assets	5,611,053	284,669	220,794	(735,923)	5,380,593
Total	6,021,053	284,669	220,794	(778,589)	5,747,927

Major Customers' Information

For the year ended 31 December 2018 , the Group have one major customer with revenue of 20 percent of revenues in the consolidated financial statements.

For the year ended 31 December 2017 , the Group have no major customer with revenue of 10 percent or more of revenues in the consolidated financial statements.

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 2018					
	Floating Interest	Fixed Interest	Non-Interest		Interest
	Rate	Rate	Bearing	Total	Rate
	Baht	Baht	Baht	Baht	% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	36,662,588.78	-	38,993,421.43	75,656,010.21	0.125-0.750
<u>Financial Liabilities</u>					
Short-Term Borrowings from					
Financial Institutions	-	3,069,254,375.28	-	3,069,254,375.28	2.20-3.95
Liabilities under Finance Leases					
Agreements	-	54,354,598.00	-	54,354,598.00	0.16-0.23

Consolidated Financial Statements					
As at 31 December 2017					
	Floating Interest	Fixed Interest	Non-Interest		Interest
	Rate	Rate	Bearing	Total	Rate
	Baht	Baht	Baht	Baht	% 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	0.85-3.95
Liabilities under Finance Lease					
Agreements	-	73,421,402.17	-	73,421,402.17	0.16-0.23

Separate Financial Statements

As at 31 December 2018

	Floating Interest	Fixed Interest	Non-Interest		Interest
	Rate	Rate	Bearing	Total	Rate
	Baht	Baht	Baht	Baht	% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	30,267,276.45	-	31,591,302.88	61,858,579.33	0.250-0.625
Short – Term Loans to Subsidiaries	-	415,500,000.00	-	415,500,000.00	5.50
<u>Financial Liabilities</u>					
Short – Term Borrowings from					
Financial Institutions	-	3,069,254,375.28	-	3,069,254,375.28	2.20-3.95

Separate Financial Statements

As at 31 December 2017

	Floating Interest	Fixed Interest	Non-Interest		Interest
	Rate	Rate	Bearing	Total	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	2.20-3.95
Short – Term Loans from Subsidiaries	-	30,000,000.00	-	30,000,000.00	5.50

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 2018	31 December 2017	31 December 2018	31 December 2017
USD Dollar	-	-	-	15,138,254.37

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

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 current receivable, borrowing, trade payable and other current payable, loan and liabilities under financial lease agreement. They are having its value nearly fair value. Since it have short-term installment.

34. Related Party Transactions

The Company has significant business transactions with the related parties. Such transactions are concluded on commercial terms and bases, agreed upon between the Company and those related parties which are in ordinary course of business, are summarized as follows:

34.1 Relationship of the Company

Person and Company's name	Relationship with the Company
The Steel Logistic Co., Ltd.	Subsidiary by 60% Shareholding
The Steel Industry Co., Ltd.	Subsidiary by 99.99% Shareholding
Liberty Steel Siam Co., Ltd.	Subsidiary by 99.99% Shareholding
Prime Steel Mill Co.,Ltd.	Associate by 50% Shareholding
Precision Perfect Pipe Co.,Ltd.	Related Entity by Common Shareholders and Directorship
Thaiethanol Power PCL.	Related Entity by Common Directorship
Taiping Ethanol Co., Ltd.	Related Entity by Directors being Close Relative of Directors
Kim Yuan Enterprise Co., Ltd.	Related Entity by Directors and Shareholders being Close Relative of Directors
Bearings Corporation Co., Ltd.	Related Entity by Directors being Close Relative of Directors

Person and Company's name	Relationship with the Company
K.S. Metaltech Co., Ltd.	Related Entity by Directors being Shareholder of Subsidiary
Kim Heng Loha Co., Ltd.	Related Entity by Directors being Relative of Directors
Kim Chua Steel Co., Ltd.	Related Entity by Directors being Relative of Directors
Kim Seng Steel Co., Ltd.	Related Entity by Shareholders being Relative of Directors
Kim Chai Steel Co., Ltd.	Related Entity by Directors being Relative of Directors
Kim Hong Metal Co., Ltd.	Related Entity by Directors being Relative of Directors
V. P. Steel & Wire Mesh Co., Ltd.	Related Entity by Directors Common Shareholding
Kim Logistic Co., Ltd.	Related Entity by Directors being Close Relative Directors of Related Company
Numthai Steel Co., Ltd.	Related Entity by Directors being Relative of Directors
Metal Inter Co., Ltd.	Related Entity by Directors being Relative of Directors
Mahachai Soon Ruam Lek Co., Ltd.	Related Entity by Directors being Relative of Directors
K Steel Center Co., Ltd.	Related Entity by Common Shareholders
G Steel PCL.	Related Entity by Shareholders being Close Relative of Directors
G J Steel PCL.	Related Entity by being Subsidiary of Related Company
Kyoei Global Logistic (Thailand) Co., Ltd.	Related Entity by Directors being Close Relative of Directors
Kyoei Transport (Thailand) Co., Ltd.	Related Entity by Directors being Close Relative of Directors
Mr. Rujira Jirapongtrakul	Related Person by being Close Relative of Directors
Mr. Suroj Jirapongtrakul	Related Person by Director of Company
Mr. Suwit Jiraphongtrakul	Related Person by Shareholding and Director of Related Company
Mr. Somsak Wongsirisup	Related Person by Former Director of Subsidiary Company (Resigned on 31 May 2017)
Mrs.Wanna Sittisirinukul	Related Person by Director of Related and Shareholding of Company
Mr. Ahitthan Jirapongtrakul	Related Person by being Close Relative of Directors

34.2 Inter - Transaction

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
Pricing Policy		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
Inter-Transactions with Subsidiary					
(Eliminated from the Consolidated Financial Statements)					
Revenue from Sales	As normal course of	-	-	580,181,646.54	1,316,085.00
and Rendering Services	business prices closed to other entities				
Interest Income	Interest rate	-	-	19,104,815.10	14,582,052.07

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
	Pricing Policy	31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
	5.50 % per annum				
Rental Income	Agreed price and contract price	-	-	420,000.00	2,220,000.00
Other Income	As normal course of business prices closed to other entities	-	-	1,319.00	5,520.00
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	-	-	323,943,096.35	1,807,266,972.74
Transportation Expenses	At normal course of business prices closed to other entities	-	-	60,516,775.16	58,048,730.25
Service Cost of Manufacturing	At normal course of business prices closed to other entities	-	-	-	52,850,366.54
Rental Expenses	contract price	-	-	40,000,000.00	15,000,000.00
Administrative Expenses of Manufacturing	contract price	-	-	12,200,000.00	3,600,000.00
Interest Expenses	Interest rate	-	-	170,273.98	113,013.70
	5.50 % per annum				
Inter - Transactions with Associate					
Revenue from Sales and Rendering Services	As normal course of business prices closed to other entities	2,308,552,611.63	1,263,572,725.21	1,798,848,397.50	1,238,911,324.05
Rental Income	contract price	480,000.00	280,000.00	480,000.00	280,000.00
Other Income	As normal course of business prices closed to other entities	6,000.00	114,000.00	6,000.00	114,000.00
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	1,804,478,140.83	927,850,936.75	1,929,446,262.92	927,850,936.75
Rental to building	contract price	480,000.00	320,000.00	-	-
Inter - Transactions with Related Companies					
Revenue from Sales	As normal course of business prices closed to other entities	402,373,875.67	829,713,317.54	333,773,458.64	172,883,262.65
Rental Income	contract price	320,000.00	192,000.00	320,000.00	192,000.00

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
	Pricing Policy	31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
Other Income	As normal course of business prices closed to other entities	258,842.46	272,460.00	258,842.46	167,460.00
Purchase of Raw Materials and Goods and Supplies	At normal course of business prices closed to other entities	765,131,543.02	5,043,864,487.95	459,189,534.02	3,175,343,750.45
Rental to Machine Expense	contract price	-	300,000.00	-	300,000.00
Repair Expenses	At normal course of business prices closed to other entities	4,264.00	856,000.00	4,264.00	-
Value from the Purchase of Asset	contract price	34,500,000.00	311,713,322.00	34,500,000.00	212,852,400.00
Inter - Transactions with Related Person					
Rental of Factory Building Expense	contract price	-	600,000.00	-	600,000.00
Value from the Purchase of Asset	contract price	3,500,000.00	157,100,000.00	3,500,000.00	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 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
Trade Receivable					
Subsidiary					
The Steel Logistic Co., Ltd.		-	-	1,704.51	856.00
The Steel Industry Co., Ltd.		-	-	620,703,337.97	-
Associate					
Prime Steel Mill Co., Ltd.		1,150,016,713.06	74,197,769.71	491,322,007.67	70,139,742.00
Related Parties					
Precision Perfect Pipe Co., Ltd		13,279,425.86	258,960.00	13,012,525.86	31,190.50
Thaiethanol Power PCL.		327,238.05	-	315,238.05	-
Taiping Ethanol Co., Ltd.		224,604.27	848,364.71	211,604.27	833,364.71
K.S. Metaltech Co., Ltd		18,433,708.46	2,535,089.42	18,346,019.26	2,497,407.82
Kim Heng Loha Co., Ltd.		545,958.30	2,395,411.77	545,958.30	2,395,411.77
Kim Chua Steel Co., Ltd.		11,969,827.05	1,226,153.45	11,969,827.05	1,226,153.45
Kim Chai Steel Co., Ltd.		2,096,735.51	1,573,565.54	2,096,735.51	1,573,565.54
Kim Hong Metal Co., Ltd.		2,271,269.74	1,008,989.46	2,271,269.74	1,008,989.46
Kim Logistic Co., Ltd.		-	725,754.80	-	-
Metal Inter Co., Ltd.		-	2,118,000.00	-	-

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
G Steel Public Co., Ltd.	747,433.85	5,349,938.56	-	-
Kyoei Global Logistic (Thailand) Co., Ltd	7,425,612.00	-	-	-
Total	<u>1,207,338,526.15</u>	<u>92,237,997.42</u>	<u>1,160,796,228.19</u>	<u>79,706,681.25</u>
Cheques Receive on Hand				
Related Party				
Kim Heng Loha Co., Ltd.	1,693,372.08	-	1,693,372.08	-
Kim Chua Steel Co., Ltd.	591,356.47	-	591,356.47	-
Kim Chai Steel Co., Ltd.	463,712.32	-	463,712.32	-
Kim Hong Metal Co., Ltd.	2,366,822.88	3,738,413.08	2,366,822.88	3,738,413.08
Total	<u>5,115,263.75</u>	<u>3,738,413.08</u>	<u>5,115,263.75</u>	<u>3,738,413.08</u>
Other Receivables				
Associate				
Prime Steel Mill Co.,Ltd.	42,800.00	-	42,800.00	-
Related Parties				
Precision Perfect Pipe Co., Ltd	16,050.00	16,050.00	16,050.00	16,050.00
Total	<u>58,850.00</u>	<u>16,050.00</u>	<u>58,850.00</u>	<u>16,050.00</u>
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	-	328,048,907.82
Short – Term Loan				
Subsidiaries				
The Steel Logistic Co., Ltd.	-	-	192,000,000.00	178,000,000.00
The Steel Industry Co., Ltd.	-	-	146,500,000.00	146,500,000.00
Liberty Steel Siam Co., Ltd.	-	-	77,000,000.00	-
Total	<u>-</u>	<u>-</u>	<u>415,500,000.00</u>	<u>324,500,000.00</u>
Accured Interest				
Subsidiaries				
The Steel Logistic Co., Ltd.	-	-	895,068.50	831,479.45
Accrued Income				
Subsidiaries				
Liberty Steel Siam Co., Ltd.	60,000.00	-	60,000.00	60,000.00
The Steel Industry Co., Ltd.	-	-	-	5,170,000.00

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
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>60,000.00</u>	<u>156,000.00</u>	<u>60,000.00</u>	<u>5,386,000.00</u>
Trade Payables				
Subsidiaries				
Liberty Steel Siam Co., Ltd.	-	-	603,584.33	118,640,438.29
Associate				
Prime Steel Mill Co.,Ltd.	100,633,269.78	-	100,633,269.78	-
Related Parties				
K.S. Metaltech Co., Ltd	6,584,116.61	782,226.71	6,584,116.61	782,226.71
Kim Yuan Enterprise Co., Ltd.	95,412.97	145,585.27	95,412.97	145,585.27
G Steel Public Co.,Ltd.	-	7,615,527.26	-	7,615,527.26
Bearings Corporation Co., Ltd.	1,487.30	40,028.70	1,487.30	40,028.70
Mahachai Soon Ruam Lek Co., Ltd.	-	150,032,779.44	-	150,032,779.44
Total	<u>107,314,286.66</u>	<u>158,616,147.38</u>	<u>107,917,870.99</u>	<u>227,256,585.67</u>
Other Payables				
Subsidiary				
The Steel Logistic Co., Ltd.	-	-	2,287,012.78	2,717,536.55
Advance Received				
Director				
Mr. Boonchai Jiraphongtrakul	24,000.00	-	24,000.00	-
Mr. Suwit Jiraphongtrakul	-	26,000.00	-	26,000.00
Mr. Suroj Jirapongtrakul	-	25,000.00	-	25,000.00
Total	<u>24,000.00</u>	<u>51,000.00</u>	<u>24,000.00</u>	<u>51,000.00</u>
Short – Term Loan				
Subsidiary				
Liberty Steel Siam Co., Ltd.	-	-	-	30,000,000.00

For the year ended 31 December 2018 and 2017, the movement of short-term borrowings and accrued interest income of subsidiaries are as follows:

	Separate Financial Statements			
	As at	Movement during the period		As at
	1 January 2018	Increase	Decrease	31 December 2018
	Baht	Baht	Baht	Baht
Short-Term Loan				
The Steel Logistic Co., Ltd.	178,000,000.00	16,000,000.00	(2,000,000.00)	192,000,000.00
The Steel Industry Co., Ltd.	146,500,000.00	-	-	146,500,000.00
Liberty Steel Siam Co., Ltd.	-	80,000,000.00	(3,000,000.00)	77,000,000.00
Accured Interest				
The Steel Logistic Co., Ltd.	831,479.45	10,187,054.83	(10,123,465.78)	895,068.50
The Steel Industry Co., Ltd.	-	8,057,500.01	(8,057,500.01)	-
Liberty Steel Siam Co., Ltd.	-	860,260.26	(860,260.26)	-
Total	325,331,479.45	115,104,815.10	(24,041,226.05)	416,395,068.50

	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				
The Steel Logistic Co., Ltd.	57,000,000.00	134,000,000.00	(13,000,000.00)	178,000,000.00
The Steel Industry Co., Ltd.	137,800,000.00	8,700,000.00	-	146,500,000.00
Accured Interest				
The Steel Logistic Co., Ltd.	269,123.29	6,652,739.73	(6,090,383.57)	831,479.45
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	325,331,479.45

For the year ended 31 December 2018 and 2017, the movement of short-term borrowing and accrued interest expense of subsidiaries are as follows:

	Separate Financial Statements			
	As at	Movement during the period		As at
	1 January 2018	Increase	Decrease	31 December 2018
	Baht	Baht	Baht	Baht
Short-Term Loan				
Liberty Steel Siam Co., Ltd.	30,000,0000.00	50,000,0000.00	(80,000,000.00)	-
Accured Interest				
Liberty Steel Siam Co., Ltd.	-	170,273.98	(170,273.98)	-
Total	30,000,0000.00	50,170,273.98	(80,170,273.98)	-

	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
Accured Interest				
Liberty Steel Siam Co., Ltd.	-	113,013.70	(113,013.70)	-
Total	-	30,113,013.70	(113,013.70)	30,000,000.00

34.4 Inter – Guarantees

34.4.1 At 31 December 2018 and 2017, the Company and former director has obligation from guarantee the credit facilities infrom of overdrafts facilities and short - term borrowings with the financial institutions for subsidiaries in amount of Baht 120 million equally for both periods.

34.4.2 As at 31 December 2018 and 2017, the Company has obligation from guarantee the credit facilities infrom of long-term borrowings 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 equally for both periods.

34.5 Inter – Obligations

34.5.1 As at 31 December 2018 and 2017, the Company has obligations with the subsidiary as in Note 36.2, 36.5.

34.5.2 As at 31 December 2018 and 2017, the subsidiary has obligations with the associate as in Note 36.4.

34.6 Key Management Personal Compensation

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Short – Term Employee Benefits	25,025,160.00	20,789,711.00	15,757,560.00	15,375,594.00
Post – Employee Benefits				
- Defined Contribution Plan	211,200.00	205,200.00	211,200.00	205,200.00
- Defined Benefit Plans	1,431,163.00	334,319.00	303,643.00	187,316.85
Total	<u>26,667,523.00</u>	<u>21,329,230.00</u>	<u>16,272,403.00</u>	<u>15,768,110.85</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. Cash Flow Information

35.1 Non-Cash Flow Transaction

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Fixed Assets Increased from Transfer in				
Inventories	3,952,920.01	-	3,952,920.01	-
Fixed Assets Increased				
from Business Acquisition	-	12,168,812.63	-	20,688,858.91
Fixed Assets Increased from Transfer in				
Deposit for Assets	-	3,738,317.76	-	3,738,317.76
Other Intangible Assets Decreased from				
Business Acquisition	-	127,237.26	-	127,237.26
Other Non – Current Assets Increase				
from Receive in Trade Receivable	1,378,172.23	-	1,378,172.23	-
Employee Benefits Obligation Payables	165,342.00	-	165,342.00	-
Gain on Remeasurements of				
Defined Benefit Plans	(240,671.00)	(4,574,965.03)	(172,506.00)	(2,692,646.77)

35.2 Changes in Liabilities arising from Financing Activities

For the year ended 31 December 2018 and 2017, changes in liabilities arising from financing activities have the movements as follows:

Consolidated Financial Statements				
For the year ended 31 December 2018				
	Beginning Carrying Amount Baht	Changes from Financing Cash Flows Baht	Other Changes Baht	Ending Carrying Amount Baht
Short - Term Borrowings from				
Financial Institutions	2,654,220,474.83	421,678,522.67	(6,644,622.22)	3,069,254,375.28
Liabilities under Finance Lease				
Agreement				
- Current	19,066,804.17	(19,066,804.17)	19,594,408.01	19,594,408.01
- Non-Current	54,354,598.00	-	(19,594,408.01)	34,760,189.99
Payable for Assets	44,940.00	(44,940.00)	-	-
Accrued Interest	2,261,906.72	(89,092,436.21)	89,624,235.61	2,793,706.12
Accrued Dividend	108,400.41	(109,978,606.44)	109,998,036.00	127,829.97
Total	<u>2,730,057,124.13</u>	<u>203,495,735.85</u>	<u>192,977,649.39</u>	<u>3,126,530,509.37</u>

Consolidated Financial Statements				
For the year ended 31 December 2017				
	Beginning Carrying Amount Baht	Changes from Financing Cash Flows Baht	Other Changes Baht	Ending Carrying Amount Baht
Short - Term Borrowings from				
Financial Institutions	3,004,494,665.14	(351,465,156.36)	1,190,966.05	2,654,220,474.83
Long - Term Borrowings				
- Current	1,073,820.84	(1,073,820.84)	-	-
Liabilities under Finance Lease				
Agreement				
- Current	9,837,616.38	(10,189,664.71)	19,418,852.50	19,066,804.17
- Non-Current	73,773,450.50	-	(19,418,852.50)	54,354,598.00
Payable for Assets	3,185,501.00	(3,185,501.00)	44,940.00	44,940.00
Accrued Interest	1,029,956.49	(96,151,355.51)	97,383,305.74	2,261,906.72
Accrued Dividend	106,759.53	(54,997,377.12)	54,999,018.00	108,400.41
Total	<u>3,093,501,769.88</u>	<u>(517,062,875.54)</u>	<u>153,618,229.79</u>	<u>2,730,057,124.13</u>

Separate Financial Statements

For the year ended 31 December 2018				
	Beginning	Changes from	Other Changes	Ending
	Carrying Amount	Financing Cash Flows		Carrying Amount
	Baht	Baht	Baht	Baht
Short – Term Borrowings from				
Financial Institutions	2,654,220,474.83	421,678,522.67	(6,644,622.22)	3,069,254,375.28
Short - Term Borrowings from				
Subsidiaries	30,000,000.00	(30,000,000.00)	-	-
Payable for Assets	44,940.00	(44,940.00)	-	-
Accrued Interest	2,261,906.72	(86,905,756.44)	87,437,555.84	2,793,706.12
Accrued Dividend	108,400.41	(109,978,606.44)	109,998,036.00	127,829.97
Total	<u>2,686,635,721.96</u>	<u>194,749,219.79</u>	<u>190,790,969.62</u>	<u>3,072,175,911.37</u>

Separate Financial Statements				
For the year ended 31 December 2017				
	Beginning	Changes from	Other Changes	Ending
	Carrying Amount	Financing Cash Flows		Carrying Amount
	Baht	Baht	Baht	Baht
Short – Term Borrowings from				
Financial Institutions	3,003,218,981.14	(350,189,472.36)	1,190,966.05	2,654,220,474.83
Short - Term Borrowings from				
Subsidiaries	-	30,000,000.00	-	30,000,000.00
Payable for Assets	535,535.00	(535,535.00)	44,940.00	44,940.00
Accrued Interest	1,029,246.58	(93,358,376.80)	94,591,036.94	2,261,906.72
Accrued Dividend	106,759.53	(54,997,377.12)	54,999,018.00	108,400.41
Total	<u>3,004,890,522.25</u>	<u>(469,080,761.28)</u>	<u>150,825,960.99</u>	<u>2,686,635,721.96</u>

36. Obligation and Contingent Liabilities

In addition to the liabilities presented in the consolidated and separate statements of financial position, the Company and its subsidiaries have obligations and contingent liabilities as follows:

36.1 As at 31 December 2018 and 2017, the Company and its subsidiaries have obligations and contingent liabilities with the financial institutions as follows:

Consolidated Financial Statements

	As at 31 December 2018			As at 31 December 2017		
	Total	Utilized	Remaining	Total	Utilized	Remaining
	credit lines	credit lines	credit lines	credit lines	credit lines	credit lines
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Letters of Guarantee	4.14	(4.14)	-	5.64	(5.24)	0.40
Letters of Credit/Trust Receipts	4,260.00	(1,124.07)	3,135.93	3,715.00	(1,376.99)	2,338.01
Overdrafts	225.00	-	225.00	225.00	-	225.00
Promissory Notes	2,010.00	(2,010.00)	-	2,255.00	(2,255.00)	-
Cheque Clearing	60.00	(4.09)	55.91	60.00	(7.14)	52.86

Separate Financial Statements

	As at 31 December 2018			As at 31 December 2017		
	Total	Utilized	Remaining	Total	Utilized	Remaining
	credit lines	credit lines	credit lines	credit lines	credit lines	credit lines
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Letters of Guarantee	4.14	(4.14)	-	4.14	(4.14)	-
Letters of Credit/Trust Receipts	4,260.00	(1,124.07)	3,135.93	3,715.00	(1,376.99)	2,338.01
Overdrafts	105.00	-	105.00	105.00	-	105.00
Promissory Notes	2,010.00	(2,010.00)	-	2,255.00	(2,255.00)	-
Cheque Clearing	60.00	(4.09)	55.91	60.00	(7.14)	52.86

36.2 As at 31 December 2018 and 2017, the Company has obligations on building and machine rental agreement which are classified as operating lease agreements with the subsidiary as follows:

Separate Financial Statements

	As at	As at
	31 December 2018	31 December 2017
	Million Baht	Million Baht
Not over 1 year	28.00	17.50
Over 1 year but not over 5 years	-	-
Over 5 years	-	-
Total	28.00	17.50

36.3 As at 31 December 2018 and 2017, the Company has obligations on area and building rental agreements which are classified as operating lease agreements with other entities as follows:

Separate Financial Statements		
	As at	As at
	31 December 2018	31 December 2017
	<u>Million Baht</u>	<u>Million Baht</u>
Not over 1 year	0.51	0.42
Over 1 year but not over 5 years	0.24	0.46
Over 5 years	0.12	-
Total	<u>0.87</u>	<u>0.88</u>

36.4 As at 31 December 2018 and 2017, the subsidiary has obligations on area and building rental agreements which are classified as operating lease agreements with the associate as follows:

Consolidated Financial Statements		
	As at	As at
	30 September 2018	31 December 2017
	<u>Million Baht</u>	<u>Million Baht</u>
Not over 1 year	0.48	0.48
Over 1 year but not over 5 years	0.16	0.64
Over 5 years	-	-
Total	<u>0.64</u>	<u>1.12</u>

36.5 As at 31 December 2018 and 2017, the Company has obligation on control manufacturing service agreements with subsidiary in amount of Baht 10.80 million and Baht 18.00 million, respectively.

36.6 As at 31 December 2018 and 2017, the Company has obligation on contract service agreements with other entity in amount of Baht 1.07 million and Baht 1.01 million, respectively.

36.7 As at 31 December 2018 and 2017, the subsidiary has obligation on contract service agreements with other entity in amount of Baht 0.57 million and Baht 0.79 million, respectively.

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.

For the year ended 31 December 2018 and 2017, the Group has paid contribution to provident fund in the amount of Baht 0.86 million and Baht 0.85 million, respectively.

For the year ended 31 December 2018 and 2017, the Company has paid contribution to provident fund in the amount of Baht 0.85 million and Baht 0.71 million, respectively.

38. Correction of Accounting Errors for Prior Period

The Company has made the retroactive adjustments to correct the accounting error for prior period concerning to the recognition for investment in associate, premium (discount) on change of interest in associated and share of profit (loss) of associate which has the effect on the consolidated financial statements as follows:

	Consolidated Financial Statements		
	As previously reported	Adjustments	As currently reported
	Baht	Baht	Baht
Statement of Financial Position as at 1 January 2017			
Retained Earnings Unappropriated	384,584,669.25	(4,450,843.03)	380,133,826.22
Other Components of Shareholder's Equity	(202,360,859.69)	4,450,843.03	(197,910,016.66)
Statement of Financial Position as at 31 December 2017			
Investment in Associate	367,507,595.15	(173,457.00)	367,334,138.15
Retained Earnings Unappropriated	524,114,635.19	14,632,074.39	538,746,709.58
Other Components of Shareholder's Equity	(189,192,356.40)	(14,805,531.39)	(203,997,887.79)
Statement of Comprehensive Income			
For the Year ended 31 December 2017			
Share of Profit (Loss) of Associate	8,423,442.59	19,082,917.42	27,506,360.01
Profit for The Year	193,344,211.67	19,082,917.42	212,427,129.09
Other Comprehensive Income (Expense)	3,659,972.03	(173,457.00)	3,486,515.03
Basic Earnings Per Share	0.18	0.02	0.20

39. Reclassification

The Company has reclassified some items in the financial statements for prior period which presented as comparative so as to comply with the classification of financial statements for current year, which does not have any effect on the profit (loss) for the year or the shareholders' equity already presented are summarized as follows:

	Consolidated Financial Statements		
	As previously	Adjustments	As currently
	reported		reported
	Baht	Baht	Baht
Statement of Comprehensive Income			
For the Year ended 31 December 2017			
A Gain from a Bargain Purchase	16,449,297.32	(6,816,037.01)	9,633,260.31
Loss from Impairment of Goodwill Arising from			
Business Acquisition	(6,816,037.01)	6,816,037.01	-

40. Events After the Reporting Period

- 40.1 In accordance with the Company's board of directors meeting No. 1/2019 held on 30 January 2019, has passed the resolution and the invest in Blox Co.,Ltd. which will operate business of prefabricated homes thus the Company have invest in 20% of authorized share capital.
- 40.2 In accordance with the Company's board of directors meeting No. 2 /2019 held on 26 February 2019, has passed the resolution to pay the dividend from the operating result for the year 2018 to the shareholders of 1,102,060,160 ordinary shares at Baht 0.05 per share, aggregated to in amount of Baht 55.10 million. Moreover, there is to set the record date to receive the dividend on 12 March 2019 and the dividend will be paid on 24 May 2019. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2019.

41. Approval of the Financial Statement

These financial statements have been approved by Board of the Company on 26 February 2019.

Information of Director and Managements of the Company (at December 31, 2018)

	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	74	- 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 2006 - Present 2012 - Present 2017 - Present 2016 - Present 2015 - Present 2003 - 2013	- Chairman of the Board of Director (Independent Director) / Chairman of the Audit Committee , The Steel Public Company Limited - Director (Independent Director) / Chairman of Audit Committee Thai Ethanol Power Public Company Limited - Chairman of Board of Director (Independent Director) / Chairman of Audit Committee, Buriram Sugar Public Company Limited - Director, Beston Golbal Food (Thailand) Co.,Ltd. - Consultant, Thai Ethanol Manufacturing Association - Director , Paksong Hiland Co.,Ltd. - Chairman of Council Ramkhamhaeng University
2	Mr.Boonchai Jirapongtrakul Director/ Chairman of the Executive Committee/ Managing Director	49	- year 12, Brisbane International College Australia - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 79	17.06	-	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, Precision 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	51	- Bachelor Degree of Business Administration, Abac University - Director Accreditation Program (DAP) 137	13.68	-	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 Ngamchamnunnith Director/ Executive Director	38	- Master Degree in Administrative Maryhurst University - Bachelor Degree of Business Administration, ABAC University - Director Accreditation Program (DAP) 137	14.52	-	2015 - Present 2017 - Present 2016 - Present 2015 - Present 2013 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present 2015 - 2017 2017 - Present	- Director/ Executive Director The Steel PLC. - 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. - Director , Prime Steel Mill Co.,Ltd.
5	Ms.Proudpalin Vacharabenjapat Director/ Nomination and Remuneration Committee	41	- 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	72	- 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 Thanakuvudhikom Independent Director/ Audit Committee	64	- 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 Wangphomphra Executive Director/ Production Manager	46	- 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	46	- Secondary School	None	-	1996 - Present	- Executive Director/ Purchasing Manager The Steel Public Company Limited
10	Mr.Pornthep Pripaisakij Chief Financial Officer	58	- Master Degree in Administrative, Thammasat University	0.02	-	2009 – Present	- Chief Financial Officer The Steel Public Company Limited
12	Ms.Thitima Nontavech Company Secretary	35	Bachelor of Business Administration,UTCC	None	-	2016-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	1,3,5	1,3,5	5	5	5
2. Mr.Suroj	Jiraphongtrakul	5,8		5	5	5		
3. Mr.Nirut	Ngamchamnunrith	5,8		5	5			
4. Ms.Proudpalin	Vacharabenjapat	5						
5. Mr.Prachuab	Chaiyasan	1,2,6						2,6
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						

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	1,2,3		
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

1401 ถนนเอกชัย แขวงบางบอนใต้ เขตบางบอน กรุงเทพฯ 10150
1401 Ekachai Road Bangbontai Bangbon Bangkok 10150
Tel. 0-2894-8889
โทรศัพท์ 0-2408-0272