

**MILLCON STEEL PLC.**  
**2018 ANNUAL REPORT**

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## MILLCON STEEL

To ensure all relevant work units operating in alignment with one another and moving toward the same common goal, MILL has established clear Vision and Mission that is responsive to the Vision, as well as creating and instill strong Core Values in the work spirits of the employees of all levels to jointly drive the organization efficiently, firmly with sustainability toward the targets set forth.

# THINK BEYOND STEEL

## VISION

We will create SYNERGY from people, technology, and expertise of our partners to deliver solution BEYOND STEEL to the ASEAN region.

Our corporation will elevate the construction and production industries by delivering unparalleled values through the VALUE CHAIN.

The key to our success is our LEVERAGE OF INNOVATION in products, services, processes, and business model to unlock full value potentials for customers, shareholders and business partners

## MISSION

To drive evolution in the value chain and deliver the best solution to the construction and production industries.

## CORE VALUES

INTEGRITY

CHANGE & CONTINUOUS IMPROVEMENT

CHALLENGE TOWARD EXCELLENCE

COMMITMENT & EXECUTION

COLLABORATION



# Message from the Chairman

## Message from the Chairman

Dear Shareholders

In the year 2018, the operation of the company had to face a huge challenge. In terms of world steel price volatility due to the economic slowdown in many countries including the impact of countermeasures on trade measures between China and the United States and dumping of Turkish steel products resulting in more intense competition in the steel industry causing the price level from rising in the first half of the year has continuously declined in the second half of the year which the Board of Directors has assigned the management to observe closely. However, the company group can still maintain revenue levels from the previous year, in the past year, the Board of Directors has approved transactions that are beneficial to the company, such as selling assets that are not in use, investment in energy business and logistics, etc., which help to support the core business of the company to perform more efficiently.

The company knows that financial strength is necessary which in the year 2019, the company has plans for management and drive business with partial restructuring of business (Partial Business Transfer: PBT) in order to increase the efficiency of business operations and management of the

company group to be flexible and able to clearly measure the performance of each business making the management of the company group more agile including being able to respond to the vision of business operations of the company group. Moreover, in terms of good corporate governance. The company has given importance to every department in the business operation by organizing training to review knowledge for the management and employees in the organization by adhering to the principles of good governance, ethics and code of conduct, as well as giving importance to anti-corruption to focus on implementing throughout the organization.

Finally, on behalf of the Board of Directors I would like to thank all shareholders, customers and all related parties that trust and support the company group as well, including executives and employees at all levels that together overcome the obstacles and challenges that have passed and hope that the business with good governance will help promote the company to have sustainable growth results and for the maximum benefit of shareholders.



On Behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Winai Phattiyakul".

(General Winai Phattiyakul)  
The Chairman of the Board



On the name of Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Pravit Horrungrueng'.

(Mr. Pravit Horrungrueng)  
Chief Executive Officer

# Message from Chief Executive Officer

## Message from Chief Executive Officer

For the year 2018, the situation of the Thai steel industry is highly volatile in terms of price with fluctuations according to the world steel industry. However, in the year 2019, I believe that the overall picture of the Thai economy should have strong growth from the new government to administrate the country including public and private sector projects that will support the business of the Group to grow sustainably.

By in the present, technology has an important part in business operations which the company has focused on this issue because it will help the business to be more efficient both in the production process to help reduce production costs, distribution to help expand the market to reach sub-contractors both in Bangkok and provinces and help increase logistics efficiency.

Moreover, the company also takes into account sustainable business operations and social responsibility began to adjust the energy structure within the new plant starting to change from LPG to LNG instead because it is a relatively clean fuel gas can burn completely and without soot will help reduce the impact on the air environment as well.

Finally, I would like to thank the shareholders, management and staff at all levels that has always supported the company which I firmly believe that doing business with good governance and ethical will help create maximum benefits for stakeholders, whether shareholders, investors, executives and employees





**Head Office Location**

(Rolling Mill - Bangkok, 9,11,13  
Banggradee Soi 32, Banggradee Road,  
Samaredum, Bangkhuntien, Bangkok 10150  
Factory Flat Product)  
Tel. 0 2896 4444  
Fax. 0 2896 9622, 0 2896 4420

**Branch Office 1 (Admin Office)**

52 Thaniya Plaza Building, Floor 29, Silom Road,  
Suriyawongse, Bangrak, Bangkok 10500  
Tel. 0 2652 3333  
Fax. 0 2632 9899

**Branch Office 2**

(Rolling – Rayong)  
99 Moo 3 Tumbon Nikhom Phatthana,  
Amphoe Nikhom Phatthana, Rayong 21180  
Tel. 0 386 6041-2  
Fax. 0 3860 6043

Type of Business Production and distribution  
of steel bar, deformed steel and structural steel

**Registration no.** 017550000076

Home Page [www.millconsteel.com](http://www.millconsteel.com)

# General Information of Mill

## General Information of MILL

### Registered Capital

Baht 2,773.52 million

### Ordinary shares

Baht 2,696.67 million

### Preferred shares

Baht 76.85 million

### Paid Capital

Baht 1,810.11 million

### Ordinary shares

Baht 1,733.27 million

### Preferred shares

Baht 76.85 million

### Share Type and Value

#### Ordinary shares /

Preferred shares each  
of Baht 0.40 par value

### NAME AND LOCATION OF REFERENCE PARTIES

Share Registrar (Ordinary share)	Thailand Securities Depository Co., Ltd.
Location	93 The Stock Exchange of Thailand Building Rachadapisek Road, Dindaeng, Dindaeng Bangkok 10400, Thailand
SET Contact Center	0 2009 9999
Website	www.set.or.th/tsd
Share Registrar (Preferred share)	Millcon Steel Public Company Limited
Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Tel.	0 2652 3333
Fax.	0 2632 7800
Share Registrar (convertible debentures)	Millcon Steel Public Company Limited
Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Tel.	0 2652 3333
Fax.	0 2632 7800
Auditor	Ms. Wanya Puttasatiarn C.P.A. (Thailand) Registration No. 4387
	Mr. Cherdasakul Onmomgkol C.P.A. (Thailand) Registration No. 7195
	Ms. Waraporn Intaraprasit C.P.A. (Thailand) Registration No. 7881
	Ms. Chonticha Lertwilai C.P.A. (Thailand) Registration No. 12258
	Ms. Waraporn Phanpakdeenuphong C.P.A. (Thailand) Registration No. 12261
Location	CWWP Company Limited. 128/151-153 Phayatai Plaza Building, 14th Floor, Phayatai Road., Thungphayatai, Ratchatavee, Bangkok 10400
Tel.	0 2214 6466 - 70
Fax.	0 2214 6067



MILLCON

# General Information of Subsidiaries

## General Information of Subsidiaries

### MILLCON BURAPA COMPANY LIMITED

Head Office Location (Factory)	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180
Tel.	0 3860 6041 - 2
Fax.	0 3860 6043
Branch Office 1 (Admin Office)	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Tel.	0 2652 3333
Fax.	0 2632 9899
Type of Business	Production and distribution of Billet
Registration no.	0215537001304
Registered Capital	Baht 3,399.99 million
Paid Capital	Baht 3,399.99 million
Share Type and Value	Ordinary shares each of Baht 5.00 per share
Shareholding	99.10 %

### MILLCON (HK) LIMITED

Head Office Location	WYNDHAM PLACE 26/F 44 WYNDHAM ST CENTRAL, HONGKONG
Type of Business	Acquisition TSSI's assets
Registered Capital	\$32,000 USD
Shareholding	100 %

### MILLCON THIHA LIMITED

Head Office Location	NO. 68/C SAYAR SAN ROAD. BAHAN TOWNSHIP, YANGON REGION, MYANMAR
Type of Business	Distribution Steel and construction equipment
Registration no.	NO.17FC of 2014-2015
Registered Capital	\$100,000 USD
Shareholding	51 %



## SAHARUAM CONSTRUCTION MATERIAL COMPANY LIMITED

Head Office Location	9,11,13 Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150
Type of Business	Distribution of steel and construction material
Registration no.	0105558082487
Registered Capital	Baht 50,000,000
Shareholding	99.99 %

## MILLCON STEEL PIPE COMPANY LIMITED

Head Office Location	11, Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150
Type of Business	Production and distribution of structural steel
Registration no.	0105558082452
Registered Capital	Baht 150,000,000
Shareholding	99.99 %

## SUNTECH METALS COMPANY LIMITED

Head Office Location	339 Moo 6 Pakruam-Ao Udom Road, Bowin, Siracha, Chonburi 20110
Type of Business	Metal scrap management for distribution
Registration no.	0205548021174
Registered Capital	Baht 716,000,000
Shareholding	99.99 %

## SIAM SOLAR GENERATION COMPANY LIMITED

Head Office Location	89 Moo.11 Tumbol Bantan, Bamnetnarong, Chaiyaphum Province
Type of Business	Produce and distribute electricity
Registration no.	0505551003901
Registered Capital	Baht 1,111,111,000
Shareholding	90.00 %

# General Information of Associates.

## General Information of Associates.

### IGEN ENGINEERING COMPANY LIMITED

Head Office Location	52 Thaniya Plaza Building, Floor 27, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Type of Business	Produce electrical equipment and service electric power system
Registration no.	0105551028657
Registered Capital	Baht 270,000,000
Shareholding	39.99 %

### KOBELCO MILLCON STEEL COMPANY LIMITED

Head Office Location	119 Ban Leang – Nata kwan Road, Ban Leang, Muang Rayong, Rayong 21000
Type of Business	Production and sale of special steel and ordinary steel wire rods
Registration no.	0105557054161
Registered Capital	Baht 2,830,000,000
Shareholding	50%

### BULK ONE GROUP COMPANY LIMITED

Head Office Location	299/307 Pongpech 2 Village Soi 4 Changwattana Road, Thungsonghong Laksi Bangkok 10210
Type of Business	<ul style="list-style-type: none"> <li>- To develop ERP system for construction management.</li> <li>- To offer services to set up management system for organization.</li> <li>- To research and development of product to serve the demand of customers.</li> </ul>
Registration no.	0105548064982
Registered Capital	Baht 9,633,970
Shareholding	34.60%

### BEGISTICS PUBLIC COMPANY LIMITED

Head Office Location	3656/64 Green Tower Building, 19th Floor, Unit K, Rama 4 Road, Klongton, Klongtoey Bangkok, 10250
Type of Business	Transportation & Logistics
Registration no.	0107545000357
Registered Capital	Baht 883,349,453.52
Shareholding	24.98%

### WISDOM TREE INVESTMENT(S) PTE. LIMITED

Head Office Location	1RafflesPlace #39-01 One Raffles Place Singapore (048616)
Type of Business	Investment in Millcon Thiha GEL Limited at Myanmar
Registration no.	201422739E
Registered Capital	12,000,100 USD
Shareholding	45%







# Summary of Financial Information

## Summary of Financial Information

Summary of Financial Information of MILLCON STEEL Public Company Limited and its Subsidiaries  
for Fiscal Years Ending December 31, 2016 to December 31, 2018

(million baht)

	Consolidated		
	2018	2017	2016
<b>Consolidated Financial Statement</b>			
Sales of goods and services	20,318.73	19,623.76	19,213.59
Total revenues	21,758.11	19,810.30	19,700.46
Profit for the year	-411.34	123.08	393.92
Net cash inflows (out flows) from operating activities	-1,847.06	1,135.90	316.12
Total assets	23,589.34	19,422.09	18,828.61
Total liabilities	18,272.51	13,565.45	13,059.53
Total shareholders' equity	5,316.83	5,876.63	5,769.08
<b>Investor ratio</b>			
BVS	1.17	1.45	1.53
EPS	-0.10	0.03	0.10
<b>Financial Ratio</b>			
Gross profit margin ratio	1.70	7.39	7.66
Operating profit margin	1.65	3.84	5.10
Net profit margin	-1.89	0.62	2.01
Return on equity	-7.09	2.16	6.83



# Board of Directory name lists

## Board of Directory name lists



**General Winai Phattiyakul**  
Chairman of the Board /  
Chairman of Audit Committee /  
Independent Director



**POI.Gen. Soontorn Saikwan**  
Vice Chairman of the Board /  
Independent Director



**Mr. Pratana Bongkojmas**  
Director / Audit Committee member/  
Nomination and Remuneration  
Committee member/ Chairman  
of the Risk Management Committee  
member/ Independent Director



**Mr. Apichart Chirabandhu**  
Director / Audit Committee  
member / Chairman of Nomination  
and Remuneration Committee  
member / Corporate Governance  
Committee member /  
Independent Director



**Mr. Sakchai Tanaboonthai**  
Director / Independent Director



**Ms. Suttirat Leeswadtrakul**  
Director / Executive Director /  
Corporate Governance  
Committee member



**Ms. Jureerat Lapanavanich**  
Director / Executive Director /  
Investment Committee member /  
Executive Vice President  
of Accounting and Financial



**Mr. Pravitt Horungruang**  
Director / Corporate Governance  
Committee member /  
Executive Director / CEO / President



**Mr. Theerayuth Lertsirungsun**  
Director / Executive Director



**Mr. Sophon Pholprasith**  
Director



**Mr. Vipoota Trakulhoon**  
Director / Chairman of  
Investment Committee



# Executive Officers name lists

## Executive Officers name lists



**Mr. Pravut Horungruang**  
Chief Executive Officer and President



**Mrs. Nantaphat Thinprateep**  
Executive Director / Senior Executive Vice  
President of Supply Chain



**Mr. Puchong Jungwilikasem**  
Executive Director / Senior Executive  
Vice President of Production



**Mr. Thanee Loketkravee**  
Executive Director / Senior Executive Vice  
President of Sales and Marketing



**Ms. Jureerat Lapanavanich**  
Executive Director / Executive Vice  
President of Accounting and Finance



**Mr. Kasem Juntaboon**  
Executive Director / (Acting) Senior  
Executive Vice President of Human  
Resources and Administration



**Mr. Thirapong Khumruangrit**  
Executive Director / Senior Executive  
Vice President of CEO



# Directory and Management Biography

## Directory and Management Biography



### General Winai Phattiyakul Age 71 Years

Chairman of the Board of Director/ Independent Director

Chairman of Audit Committee

Director of Millcon Burapa Co., Ltd.

#### Position in Other Organization :

- Vice Chairman of the Board of Director of Thai Life Insurance Plc.
- President of Thailand Practical Shooting Association
- Chairman of Pituk Prachachart Foundation
- Chairman of Admiral Sa-ngud Chalo-u Foundation
- Director of Rakmuangtha Foundation
- Committee and Secretary of Than Puying Prapasri Kamlung-ekeFoundation

#### Education :

- Armed Forces Academies Preparatory School Class #6
- Chulachomklao Royal Military Academy Class #17
- Command and General Staff College Class #57
- Command and General Staff College, US Army 1982
- Thailand National Defense College Class #41

#### Working Experiences last 5 year :

- Present Chairman of the Board Director oMillcon Steel Plc.
- Present Director of Millcon Burapa Co., Ltd.
- Present Vice Chairman of the Board of Directors of Thai Life Insurance Plc.
- Present President of Thailand Practical Shooting Association
- Present Chairman of Pituk Prachachart Foundation
- Present Chairman of Admiral Sa-ngud Chalo-u Foundation
- Present Director of Rakmuangtha Foundation
- Present Committee and Secretary of Than Puying Prapasri Foundation

#### Relationship : -none-

#### Training Course :

- Capital Market Academy Class #8
- Public Director Certification Program Class #1
- Top Executive Program in Commerce and Trade (TEPCoT) Class #4
- Executive Program of Energy Literacy for Sustainable Future Class #1)

#### Meeting Attendance :

- Board of Directors' Meeting : attending 8 Out of 8 meetings
- Audit Committee's Meeting : attending 7 Out of 7 meetings

#### (%) Shareholding (as at December 31, 2018) : -none-

#### Property Prohibited :

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

#### Incase Independently Directors :

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



### **POI.Gen. Soontorn Saikwan** Age 74 Years

Vice Chairman of the Board of Director / Independent Director  
Chairman of the Board of Director of Millcon Burapa Co., Ltd

#### **Position in Other Organization :**

- Director of Vanachai Group Plc
- Chairman of the Board of Director / Independent Director of PTG Energy Plc.

#### **Education :**

- Master of Arts (Political Science), Ramkhamhaeng University
- Diploma, National Defiance Collage (Class 36)
- Bachelor of Political administrative Science, Thai Police Cadet Academy

#### **Working Experiences last 5 year :**

- 2013 - Present Vice Chairman of the Board Board of Director of Millcon Steel Plc.
- 2013 - Present Chairman of the Board Board of Director of Millcon Burapa Co., Ltd.
- 2012 - Present Chairman of the Board Board of Director Independent Director of PTG Energy Plc.
- 2007 -2013 Chairman of the Board Board of Director of Millcon Steel Plc.
- 2005 - Present Director of Vanachai Group Plc.

**Relationship : -none-**

#### **Training Course :**

- Director Certification Program (DCP) class 201/2015
- Monitoring Fraud Risk Management (MFM) class 9/2016
- Monitoring the Internal Audit Function (MIA) class 15/22013
- Monitoring the Quality of Financial Reporting (MFR) class 18/2013
- Monitoring the System of Internal Control and Risk Management (MIR) class 14/2013
- Audit Committee Program (ACP) class 42/2013
- Director Accreditation Program (DAP) class 41/2005

#### **Meeting Attendance :**

- Board of Directors' Meeting : attending 8 out of 8 meetings

**(%) Shareholding (as at December 31, 2018) : 0.00**

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

#### **Incase Independently Directors :**

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No





### **Mr. Pratana Bongkojmas** Age 59 Years

Director / Audit Committee Member /

Nomination and Remuneration Committee Member /

Chairman of Risk Management Committee / Independent Director

#### **Position in Other Organization :**

- Managing Director of Unicorn Advance Technology Co.,Ltd.
- Director of Hydroquip Co., Ltd.

#### **Education :**

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Advanced Certificate Course in Public Economics Management for Executives #Class 14

#### **Working Experiences last 5 year :**

- 2017 – Present Director of Hydroquip Co., Ltd.
- 2016 – Present Chairman of Risk Management Committee of Millcon Steel Plc.
- 2010 – Present Nomination and Remuneration Committee Member of Millcon Steel Plc.
- 2007 – Present Director / Audit Committee Member of Millcon Steel Plc.
- 1993 – Present Managing Director of Unicorn Advance Technology Co.,Ltd.

**Relationship : -none-**

#### **Training Course :**

- Director Accreditation Program (DAP) Class 61/2007

#### **Meeting Attendance :**

- Board of Directors' Meeting : attending 8 out of 8 meetings
- Audit Committee's Meeting : attending 7 out of 7 meetings
- Nomination and Remuneration Committee's Meeting: attending 4 out of 4 meetings
- Risk Management Committee's Meeting attending 1 out of 1 meetings

**(%) Shareholding (as at December 31, 2018) : 0.02**

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

#### **Incase Independently Directors :**

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



### Mr. Apichart Chirabandhu Age 61 Years

Director / Audit Committee Member / Audit Committee Member / Chairman of Nomination and Remuneration Committee / Corporate Governance Committee Member / Independent Director

#### Position in Other Organization :

- Independent Director and Audit Committee of Nok Air Plc.
- Chairman of Nomination and Remuneration Committee of Nok Air Plc.
- Director of Subcommittee for Lufthansa Technik AG
- Independent Director and Audit Committee Member of Tripple I Logistics Plc.
- Corporate Governance Committee Member / Nomination and Remuneration Committee of Tripple I Logistics Plc.
- Director of AC Worldwide Co., Ltd.
- Director and Treasurer of Business Lawyers Foundation
- Independent Director / Chairman of Audit Committee of TVO Thai Plc.

#### Education :

- Certificate – King Prajadhipok's Institute Class #18
- Bachelor of Law – Ramkhamhaeng University
- The National Defence College (NDC) 2011 – 2012

#### Working Experiences last 5 year :

- Present Independent Director / Audit Committee Member / Chairman of Nomination and Remuneration Committee of Nok Air Plc.
- Present Advisor to the Minister of Tourism and Sports
- Present Director of Subcommittee for Lufthansa Technik AG
- Present Independent Director and Audit Committee Member / Corporate Governance Committee Member / Nomination and Remuneration Committee of Tripple I Logistics Plc.
- Present Independent Director / Chairman of Audit Committee / Corporate Governance Committee and Remuneration Committee of TVO Thai Plc.
- Present Director and Treasurer of Business Lawyers Foundation

- 1991 – 2018 Director of Siam Premier Services Co., Ltd.
- 2011 – 2014 Chairman of the board, Wattana Capitol Plc.
- 2011 – 2014 Honorary Advisory Committee of Thai Senate Standing Committee on Corruption Investigation and Good Governance Promotion
- 2008 – 2013 Specialist of The Committee on Human Rights, The Rights and Liberties and Consumer Protection Committee on Human Rights, The Rights and Liberties and Consumer Protection

Relationship : -none-

#### Training Course :

- Director Accreditation Program (DAP) Class 103/2013

#### Meeting Attendance :

- Board of Directors' Meeting : attending 4 out of 8 meetings
- Audit Committee's Meeting : attending 4 out of 7 meetings
- Nomination and Remuneration Committee's Meeting : attending 3 out of 4 meetings
- Corporate Governance Committee's Committee : attending 2 out of 2 meetings

(%) Shareholding (as at December 31, 2018):-none-

#### Property Prohibited :

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

#### Incase Independently Directors :

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently: No





### **Mr. Sakchai Tanaboonthai** Age 62 Years

Director / Independent Director

Director of Millcon Burapa Co., Ltd.

#### **Position in Other Organization :**

- Director of Meechai and Lady Amphorn Ruchuphan Foundation
- Central Committee of Ramathibodi Foundation
- Director of Millcon Burapa Co., Ltd.
- Director of Serm Suk Plc.
- Vice Chairman of Sikarin Plc.
- Chairman of Thailand – Vietnam Parliamentary Friendship Association
- Advisor of the Board of Director of S.A.S CTAMAD Co., Ltd

#### **Education :**

- Honorary Doctor of Management, United State of America.
- Certificate of Applied Social Science, Thammasart University.
- Diploma for Advanced Trade and commerce Manager, Commerce Academy (Class 2)
- Certificate of Advanced Manager, Capital Market Academy (Class 9)

#### **Working Experiences last 5 year :**

- 2018 – Present Central Committee of Ramathibodi Foundation
- 2017 – Present Vice chairman of Thailand – China Friendship Association
- 2014 – Present Member of the National Legislative Assembly
- 2014 – Present Chairman of the Welfare Committee of the National Legislative Assembly
- 2014 – Present Chairman of Thailand – Vietnam Parliamentary Friendship Association
- 2014 – Present Committee on Commerce and Industrial and Labor Group
- 2014 – Present Committee on Science, Communication Information and Technology Group

- 2013 – Present Director of Millcon Steel Plc.
- 2013 – Present Director of Millcon Burapa Co., Ltd.
- 2008 – Present Secretary of the National Legislative Assembly Club
- 2007 – 2014 Advisor of Thailand – Vietnam Parliamentary Friendship Association
- 2007 – 2014 Advisor of the Board of Director of S.A.S CTAMAD Co., Ltd
- 2007 – Present Committee of Meechai and Lady Amphorn Ruchuphan
- 2007 – 2018 Secretary of Ramathibodi Foundation
- 2007 – Present Independent Director of Serm Suk Plc.
- 2007 – Present Vice Chairman of Sikarin Plc.
- 2002 – Present Secretary of the Senate, 39-43 and Registrar 39-51

#### **Relationship : -none-**

#### **Training Course :**

- Director Accreditation Program (DAP) Class 12/2004

#### **Meeting Attendance:**

- Board of Directors' Meeting : attending 8 out of 8 meetings

#### **(%) Shareholding (as at December 31, 2017) : -none-**

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

#### **Incase Independently Directors :**

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently: No



### **Ms. Suttirat Leeswadtrakul** Age 38 Years

Director / Executive Director /  
 Corporate Governance Committee Member /  
 Nomination and Remuneration Committee Member  
 Director who are authorized signatories of the company  
 Director of Millcon Burapa Co.,Ltd

#### **Position in Other Organization :**

- Director of Begistics Plc.
- Director of Nimitr Holding Co., Ltd

#### **Education :**

- Master of Business Economics, Thammasat University.
- Bachelor of Communication Arts, Bangkok University.

#### **Working Experiences last 5 year :**

- 2018 – Present Director of Begistics Plc.
- 2018 – Present Director of Nimitr Holding Co., Ltd
- 2016 – Present Corporate Governance Committee Member
- 2015 – 2018 Director of Saharuam Construction Material Co., Ltd.
- 2008 – Present Nomination and Remuneration Committee Member of Millcon Steel Plc.
- 2008 – Present Director of Millcon Burapa Co., Ltd.
- 2007 – Present Director / Executive Director of Millcon Steel Plc.

#### **Relationship :**

- Sister of Ms. Sittichai Leeswadtrakul who is major shareholder of the company

#### **Training Course :**

- Director Accreditation Program (DAP) Class 61/2007

#### **Meeting Attendance :**

- Board of Directors' Meeting : attending 7 out of 8 meetings
- Corporate Governance Committee's Meeting : attending 4 out of 4 meetings
- Nomination and Remuneration Committee's Meeting : attending 1 out of 2 meetings

(%) Shareholding (as at December 31, 2018): 0.62

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.





## **Mr. Sophon Pholprasith** Age 67 Years

Director

### **Position in Other Organization :**

- Vice Chairman of the Board of Directors of General engineering Plc.
- Director of University Council Members of Mahanakorn University of Technology

### **Education :**

- Master of Business Administration, Ramkhamhaeng University
- Advanced Certificate of Public Management and Public Law (Class 6th) King Prajadhipok's Institute
- B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Phillipines

### **Working Experiences :**

- 2017 – Present Director of University Council Members of Mahanakorn University of Technology
- 2014 – Present Vice Chairman of the Board of Directors / Independent of General engineering Plc.
- 2014 – Present Director of Millcon Steel Plc.
- 2013 Director General of Department of Industry Promotion, Ministry of Industry, Thailand

**Relationship : -none-**

**Training Course : -none-**

### **Meeting Attendance :**

- Board of Directors' Meeting : attending 6 out of 8 meetings

**(%) Shareholding (as at December 31, 2018) : -none-**

### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

### **Incase Independently Directors :**

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No





## **Mr. Vipoota Trakulhoon** Age 52 Years

Director / Chairman of Investment Committee

### **Position in Other Organization : -**

#### **Education :**

- Master of Business Administration Degree, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Business Administration degree, Chulalongkorn University
- Director Accreditation Program (DAP) Class 120/2015, Thai Institute of Directors (IOD)

### **Working Experiences last 5 year :**

- 2016 – Present Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee of Trip I Logistics Plc.
- 2015 – Present Member of the Audit Committee / Independent Director Business Alignment Plc.
- 2014 – Present Director / Chairman of Investment Committee of Millcon Steel Plc
- 2014 – Present Director of Creative Power Co.,Ltd.
- 2013 Chairman of the Board of Directors, Ktb Leasing Co., Ltd.

### **Relationship : -none-**

### **Training Course : -none-**

### **Meeting Attendance :**

- Board of Directors' Meeting : attending 7 out of 8 meetings
- Investment Committee's Meeting : attending 9 out of 9 meetings

(%) Shareholding (as at December 31, 2018): -none-

### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

### **Incase Independently Directors :**

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No





**Ms. Jureerat Lapanavanich** Age 43 Years

Director / Executive Director / Investment Committee  
Member / Executive Vice President of Accounting  
and Financial / Director who are authorized signatories  
of the company / Director of Millcon Burapa Co., Ltd.  
Director of Wisdom Tree Investment(s) Pte Limited

**Position in Other Organization : -none-  
Education :**

- Master of General Management, Mahidol University.
- Bachelor of International Management,  
Chulalongkorn University.

**Working Experiences :**

- 2015 – Present Director of Millcon Steel Plc.
- 2015 – Present Executive Vice President of Accounting  
and Financial of Millcon Steel Plc.
- 2015 – Present Investment Committee Member of  
Millcon Steel Plc.
- 2014 – Present Director of Wisdom Tree Investment(s)  
Pte Limited
- 2014 – 2015 Director of Millcon Special Steel Co., Ltd,
- 2012 – 2015 Director of Zentra-wartung Engineering  
Co., Ltd.
- 2011 – 2014 Head of CEO Office of Millcon Steel Plc
- 2010 – Present Director of Millcon Burapa Co., Ltd.
- 2009 – Present Executive Director of Millcon Steel Plc.

**Relationship : -none-  
Training Course:**

- Refreshment of the Role and Expectation of A CFO
- Orientation for CFO #Class 3
- Strategic CFO in Capital Market Program #Class 1
- Director Accreditation Program (DAP) Class 106/2013
- Company Secretary Program Class 21/2008

**Meeting Attendance :**

- Board of Directors' Meeting : attending 8 out of 8 meetings
- Investment Committee's Meeting :  
attending 9 out of 9 meetings

**(%) Shareholding (as at December 31, 2018) : -none-  
Property Prohibited :**

- No criminal record, guilty of an offense related to property,  
which was done in good faith.
- No any historical record of transactions that may be a conflict  
of interest with the Company during the past year.



**Mr. Theerayuth Lertsirarungsun** Age 62 Years

Director / Executive Director  
Director who are authorized signatories of the company  
Director of Millcon (HK) Limited

**Position in Other Organization : -none-  
Education :**

- Master of MS (Metallurgical Engineering), Henry Krumb,  
School of Mines, Columbia University.
- Bachelor of Engineering (Mechanical Engineering)  
Chulalongkorn University.

**Working Experiences :**

- 2016 – Present Director of Millcon Steel Plc.
- 2016 – 2018 Co-Chief Executive Office of Kobelco  
Millcon Steel Co., Ltd.
- 2012-2015 Director of Zentra-wartung  
Engineering Co., Ltd.
- 2011-2015 Vice President of Sales and Marketing  
of Millcon Steel Plc.
- 2009 – Present Executive Director of Millcon Steel Plc.

**Relationship : -none-**

**Training Course : -none-**

**Meeting Attendance :**

- Board of Directors' Meeting : attending 7 out of 8 meetings

**(%) Shareholding (as at December 31, 2018): -none-  
Property Prohibited:**

- No criminal record, guilty of an offense related to property,  
which was done in good faith.
- No any historical record of transactions that may be a conflict  
of interest with the Company during the past year.



### **Mr. Pravit Horungruang** Age 54 Years

Director / Corporate Governance Committee Member /  
President of Executive Director / Chief Executive Officer  
Director who are authorized signatories of the company  
Chief Executive Officer of Suntech Metals Co., Ltd.  
Director of Saharuam Condruction Material Co., Ltd

**Position in Other Organization : -none-**

#### **Education :**

- Bachelor of Business Administration, Assumption University.
- Mini MBA, Thammasat University.
- Modern Manager Program, Chulalongkorn Business School.

#### **Working Experiences last 5 year :**

- 2019 – Present President of Executive Director / Chief Executive Officer of Millcon Steel Plc.
- 2017 – Present Corporate Governance Committee Member of Millcon Steel Plc.
- 2017 – 2018 Director of Ocean Supply Co., Ltd.
- 2016 – Present Director of Millcon Steel Plc.
- 2016 – Present Director of Saharuam Construction Material Co., Ltd.
- 2007 – Present Chief Executive Officer of Suntech Metals Co., Ltd.

**Relationship : -none-**

#### **Training Course:**

- Director Certified Program (DCP) Class 249/2018

#### **Meeting Attendance :**

- Board of Directors' Meeting : attending 8 out of 8 meetings
- Corporate Governance Committee's Meeting : attending 2 out of 2 meetings

**(%) Shareholding (as at December 31, 2018) : -none-**

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



### **Mr. Puchong Jungwilikasem** Age 52 Years

Executive Director / Investment Committee Member /  
Senior Executive Vice President of Production  
Director of Millcon Burapa Co., Ltd  
Director of Suntech Metals Co., Ltd.  
Director of World Wild Processing Co., Ltd.

**Position in Other Organization : -none-**

#### **Education :**

- Bachelor of Engineering, Chulalongkorn University.

#### **Working Experiences last 5 year :**

- 2015 – Present Director of Suntech Metals Co., Ltd.
- 2011 – Present Senior Executive Vice President of Production of Millcon Steel Plc.
- 2007 – 2011 Manager of Green Mill Project of Millcon Burapa Co.,Ltd.

**Relationship : -none-**

**Training Course : -none-**

**(%) Shareholding (as at December 31, 2018) : 0.00**

#### **Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.





**Mrs. Nantaphat Thinprateep** Age 54 years  
Executive Director / Risk Management Committee  
Member / Senior Executive Vice President of Supply  
Chain / Director of Millcon Burapa Co.,Ltd./  
Director of Suntech Metals Co., Ltd.

**Position in Other Organization :** -none-

**Education :**

- Master of Business Administration, Siam University.
- Bachelor of Business Administration, Thongsook College.

**Working Experiences last 5 year :**

- 2017 – Present Director of Suntech Metals Co., Ltd.
- 2016 – 2017 Director of Millcon Steel Plc.
- 2014 – Present Senior Executive Vice President of Supply Chain of Millcon Steel Plc.
- 2011 – 2014 Senior Executive Vice President of Procurement of Millcon Steel Plc.
- 2009 – Present Executive Director of Millcon Steel Plc.
- 2007 – Present Director of Millcon Burapa Co.,Ltd

**Relationship :** -none-

**Training Course :** -none-

**(%) Shareholding (as at December 31, 2018):** -none-

**Property Prohibited :**

- No criminal record, guilty of an offense related to property,  
which was done in good faith.
- No any historical record of transactions that may be a  
of interest with the Company during the past year.



**Mr. Thanee Loketkravee** Age 47 Years  
Executive Director / Investment Committee Member /  
Senior Executive Vice President of Sale and Marketing/  
Director of Suntech Metals Co., Ltd.

**Position in Other Organization :**

- Director of Begistics Plc.
- Director of Bulk One Group Co., Ltd.
- Director of Bulk Asia Co., Ltd.

**Education :**

- Certificate of Management Development Program at Wharton school of Business, University of Pennsylvania
- ปริญญาโท บริหารธุรกิจ Loyola University of Chicago
- ปริญญาตรี บริหารการเงิน Southern Illinois University

**Working Experiences last 5 year :**

- 2018 – Present Director of Begistics Plc
- 2016 – Present Investment Committee Member of Millcon Steel Plc.
- 2016 – Present Executive Director of Millcon Steel Plc.
- 2016 – Present Director of Bulk One Group Co., Ltd.
- 2016 – Present Director of Bulk Asia Co., Ltd.
- 2015 – Present Senior Executive Vice President of Sale and Marketing
- 2015 – Present Director of Suntech Metals Co., Ltd.
- 2012 – 2015 Recycled Metal and Plastic Manager of SCG Trading Co., Ltd.

**Relationship :** -none-

**Training Course :**

- Director Certified Program (DCP) Class 228/2017

**(%) Shareholding (as at December 31, 2018) :** -None-

**Property Prohibited :**

- No criminal record, guilty of an offense related to property,  
which was done in good faith.
- No any historical record of transactions that may be a  
conflict of interest with the Company during the past year.



**Mr. Thirapong Khumruangrit** Age 54 Years  
Executive Director / Investment Committee Member /  
Senior Executive Vice President of CEO Officer  
Director of Millcon Steel Pipe Co., Ltd.

**Position in Other Organization :**

- Director of IGEN Engineering Co., Ltd

**Education :**

- Mini MBA, Assumption University
- Bachelor of Business Administration, Bangkok University.

**Working Experiences for past 5 years :**

- 2017 – Present Executive Director of Millcon Steel Plc.
- 2017 – Present Investment Committee Member of Millcon Steel Plc.
- 2017 – Present Director of Millcon Steel Pipe Co., Ltd.
- 2017 – Present Director of IGEN Engineering Co., Ltd.
- 2017 – Present Senior Executive Vice President of CEO Office of Millcon Steel Plc.
- 2011 – 2017 Senior Executive Vice President of Financial and Accounting of Master Car Rental Co., Ltd.

**Relationship : -none-**

**Training Course :**

- Director Certified Program (DCP) Class 245/2017
- Director Accreditation Program (DAP) Class 89/2011

**(%) Shareholding (as at December 31, 2018) : 0.00**

**Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



**Mr. Kasem Juntaboon** Age 65 Years  
(Acting) Senior Executive Vice President of Human  
Resource and Administration

**Position in Other Organization :**

- Director of Millcon (HK) Limited

**Education :**

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Political Science, Ramkhamhaeng University.

**Working Experiences :**

- 2019 – Present (Acting) Senior Executive Vice President of Human Resource and Administration of Millcon Steel Plc.
- 2015 – Present Advisor of Kobelco Millcon Steel Co., Ltd.
- 2014 – Present Director of Millcon (HK) Limited
- 2013 – 2015 Director of Millcon Steel Plc.
- 2011 – 2015 Executive Vice President of Human Resource of Millcon Steel Plc.

**Relationship : -none-**

**Training Course :**

**(%) Shareholding (as at December 31, 2018) : -None-**

**Property Prohibited :**

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during







# Nature of Business



## Nature of Business of the Company and Subsidiary



For main product of the Company can be classified three groups as follows.

- Steel Bar
  - Rolled Steel
  - High Tensile Thread Steel Bar
- Billet
- Structural Steel
- Wire Rod
- Metal Scrap
- Renewable energy

### Steel Bar

# 1

#### 1.1 Round Bar and Steel Bar

Group produces and distributes plain round steel bar in conformity to the industrial standards with a diameter of 6 - 40 mm. and a length of 10-12 m. at SR 24 quality, and deformed bar with a diameter of 10-63.5 mm. and a length of 10-12 m. at SD 30 SD 40 and SD 50 quality. Steel at each quality level is different in chemical and mechanical properties and has undergone both domestic and international quality standard certification, thus enabling applications for construction works with the specifications and quality as required by customers.

For reinforcing steel produced by the Group, which is major raw material for all types of concrete structure works, the types and sizes to be used depend on the design and structure of such construction works. The Group can serve all types of construction works with its diversified products from sophisticated machinery; hence responding to demand of customers at all levels.

In addition, the Group also produces thread deformed bar called One Bar as the latest innovation developed to remove steel joining problem. One Bar is generated through the hot rolling process with threading made along the entire length. Steel can splice with coupler because of such thread. This will better strengthen the steel joining than fastening or welding and reduce waste of steel texture during the process. One Bar can be used in substitution for deformed bar in general. However, it will help save time and cost of construction. The Group's deformed bar is offered in two quality levels, i.e. SD 40 and SD 50, and compliance with TIS 24-2548.

## 1.2 High Tensile Thread Steel Bar

The Group can produce high tensile thread steel bar according to the ASTM A 722 ISO 6934-5 for use in large construction works and geological constructions which require high tensile strength. These include construction of earthquake resistant buildings.



High tensile thread steel bar is the thread steel bar that splice with coupler the same as thread steel bar (One Bar) but it is specially produced to withstand weight and have high tensile strength suitable for large constructions that require high tensile strength than other construction in general such as electric train system, bridge, tunnel, deep sea port, dam, and others. At present, the Group is the sole local producer of high tensile thread steel bar which can achieve international standard.

## Billet

# 2

This is a new line of business to produce billets for use as raw materials in the production of steel bars, deformed bars and other high quality steel products, both of general use grade for general construction and of special quality grade for linkage industries such as sling, welding wire, and automotive parts. The Company produces billets of standard sizes and shapes, with a dimension of 130 mm x 130 mm and 150 mm x 150 mm and a length as required by customers of 6 m. and 12 m



## Structural Steel

# 3

### 3.1. Hot rolled coil (HRC)

The Group distributes HRC to steel wholesalers and steel plants for processing into such steel work parts as steel sheet, C - channel steel, strip and structural steel, etc. The HRC widely used is in sizes of 4 feet in width and 5 feet in width; and has varied thickness depending on the types of products to be produced by the customers.

### 3.2. Cut steel and structural steel

The Group provides steel cutting service on customer orders and produces structural steel using its efficient machinery line. There are five product types as follows:

#### 3.2.1. Slitting coil

The Group feeds HRC and has it stretched and cut by the slitting machine by the width specified by the customers. With the slitting finished, the HRC will be rolled back ready for distribution. The slitting machine can generate slitting coil with 50 mm. to 500 mm. in width. Customers mainly use slitting coil for further cutting or forming into other steel work parts and products such as C - channel steel, steel pipe, rail, etc.

#### 3.2.2. Steel Sheet

The Group feeds HRC and has it cut into different width and length of sheet. The HRC is stretched and cut by the cutting machine to get the standard size and shape of steel sheet. The steel sheet so generated will have standard sizes: 4 x 8 feet, 5 x 10 feet and 5 x 20 feet, with thickness of 1.2 – 12.00 mm., 2.90 – 12.00 mm. and 2.90 – 12.00 mm. respectively. End-users of steel sheet are mainly steel processing plants including automobile plants, etc.

The Company produces and distributes a variety of formed steel products, i.e. hot rolled coil (HRC), and cut steel of diversified sizes. Moreover, the Group also produces structural steel products that meet Thai industrial standard (TIS 1228-2549). Details are as below:



#### 3.2.3. Flat Plate

The HRC is cut into sizes and shapes as required by the customers. Flat plate so generated has standard length of 6 m. but diversified width range from 1 inch to 36 inch 44 mm. and 1100 mm., with thickness from 1.90 mm. to 6 mm. depending on customer requirement. It can be processed in diversified products, such as wire mesh, gate, etc., and also as raw material for automobile, furniture and parts manufacturing, etc.



### 3.2.4. C – channel steel

It is a product that looks like alphabet C and with different thickness and width. The product is generated from forming (produced by cold forming) process the slitting coil of the required size into C-shape. C – channel steel is mainly used in construction works, particularly roof structure. It is.

### 3.2.5. Steel Pipe

The Group produces and distributes steel pipe, i.e. round, square and flat, for use as raw material in various

industries, such as construction materials, furniture parts and automotive parts. They can also be applied to other types of industries depending on customer requirements. Round steel pipe produced has a diameter range of ½ inch – 4 inches, thickness range of 1.2 mm. – 3.25 mm., and standard length of 6 m. Its square pipe has the size in a range of 1 x 1 inch 4 x 4 inch, thickness range of 1.2 mm. – 3 mm., and standard length of 6 m. Its flat pipe has the size in a range of 2 x 1 inch – 2 x 6 inch and thickness range of 1.2 mm. – 3 mm

## Wire Rod

# 4

The Group produces distributes low carbon wire rod, medium carbon wire rod and high carbon wire rod which are raw material in automotive industry, machinery industry and furniture industry. The Group can produces wire rod with a diameter of 5.5 mm. to 16 mm.



## Metal Scrap

# 5

Metal scrap are raw material in produces billet. The group will buy scrap and scrap processing by shear and shred process from product which have steel as a component for produce billets further. The processing will reduce cost of producing billet because scrap processing are small which will melting scrap faster large scrap.



## Renewable energy

# 6

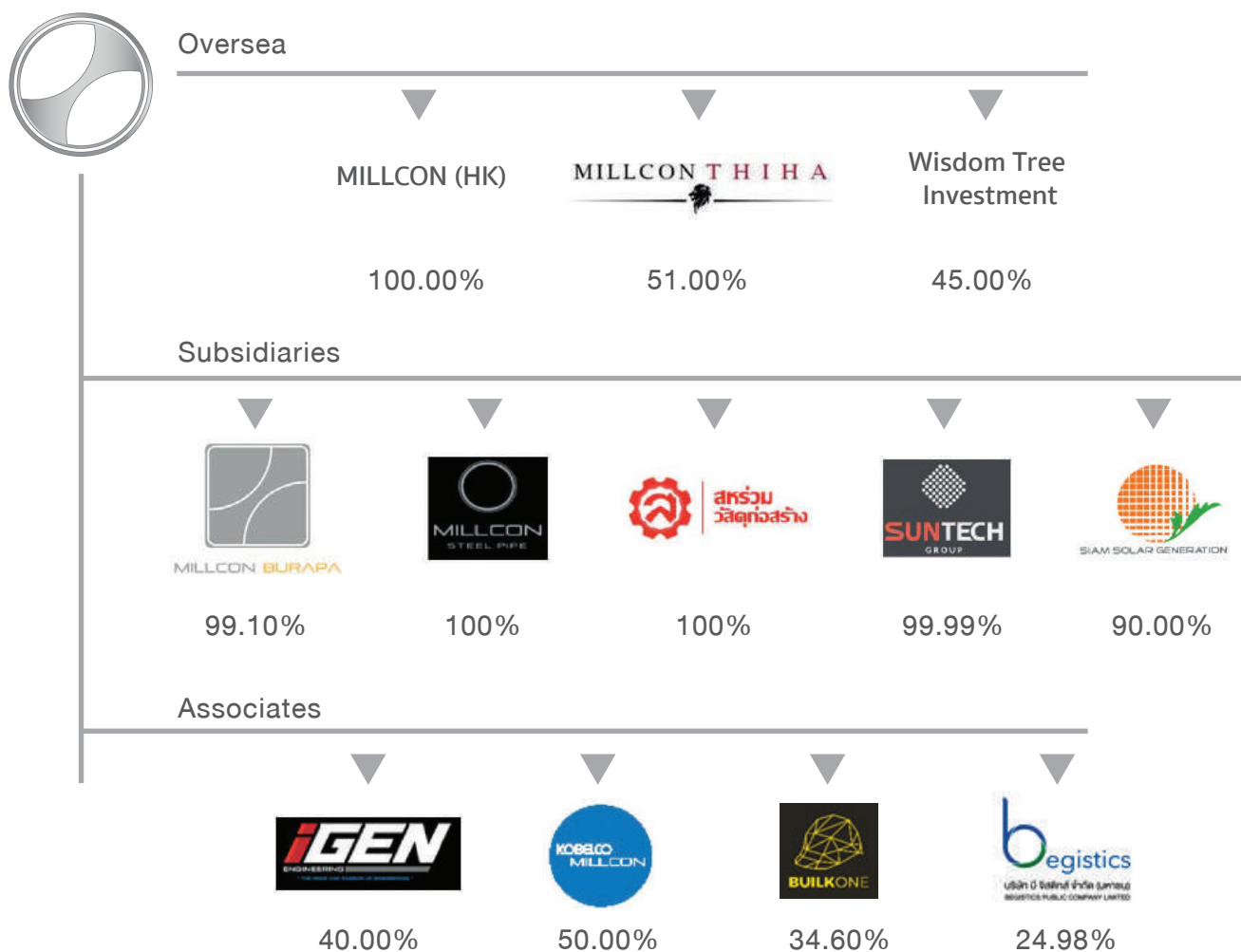
Renewable energy is solar energy. The Group has a solar farm projects, which has entered into nine power purchase agreements with nine Provincial Electricity Authority (PEA) for nine projects to sell 2.5 megawatts of electricity per project. The contract period is 25 years and receives an adder of 6.50 baht for 10 years and granted promotion privileges from the Board of Investment for a period of 8 years. These 9 power plants are located at Chaiphum Province and already commenced commercialization ("COD").

## Production Capacity

	Millcon Steel	Millcon Burapa	Millcon Steel Pipe	Kobelco Millcon Steel	Suntech Metals	Millcon Thiha GEL
Production capacity (tons/year)						
Round bars & deformed bars	800,000	-	-	-	-	-
Structural Steel	-	-	96,000	-	-	64,397
Billet	-	800,000	-	-	-	-
Wire Rod	-	-	-	500,000	-	-
Metal Scrap	-	-	-	-	460,000	-
Total Capacity	800,000	800,000	96,000	500,000	460,000	64,397

## Shareholding Structure Group

As at December 31, 2018 the group structure of the Company is as follows:



## Revenue Structure

A Major Source of revenue from sale and service is as follows:

### Revenue structure of company breakdown (Financial Statement of Company)

Unit: Million Baht

Company	Business	Company Holding	2018		2017		2016	
			Value	%	Value	%	Value	%
Millcon Steel PCL.	Manufacturer and Distributor Steel Bar and Structural Steel	-	14,394	50.38	11,379	47.59	12,042	48.28
Millcon Burapa Co., Ltd.	Manufacturer and Distributor Billet	99.10	9,379	32.83	8,781	36.73	9,459	37.92
Kobelco Millcon Steel Ltd.*	Manufacturer and Distributor Wire rod	50.00	-	-	-	-	836	-
Millcon Steel Pipe Co., Ltd.	Manufacturer and Distributor Structural Steel	100.00	811	2.84	611	2.56	644	2.58
Saharuam Construction Material Co., Ltd.	Steels and construction materials trading	100.00	1,202	4.21	901	3.77	815	3.27
Suntech Metals Co., Ltd	Metal scrap management for distribution	99.99	2,353	8.24	1,889	7.90	1,906	7.64
Millcon Thiha Limited	Steels trading	51.00	255	0.89	348	1.45	78	0.31
Siam Solar Generation Co., Ltd.	Produce and distribute electricity	90.00	177	0.61	-	-	-	-
Grand Total			28,571	100	23,909	100	25,780	100

Remark

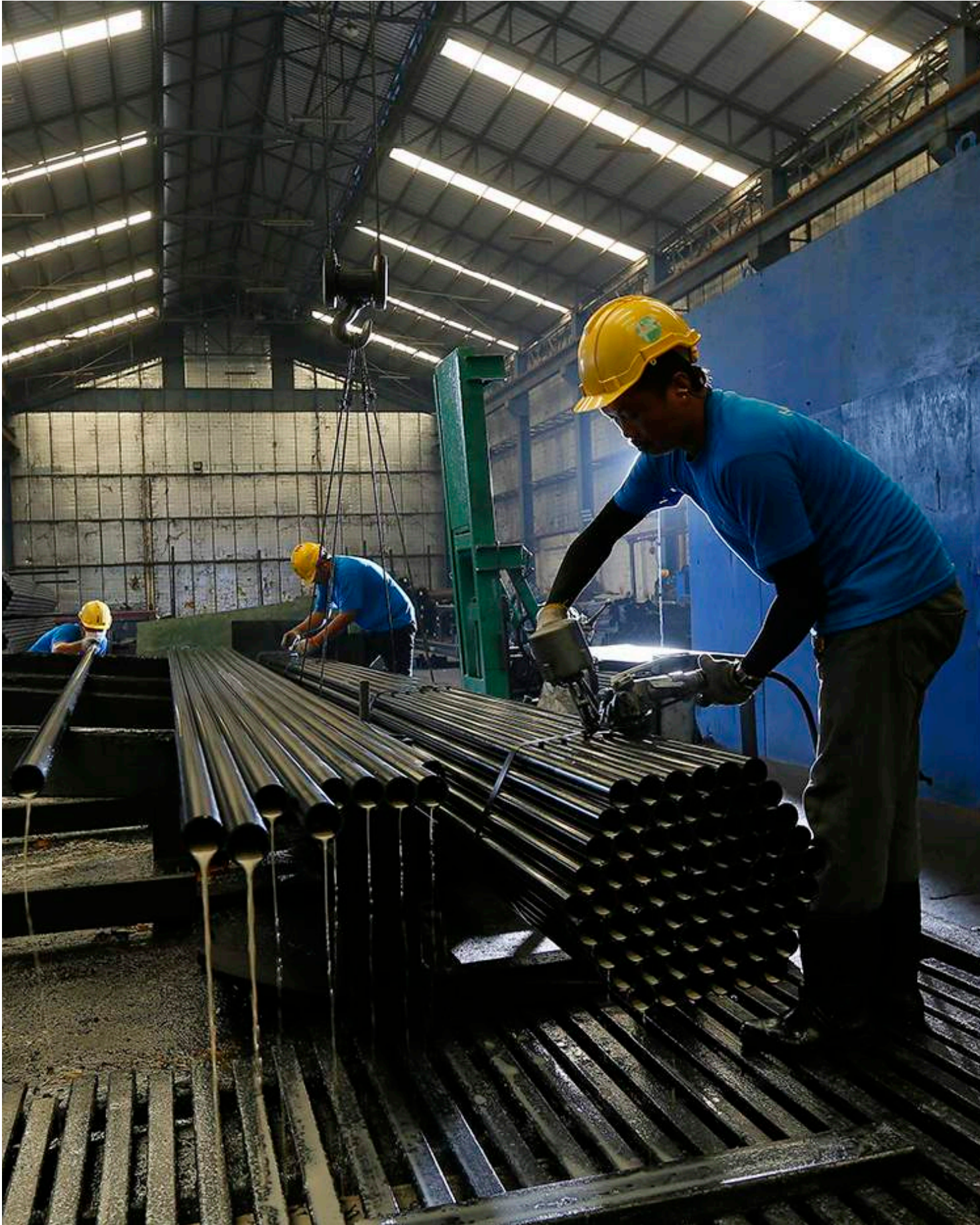
\* On date 17 February 2016, Kobe Steel Limited invested in Millcon Special Steel Co., Ltd. in portion of share 50% of the paid-up capital of the Company and the name had been changed to Kobelco Millcon Steel Co., Ltd

### Revenue by Product (Financial Statement of Consolidate)

Unit: Million Baht

Product	2018			2017			2016		
	Ton	Value	%	Ton	Value	%	Ton	Value	%
Steel Bar	574,323	10,880	53.55	592,804	9,979	50.85	732,647	10,522	54.76
Structural Steel	45,543	1,057	5.20	40,713	852	4.34	39,901	773	4.02
Wire rod	42,929	865	4.26	36,159	658	3.35	69,344	977.20	5.09
Billet	324,400	5,707	28.09	474,726	7,057	35.96	526,398	6,389	33.25
Other	142,607	1,810	8.90	87,368	1,078	5.50	62,354	553	2.88
Grand Total	1,129,802	20,319	100	1,231,770	19,624	100	1,430,644	19,214	100.00





# Steel Industry Situation

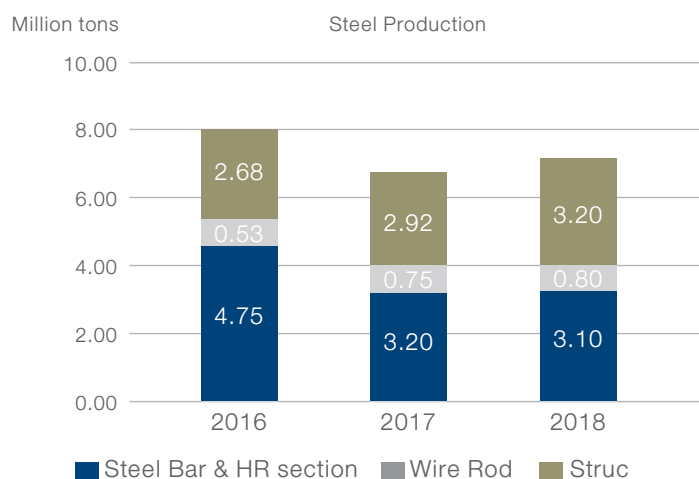
From Iron and Steel Institute of Thailand information, steel consumption of finished steel in Thailand in the year 2018 has expanded 4.8% at 17.4 million ton while actual steel consumption grew by 3.7 %. Domestic steel production at 7.1 million ton has expanded 3.4%. Importing finished steel product has expanded 6.2% at 12 million ton. For exporting has expanded 19% when compared with the previous years. The average domestic steel price decreased by 5.2 % expect the demand for Thai steel in 2019 to be 18.7-19 million ton positive factors from the expansion in the construction industry, investment in various infrastructure of the public sector, various mass transit projects in Bangkok and its vicinities and investment trends in the real estate sector and investment in Eastern Economic Corridor (EEC) under the Thailand 4.0 Strategic Plan. The expansion of the automotive industry machine and related manufacturing industries are likely to grow better.

For the downstream industry of the Thai steel industry is still slowing in some industries by in the year 2018, the

construction industry, cement production grew by 1.2 % due to government infrastructure construction and private housing construction, automotive industry total vehicle production increased by 8.9% when compared with the previous year. From the expansion of the domestic market, the electrical appliance industry shrank by 9 % due to lower foreign orders. Especially, the United States market, packaging industry, the production of canned seafood grew by 13.6 % while the production of canned fruit shrank by 12.7 %.

Considering the amount of steel used in various industries in Thailand, it is found that in the construction industry has steel consumption is up to 55 % from total steel consumption from investment in infrastructure from both public and private sectors followed by being used in the automotive industry. The amount of steel consumption is 19% from the total steel consumption. From increased domestic car production at about 2 million vehicles, steel usage in various machine tool industries is 11% and the use of steel in various equipment and packaging is 10 and 4 % respectively.

## Production

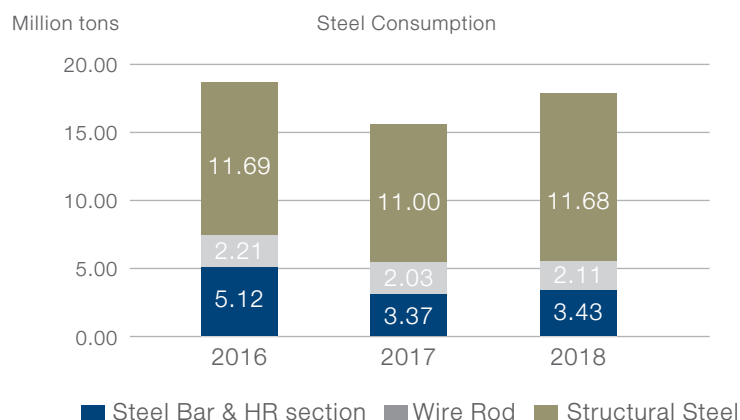


Source: Iron and Steel Institute of Thailand

The production of Thai crude steel in the year 2018 was 4.3 million ton down 3.7% from the same period of the previous year. For the total production of Thailand's finished steel products in the year 2018 was 7.1 million ton, an increase of 3.4 % when compared to the same period of the previous year classified as 3.9 million ton of long steel production, contracted by 1.2 % when compared to the same period of the previous year . The production of rebar and hot-rolled structural steel contracted by 3.2 %, while wire rod production expanded by 7.3 % due to increased export and domestic consumption. The production of flat steel in the year 2018 was 3.2 million ton expanding by 9.5 %, cold rolled steel sheet and galvanized sheet steel Increased by 11.2%, 14.8% and 22.1% to 3 million ton, 2.2 million ton and 1.1 million ton respectively.



## Consumption



Source: Iron and Steel Institute of Thailand

Consumption of finished steel in the year 2018 at 17.4 million ton, increased expansion at 4.8% resulting from long and flat steel consumption which increased by 2.2% and 6.1% respectively, The consumption of long steel products was 5.7 million ton in the year 2018. Consumption of rebar and structural steel was 3.4 million ton, an increase of 1.9 % compared to the same period of the previous year. Wire rod consumption is at 2.1 million ton, expanding by 3.7 % . Consumption of flat steel products is 11.7 million ton, expanding by 6.1 % compared to the same period of the previous year while the actual steel consumption in Thailand is 18 million ton, expanding only 3.4 % compared to the previous year.

## Export

Export of Thai Steel is the highest in 5 years since the year 2013 export of Thai steel product in the year 2018 was 2.56 million ton, expansion at 21% when compared in the same time of the previous year. The export of semi-finished steel products contracted by 32 % and finished products increased by 19 % while exports of raw materials expanded by 64 %. Export of finished steel products in the year 2018 was 1.71. million ton, representing a total export value of 52,942 million baht. The most exported products are Pipes & Tubes (excl. Pipe fittings) 383,139 ton, followed by steel structures 315,892 ton of hot rolled steel and 223,708 ton respectively for the main export markets include the ASEAN, the United States, and South Korea, respectively.

## Import

Import of semi-finished steel products and finished steel products increased by 9.7 % and 6.2 %, respectively, while imports of raw material products contracted by 1.3 %. Imports of raw material products in the year 2018 were 2.26 million ton calculated to be the import value 33,938 million baht. The import of scrap and Ferro Alloy contracted by 0.5 % and 1.9 % respectively, while the import of iron product contracted by 4.3 %. Import of semi-finished steel products in the year 2018 stood at 3.19 million ton, valued at 55,455 million baht. Import of finished steel products in Thailand in the year 2018 was 12.05 million ton, equivalent to import value of 354,141 million baht by import of most products has expanded, except for structural steel, cold-rolled steel sheet and cold-formed steel products, respectively.

Product	Import (Million Baht)			Export (Million Baht)		
	2018	2017	Change	2018	2017	Change
Long Product	19,576	15,993	22.40%	11,154	8,158	36.72%
Bar	8,149	6,957	17.13%	3,753	2,527	48.52%
HR section	533	613	-13.05%	6,770	5,278	28.27%
Wire rod	10,894	8,423	29.34%	631	353	78.75%
Flat Product	180,781	161,504	11.94%	13,910	13,331	4.34%
Hot rolled flat products	61,438	52,331	17.40%	1200	242	395.87%
Cold rolled flat products	39,999	36,752	8.83%	7,090	6,845	3.58%
Coated Steel	79,344	72,421	9.56%	5,620	6,244	-9.99%
Semi-Finished Product	55,047	43,784	25.72%	3,523	3,876	-9.11%
Billet	13,049	13,082	-0.25%	1,011	83	1118.07%
Slab	27,255	20,429	33.41%	1	-	
All other Semi-Product	14,743	10,273	43.51%	2,511	3,793	-33.80%
Pipe	35,677	28,678	24.41%	15,615	15,202	2.72%
Pipe-Seamless	15,142	12,007	26.11%	8,275	6,072	36.28%
Pipe-Welded	20,535	16,671	23.18%	7,340	9,130	-19.61%

Source: Iron and Steel Institute of Thailand



## Trends in 2019

Worldsteel expects the global demand for ready-to-use steel in the year 2019 is likely to grow by 1.4 % at 1,681.2 million ton, as forecasted by the global steel demand in the year 2019 of various regions around the world, the demand trend has increased when compared to the previous year by the European Union (28 countries) forecast the demand for finished steel in the year 2019, expanding at 1.7 % at 169.4 million ton. The Commonwealth of Independent States (CIS) predicts the demand for steel expanded by 0.9 % in ASEAN countries, Worldsteel expects demand for finished steel to grow at 6.2 %. The demand for finished steel has increased compared to other regions, which is approximately 78.3 million ton which is the result of investment in infrastructure and investment expansion to countries in ASEAN countries, while Worldsteel predicts demand for finished steel in China, which is a producer country and major steel user in the world. In the year 2019, the demand for finished steel has not expanded and is expected to be stable as in the year 2018.

While in Thailand, Iron and Steel Institute of Thailand forecasts the demand for steel products in the year 2019 will increase by 8.2% from the year 2018, which is expected to be approximately 18.7-19 million ton as a result of expansion. In the downstream industry of the steel industry, such as the anticipation of the expansion of the automobile industry, expansion in canned food packaging including the expansion of the investment in the large infrastructure of the government in the year 2019, such as the construction of the twin-track railway, high-speed rail project connecting 3 airports (Don Mueang – Suvarnabhumi – U-Tapao) seamlessly and driving special economic development projects in the Eastern Seaboard and many other transportation infrastructure projects which due to the growth trend of various industries in the country, it is expected that the demand for steel in the year 2019 can continue to grow.

## Operation Guidelines for the year 2019

The company group is aware of the business operation for sustainable growth which according to the company's strategic plan can be divided into 3 groups:

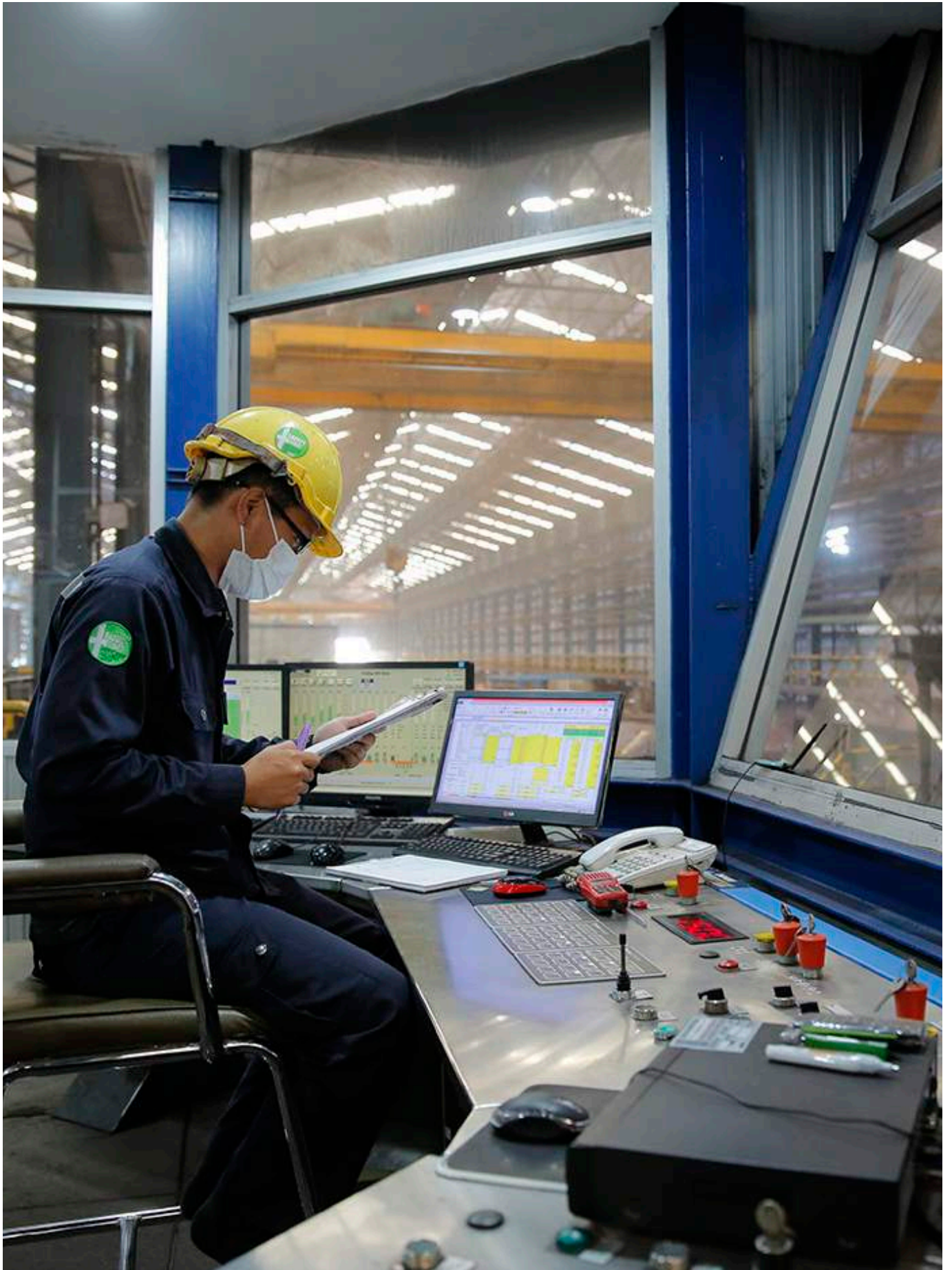
- 1.) Construction Materials Group The company focuses on increasing the value of the product by bringing technology to help since production until delivery to customers. The company focuses on delivering quality products to meet the needs of customers at a competitive price to help customers manage costs and reduce risks for customers in terms of transportation as well as increasing online sales channels in order to reach the retail and customer groups in different regions of the country.
- 2.) Special Grade Steel Group The company wants to increase the value of the product by producing special grade steel to enter the automobile industry from the original that only a group of construction industry customers.
- 3.) Investment in the other Business to support the main business of the company and finding opportunities to receive rewards in other businesses that is related to the company.

From the above strategic plan with the world changing into the digital age, The company will bring new innovations and technologies come in to use in management resulting in increased management efficiency and the potential of labor including energy saving to help reduce costs in the production process. This also aims to expand the market. by increasing online sales channels In order to reach sub-contractors and develop the transportation system to provide fast shipping services to customers











# Risk Management

## Risk Management

Regarding to the arising risks over the last several years, Millcon Steel PLC's group have been developed the structure of risk management. Under this establishing in company's policy, this enables to manage and mitigate the risks by accordingly monitoring. Furthermore, the company and its group members have been held the meeting in each month. The risk management committee consists of knowledgeable people from various areas in our organization to create the measurements to control and mitigate all risks deliberately. To accept the control and manage risk for our group, this will use as approach of risk management to reach the objective efficiently.



### Business Risk

# 1

#### 1.1 Marketing Risk

Thai Steel industries face the highest risk from the fluctuation on demand and seasonal price, which is the main effect for considering in this business. However, the Company has improved its production efficiency and developed its products for higher value added and product differentiation. For example, in addition to thread steel bar, high tensile thread steel bar is developed and produced to serve constructions that need special tensile strength such as mass transit electric train system, bridge, tunnel, deep-sea port, dam, etc. At present, MILL is the sole domestic producer of high tensile thread steel bar with product quality certification by several global institutions. This has enabled the Company to better compete with its peers and mitigate demand fluctuation risk. It can even expand its market overseas where such special steel product is required for construction works.

In addition, the Company is committed to developing its product range to respond to the needs of customers in more diversified industries, especially linkage industries that have high growth potential. Upon the completion of the implementation of the Green MILL Project which employs world class production technology, MILL will be the sole producer in Southeast Asia that can produce special grade steel of smooth surface which is of high demand among automobile producers. This will help drive the Company toward being part of the automobile and other related industries that require steel of special grade, and at the same time diversify its risk of dependence only on construction industry as the target customer.

In addition, the Company has expanded business to wire rod products. It plans to develop the product into special grade wire rod for used as raw material in automotive industry. Currently, Thailand is still importing special grade wire rod from abroad. If the Company can produce special grade wire rod feed into the automotive industry to replace imported ones. This is another way to reduce the risk of fluctuations in steel prices. It can also be profitable for the Company.

## Risk in Raw Material Procurement

# 2

### 2.1 Risk from uncertainty in raw material procurement

In the production of billet which is the raw material for production of steel bar and deformed steel, the Company may face risk of longer duration of time for procurement of raw material, i.e. steel scrap, for electric arc furnace (EAF) and inconsistency of the scrap so procured. The Company has minimized such risk by collaborating with business alliances including both direct suppliers which are large local distributors of steel scrap and suppliers of imported scrap, and also by recycling steel scrap which is by-product from its steel production into the EAF. Moreover, the Company has laid down prudent and definite production and raw material procurement plans, and created and managed relationship with steel scrap suppliers to ensure that there are sufficient raw material supplies for the production.

### 2.2 Risk from fluctuation of raw material prices

Formerly MILL Group has to rely on imports for its raw material procurement to serve the steel production. They have thus risked facing raw material price fluctuations in line with global market mechanism; hence impact on raw material cost in production of steel bar and deformed steel. However, by the end of 2011, when the Group will be able to produce such primary raw material as billet upon the successful implementation of the Green MILL Project, the Company will be able to reduce its exposure to raw material price fluctuations.

## Financial Risk

# 3

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

### 3.1 Exchange Rate risk

In 2018 and 2017, the group's has an estimated purchase order from overseas 20% and 18% of the total orders respectively. While, estimated value of exports to foreign countries 3% and 5% of total sales. It caused to the group's exposed to fluctuations in exchange rates. In the past, the group's reduced the impact of exchange rate risk by entering into forward contracts or convert the debt into Baht debt based on the suitability of the cash flow and the situation at that time.

In the future, the group's expected to still need order from overseas and still look at exports to foreign countries. As a result, the Group's continue to maintain its policy to mitigate the effects of exchange rate fluctuations on a case by case basis.



### 3.2 Interest Rate Risk

As of 31 December 2018, The Group has liabilities arising from borrowings financial institutions in both short term and long term debt amount Baht 13,399 million or 73% of total liabilities. Most of the Group's loans are short-term loans in the form of promissory notes, Trust receipt and letter of credit to use as working capital to order products from manufacturers will be repayment period longer than the payment for trade receivables of the Group.

Changes in interest rates in the market may be affect the Group's interest expenses and operating results. However, the interest expenses in 2018 about 4% of revenues from sales and services while 2017 represents 3% of revenues from sales and service. While, the ability to pay interest in 2018 is 0.5 times, based on operating profit before interest and taxes.



### 3.3 Credit Risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies to limit the amount of credit exposure to each financial institution.

### 3.4 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and investments in supported market, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. As of 31 December 2018, the Group's also had unutilized credit facilities amount Baht 2,327 million and has worked with financial institutions to find adequate liquidity in the Group. As a result, management team believe that the Group's will continue to operate continuously.



## Other Risk

## 4

## 4.1 Environmental risk

In view of environmental risk or risk associated with work environment, the Company may be exposed to danger related to manufacturing process. It has thus relieved such risk and stepped up safety for staff by enforcing the use of Personal Protective Equipment (PPE). There is medical check-up provided for staff and people in the community. It has also disseminated knowledge to people in the community nearby the factory for them to understand and be aware of how to protect themselves from surrounding dangers.

Moreover, the Group has carried out Health Impact Assessment (HIA) regarding any incidents arisen and possible incidents as one of the major issues of its Corporate Social Responsibility commitments and under the ISO and IPPC certification. It has installed the Fume Treatment Plant and Quenching Tower to relieve any environmental impact on the community





# Shareholding Structure and Management



## Securities of the Company

As of 31 December 2018, the Company's registered capital was at Baht 2,773,515,332.40, which Baht 1,810,114,210.40 has been paid up. The paid-up capital comprises 4,333,167,300 ordinary shares and 192,118,226 preferred shares total of share 4,525,285,526 shares with a par value of Baht 0.40 per share.



Major shareholders	Shares			%
	Ordinary shares	Preferred shares	Total	
1. Mr.Sittichai Leeswadtrakul	1,514,622,721	157,919,941	1,672,542,662	36.96%
2. General Engineering PLC.	778,559,998		778,559,998	17.20%
3. Bangkok Bank PCL.	423,893,856		423,893,856	9.37%
4. Millcon Steel PLC.	184,904,000		184,904,000	4.09%
5. Brooker Group PLC.	114,526,566		114,526,566	2.53%
6. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	61,984,000		61,984,000	1.37%
7. Mrs. Suchada Lisawattrakul	60,077,120		60,077,120	1.33%
8. Danieli Co.,Ltd.	54,062,089		54,062,089	1.19%
9. UBS AG SINGAPORE BRANCH	53,760,000		53,760,000	1.19%
10. Ms. Tanika Tungpoonpholvivat	43,985,148		43,985,148	0.97%
11. Others	1,042,791,802	34,198,285	1,036,990,087	22.92%
Grand Total	4,333,167,300	192,118,226	4,525,285,526	100.00%

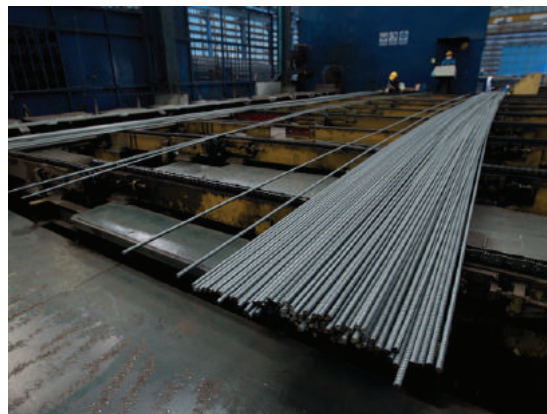


## Dividend Payment Policy

The Company has a policy to pay dividend to ordinary shareholders at the rate of at least 40 percent of net profit after corporate income tax according to company-only financial statements and after legal reserve and other accumulated amount as prescribed by the Company. Such dividend payment may change depending on the Company's financial status, operating results, investment plan, necessity and appropriateness in the future as deemed appropriate by the Board of Directors and/or shareholders of the Company.

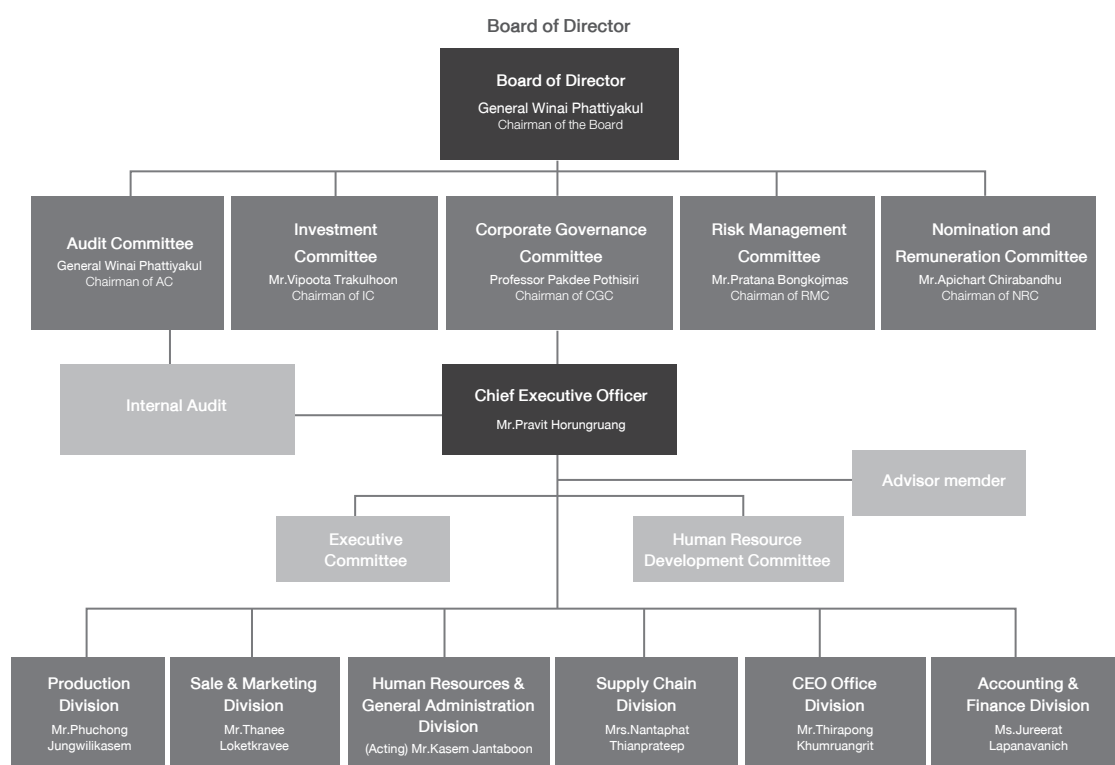
In addition, pursuant to the resolution of the Board meeting, the Company was approved to issue preferred shares Type A, Type B and Type C. Rights and status of the preferred shares preferred shares Type A, Type B and Type C in relation to dividend payment shall be as below:

"In any year when the Company has profit after legal reserve and other reserves as deemed necessary, and in case where there is no accumulated loss, the Company shall pay dividend to preferred shareholders. Preferred shareholders have the right to receive accumulated dividend out of the Company's profit at the rate of 5 percent per year of the investment amount duly paid by the shareholders on each of the preferred share held ("preferred dividend"). Preferred dividend shall rank in priority order to dividend entitled to by ordinary shareholders."



## Management Structure

As of December 31, 2018, the Company's management structure was composed of the Board of Directors and seven board committees, namely, Audit Committee, Executive Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Investment Committee, Risk Management Committee and Human Resource Development Committee, including the management team, details of which are shown in the diagram below:



MILL's management structure is composed of Board of Directors, and Board or supporting committees, namely (A) Board of Directors (B) Audit Committee (C) Nomination and Remuneration Committee (D) Corporate Governance Committee (E) Executive Committee, (F) Risk Management Committee (G) Investment Committee and (H) Human Resource Development Committee. The members of these committees are competent persons with full qualifications pursuant to Section 68 of the Public Companies Act, B.E. 2 535 (1992) and the Securities and Exchange Commission Notification No. KorJor. 12 / 2000 regarding application for and permission of offering of newly issued shares dated March 22, 2000 in all respects. Scope of authority and duties and responsibilities of each Board committee are as follows

## (A) Board of Directors

MILL's Board of Directors is currently composed of 11 directors. Of the total, 7 are non-executives and 5 of whom are independent directors, and 4 are executives. This aims at ensuring efficient performance of duties. The Board meets at least four times a year, for each of which clear meeting agenda are set and details supporting the matters on the agenda are sent to the Board members in advance for their prior study. Consideration of each matter on the agenda is made taking into account the interests of the shareholders and concerned parties on a fair basis. Directors are allowed to express opinions independently. Chairman of the meeting is in charge of controlling allocation of time properly for each matter.

Member of the Board of Directors		
1.	General Winai Phattiyakul	Chairman of the Board / Independent
2.	Pol.Gen.Soonporn Saikwan	Vice Chairman of the Board / Independent
3.	Mr. Pratana Bongkojmas	Director / Independent
4.	Mr. Apichart Chirabandhu	Director / Independent
5.	Mr. Sakchai Tanaboonchai	Director / Independent
6.	Ms. Suttirat Leeswadtrakul	Director who are authorized signatories of the company
7.	Ms. Jureerat Lapanavanich	Director who are authorized signatories of the company
8.	Mr. Pravit Horungruang	Director who are authorized signatories of the company
9.	Mr. Theerayuth Lertsirarungsun	Director who are authorized signatories of the company
10.	Mr. Sophon Pholprasith	Director
11.	Mr. Vipoota Trakulhoon	Director

With Miss. Sureerat Leeswadtrakul as Secretary to the Board of Directors.

### Directors authorized to sign and bind the Company

Directors authorized to sign and bind on behalf of the Company: Ms. Suttirat Leeswadtrakul is authorized to sign jointly with Ms. Jureerat Lapanavanich or Mr. Pravit Horungruang or Mr. Theerayuth Lertsirarungsun with the Company seal affixed.

### Term of office of members of the Board of Directors

At each annual general meeting of shareholders, one-third of the total directors are due to retire by rotation. If the number of directors cannot be divided by three, the closest number to one-third shall apply. The directors who are in office the longest shall retire. The retiring directors may be re-elected to be in office for another term.

Selection of qualified persons as directors shall be made from among the competent persons with diversified background and expertise, leadership and vision, adherence to code of ethics and morality, and having transparent and flawless professional track records, as well as being able to give comments and opinions independently.

## Scope of authority and duties and responsibilities of the Board of Directors

- 1.) The Board has the power to administer the Company pursuant to the laws, and the Company's objectives, articles of association and shareholders' meeting resolutions with integrity, honesty and due regards of the interests of the Company.
- 2.) The Board has the duty to set the Company's business targets, framework, policies, plans and budget, monitor and supervise the operations of the management or any persons as may be assigned to ensure their performance in accordance with the policies set forth by the Board.
- 3.) The Board has the power to examine, consider and approve the policies, guidelines and action plans of the Company's large investment projects as proposed by the supporting committees and/or the management.
- 4.) The Board has the power to appoint, assign or instruct the supporting committees or any working committees to consider or take action in any issues as may be deemed proper by the Board.
- 5.) The Board has the power to follow up or monitor the business operations to be in line with the Company's operational plans and budget.
- 6.) The Board has the duty to monitor and ensure that the Company has efficient internal control and audit systems in place, with the internal audit work unit designated to follow up and compile information thereon as well as coordinate with the Audit Committee.
- 7.) The Board has the power to consider and approve any issues deemed necessary and related to the Company, or deemed proper for the interests of the Company

### (B) Audit Committee

Audit committee consists of 3 members as following

Member of Audit committee		
1.	General Winai Phattiyakul	Chairman of Audit Committee
2.	Mr. Pratana Bongkojmas	Audit Committee Member
3.	Mr. Apichart Chirabandhu	Audit Committee Member

With Mrs. Phatnaree Thitiariyakul as Secretary to the Board of Audit Committee

## Scope of authority and duties and responsibilities of the Audit Committee

- 1.) Review the Company's financial reports to ensure accuracy and adequacy, by coordinating with the external auditor and the executive in charge of preparing financial reports, both quarterly and yearly. The Audit Committee may suggest or recommend that the auditor review or examine any particular issues considered necessary and essential in the course of the auditing of the Company.
- 2.) Review and ensure in collaboration with the external auditor and the internal auditors that the Company has proper and efficient internal control and audit systems in place.
- 3.) Review and ensure that the Company operates and performs in compliance with the laws on securities and securities exchange, regulations of the Stock Exchange of Thailand, or any laws relevant to the business of the Company.
- 4.) Select and propose the appointment of the auditor for the Company and the fixing of audit fee, based on the criteria of the reliability, sufficiency of resources and audit volume of the audit firm, as well as the experience of the personnel assigned to do the auditing of the Company.



- 5.) Consider the Company's disclosure of information in case of a connected transaction or a transaction that may have conflict of interests to ensure accuracy and completeness, and give opinions as to the necessity and the reasonableness of the transaction.
- 6.) Perform any other function as may be assigned by the Board of Directors and with consent of the Audit Committee.
- 7.) Prepare and disclose the report of the Audit Committee in the Company's Annual Report.
- 8.) Report the operations of the Audit Committee to the Board for acknowledgment at least once a year.
- 9.) Have power to examine and investigate as deemed necessary any issues as well as seek independent opinions from professional advisors as deemed proper with the expenses on which to be borne by the Company to ensure the achievement of the performance of duties.

## (C) Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 members as following

Member of Nomination and remuneration Committee		
1.	Mr. Apichart Chirabandhu	Chairman of the Nomination and Remuneration Committee
2.	Mr. Pratana Bongkojmas	Nomination and Remuneration Committee
3.	Ms. Suttirat Leeswadtrakul	Nomination and Remuneration Committee

Remark: Currently, during the recruitment of the Nomination and Remuneration Committee the secretary due to Mr. Jiruss Riachaiwanich resigned from the Nomination and Remuneration Committee the secretary on 31 January 2019

### Term of office of members of Nomination and Remuneration Committee

Term of office of Committee members is three years. Upon the completion of the term of office, the vacating members may be reappointed to be in office for another term.

### Scope of Authority and Duties and Responsibilities of Board of Directors / Supporting Committees

Provide recommendation to the Board in selection of qualified persons for appointment as members of the Committee and in determination of remuneration for directors for proposal to the shareholders' meeting for approval, and also provide recommendation to the Board in appointment of top executives and take charge of determining remuneration including fringe benefits for top executives of the Company and its subsidiaries, as well as perform other duties as may be assigned by the Board.

### Company secretary

According to the Meeting of the Board of Director 6/2008 held on August 14, 2008 had approved and appointed Ms. Jureerat Lapanavanich to be a company secretary whose responsibilities as follows:

- 1.) Prepare and keep following documents:
  - (a) Director Register
  - (b) A Board of Directors' Meeting Invitation and Report
  - (c) A Shareholders' meeting Invitation and Report
- 2.) Keep Self Declaration (report of stakeholder) of Directors or Managers (Secretary should delivery copies of Declaration to Chairman of the Board of Directors and Chairman of Audit Committee within 7 days after acknowledged the Declaration)
- 3.) Act in according to the Securities and Exchange Commission Announcement.

## (D) Corporate Governance Committee

Corporate Governance Committee consist of 4 member as following

Member of Corporate Governance Committee		
1. Professor Pakdee	Pothisiri	Chairman of the Corporate Governance Committee
2. Mr. Apichart	Chirabandhu	Corporate Governance Committee member
3. Ms. Suttirat	Leeswadtrakul	Corporate Governance Committee member
4. Mr. Pravit	Horungruang	Corporate Governance Committee member

With Mr. Awirut Niyomdech as Secretary to the Corporate Governance Committee.

### Scope of authority and duties and responsibilities of the Corporate Governance Committee.

- 1.) To provide advice on practices guideline and corporate governance policy to the Board of Director.
- 2.) Duties on corporate governance, as assigned by the Board of Director.
- 3.) Review practices and corporate governance policy
- 4.) Compliance of the Board of Director and management team.
- 5.) The monitor and evaluate the performance of the Board of Director.
- 6.) Proposed to practice guideline for Code of Ethics on business.

## (E) Executive Committee

Executive Committee consists of 10 members as following

Member of Executive Committee		
1. Mr. Pravit	Horungruang	Chairman of Executive Committee
2. Ms. Suttirat	Leeswadtrakul	Committee Member
3. Mrs. Phatnaree	Thitiyarakul	Committee Member
4. Mrs. Nathaphat	Thianpratheap	Committee Member
5. Mr. Taveechai	Kittichanajaroen	Committee Member
6. Ms. Jureerat	Lapanavanich	Committee Member
7. Mr. Theerayuth	Lertsirarungsun	Committee Member
1. Mr. Thanee	Loketkravee	Committee Member
9. Mr. Puchong	Jungwilikasem	Committee Member
10. Mr. Thirapong	Khumruangrit	Committee Member

Remark : Mr. Sittichai Leeswadtrakul Resigned from the position of Executive Chairman on 16 July 2018  
Mr. Jiruss Rianchaiwanich Resigned as executive director on 31 January 2019

## Scope of authority and duties and responsibilities of the Executive Committee

- 1.) Consider and endorse the allocation of annual budget as proposed by the management before submitting to the Board for approval, and consider and approve the change in or addition to the annual expenditure budget during the period when no Board meeting is held and such case is considered urgent and submit it for the upcoming Board meeting's acknowledgment.
- 2.) Approve the purchase or sale of goods that are in the normal course of business operations of the Company in the amount up to Baht 1,000 million.
- 3.) Approve the amount for the purchase of assets in the manner of investment in the normal course of business operations of the Company other than that indicated in the annual budget up to Baht 50 million.
- 4.) Approve the amount for the significant investment duly earmarked in the annual expenditure budget as assigned by the Board or as earlier resolved and approved in principle by the Board.
- 5.) Perform as the advisory body to the management in the matters relating to policies on finance, investment, marketing, general administration and other aspects of operations.
- 6.) Allocate bonus under the framework approved by the Board to the employees or contract employees or any persons performing duty for the business of the Company.
- 7.) Monitor and supervise the day-to-day operations or administration of the Company, excluding the approval of any transactions that may have conflict of interest or those in which the Committee members or the related persons thereof have vested interests in the manner contradictory to the Company or subsidiary (if any) in compliance with the regulations of the Stock Exchange of Thailand, subject to the submission to the Board meeting and/or the shareholders' meeting for consideration and approval thereof as prescribed by the Company's articles of association or the relevant laws.

## Executive Manager

At December 31, 2018, the Company's executive manager as follows:

Executive Manager		Position
1. Mr. Pravit	Horungruang	President
2. Mrs. Nantaphat	Thianprateep	Senior Executive Vice President of Supply Chain
3. Mr. Puchong	Jungwilikasem	Senior Executive Vice President of Production
4. Mr. Thanee	Loketkravee	Senior Executive Vice President of Sale and Marketing
5. Mr. Thirapong	Khumruangrit	Senior Executive Vice President of CEO Office
6. Ms. Jureerat	Lapanavanich	Executive Vice President of Accounting and Finance
7. Mr. Kasem	Juntaboon	(Acting) Executive Vice President of Human Resource & General Administration

## Scope and Power of President

- 1.) Control and advice in operating and management business.
- 2.) Conduct and operate pursuant to the Company's policy and budget plan, approved by the meeting of the Board of Directors.
- 3.) Operate the business pursuant to objectives, policy, regulation, agreement, order, and resolution of Board of Directors Meeting and/or of Shareholders Meeting.
- 4.) Order, regulate or announce for the purpose of pursuant policy and interest of the Company and to maintain discipline of organization
- 5.) Review and estimate operation results of the Company to be prepared and manage any risk occurred by any factor.
- 6.) Approve any act relating to the Company's business, including, buy and sell contract, procurement a material for production, operation cost relating business, investment, supplying and providing of equipment, asset, and services, or authorize other person to act for the profit of the Company, provided that the approve and authorize is under limit, set by the Company.
- 7.) Act or represent as representative of the Company to third person, necessarily of operating the business.
- 8.) Operate any duty assigned by the Board of Directors.

In case the power of an executive committee conflicts with interest of the Company, as stated in regulation and announcement of Stock and Exchange Commission or Stock Exchange of Thailand, that executive committee shall not has the power or right to vote or to assign a person in any act doing relating to the conflict. To do the conflicting acts, shall be approved, with prior approval of Audit Committee, by the Board of Directors or the Shareholder's Meeting, according to the Laws and the regulation of the Company.



## (F) Risk Management Committee

Risk management Committee consists of 4 members as following

Member of Risk Management Committee		
1. Mr. Pratana	Bongkojmas	Chairman of Risk Management Committee
2. Mrs. Nanthaphat	Thianpratheap	Committee Member
3. Mr. Phatnaree	Thitiariyakul	Committee Member
4. Mr. Samart	Udomphan	Committee Member

With Ms.Yupawadee Jantarakka as Secretary to the Risk Management Committee.

### Scope of authority and duties and responsibilities of the Risk Management Committee

- 1.) Map out policy to consider overall risk management issues, involving risks of such significant perspectives as financial risk, operational risk, business risk, external risk, etc.
- 2.) Monitor, control, follow up and assess the operations in order to review and develop risk management system to ensure efficiency in assessing possible risks that may impact the Company's business operations, covering both internal and external risks.
- 3.) Report the operations of the Risk Management Committee to the Board.
- 4.) Perform other functions as may be assigned by the Board.

## (G) Investment Committee

Investment Committee consists of 6 members as following

Member of Investment Committee		
1. Mr. Vipoota	Trakulhoon	Chairman of Investment Committee
2. Mr. Puchong	Jungwilikasem	Committee Member
3. Mr. Thirapong	Khumruangrit	Committee Member
4. Ms. Jureerat	Lapanavanich	Committee Member
5. Mr. Thanee	Loketkravee	Committee Member
6. Ms. Peeraya	Potiprasart as	Committee Member

With Mr. Taratip Thongsari as Secretary to the Investment Committee.

### Scope of authority and duties and responsibilities of the Investment Committee

- 1.) Determine the Company's investment policy, guidelines and scope, and monitor and supervise its investment activities to be in line with the policy, guidelines and scope set forth.
- 2.) Follow up to ensure the investment activities comply with the regulatory criteria and regulations.
- 3.) Assess investment risks.
- 4.) Perform other functions as may be assigned by the Board.
- 5.) Report the results of operations, rectifications and recommendations to the Board for acknowledgment

Board and committee meetings are held regularly In 2018, are as follows:

List	Director Name		Statistics of attendance of the various committees						
			The Board of Directors Meetings	Audit Committee meetings	Nomination and Remuneration Committee meetings	Corporate Governance Committee meetings	Investment Committee meetings	Risk Management Committee meetings	Annual General meetings
1	General Winai	Phattiyakul	8/8	7/7					1/1
2	Pol.Gen.Soonthorn	Saikwan	8/8						1/1
3	Mr. Pratana	Bongkojmas	8/8	7/7	4/4			1/1	1/1
4	Mr. Apichart	Chirabandhu	4/8	4/7	3/4	2/2			1/1
5	Mr. Sakchai	Tanaboonchai	8/8						-/1
6	Mr. Sittichai	Leeswadtrakul	4/8*						1/1
7	Ms. Suttirat	Leeswadtrakul	7/8		4/4	1/2			-1/1
8	Ms. Jureerat	Lapanavanich	8/8				9/9		1/1
9	Mr. Theerayuth	Lertsirarungsun	7/8						-/1
10	Mr. Pravitt	Horungruang	8/8			2/2		1/1	1/1
11	Mr. Sophon	Pholprasith	6/8						1/1
12	Mr. Vipoota	Trakulhoon	7/8				9/9		1/1
13	Professor Pakdee	Pothisiri				2/2			
14	Mr. Jiruss	Rianchaiwanich				-/2		-/1	
15	Mr. Samart	Udomphan						1/1	
16	Ms.Peeraya	Pothiprasart					8/9		
17	Mr. Puchong	Jungwilikasem					9/9		
18	Mrs. Nantaphat	Thinprateep						1/1	
19	Mr. Thanee	Loketkravee						9/9	
20	Mr. Thirapong	Khumruangrit						5/9	

Remark : Mr. Sittichai Leeswadtrakul Resigned from the position of Executive Chairman on 16 July 2018

Mr. Jiruss Rianchaiwanich Resigned as executive director on 31 January 2019

## Details of Remuneration of Directors and Management consist of:



### (A) Financial Remuneration

The Nomination and Remuneration Committee has reviewed the remuneration for the Company's directors for 2017 to ensure it is commensurate with their roles and responsibilities and has then resolved to propose the remuneration for directors as follows:

#### Directors' Remuneration

Chairman of the Board of Director	60,000	Baht/Month
Vice Chairman of the Board of Director	25,000	Baht/Month
Director	20,000	Baht/Month
Chairman of the Audit Committee	10,000	Baht/Month
Audit Committee member	5,000	Baht/Month
Chairman of the Corporate Governance Committee	30,000	Baht/Month

#### Meeting allowance is also provided based on number of meetings attended\*:

Chairman of the Board of Director	10,000	Baht/Time
Vice Chairman of the Board of Director	5,000	Baht/Time
Director	5,000	Baht/Time

Remark.-

\* The attendance fee to be paid to director who attended the meeting shall not more than 8 times per year and the director who is an audit committee is not entitled to receive an attendance fee in each meeting. In addition, the director who is a nomination and remuneration committee / Corporate Governance Committee / risk management committee / investment committee is entitled to receive additional attendance fee in amount of 5,000 Baht per time with the maximum rate of 8 times per year. The above remuneration shall not be applied for executive director of the company.

In 2018, remuneration for the 10 board members totaled Baht 27.05 million, divided into

1) Baht 3.00 million for 7 independent directors and non-executive directors

Name	Remuneration for Board Members						Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	CG Committee	Investment Committee	Risk Management Committee	
1. General Winai Phattiyakul	760,000	120,000					880,000
2. Pol.Gen. Soontorn Saikwan	320,000						320,000
3. Mr.Pratana Bongkojmas	255,000	60,000	15,000			10,000	340,000
4. Mr.Apichart Chirabandhu	255,000	60,000	10,000				325,000
5. Mr.Sakchai Tanaboonchai	250,000						250,000
6. Mr.Sophon Pholprasith	250,000						250,000
7. Mr.Vipoota Trakulhoon	255,000				15,000		270,000
8. Professor Dr. Pakdee Pothisiri				360,000			360,000
Total	2,345,000	240,000	25,000	360,000	15,000	10,000	2,995,000

2) In 2018, remuneration for executive 5 directors totaled Baht 24.08 million Baht. These amounts include director's remuneration, additional remuneration, executive bonus, the company contributed to the EJIP project, contribution to Social Security, contribution to provident fund and other benefits.

**(B) Other Remuneration** -None-



## Shareholdings of the Company by Directors and Management

As of December 31, 2018, securities holding of Mill Con Steel Public Company Limited "MILL" had been changed as shown here:

### (A) Change in securities holding of directors

Name		Shareholding in MILL (Shares)		
		As of Dec 31,18	As of Dec 31,17	Change + (-)
1. General Winai	Phattiyakul			
2. Pol.Gen. Soontorn	Saikwan	58	55	3
3. Mr. Pratana	Bongkojmas	835,172	782,974	52,198
4. Mr. Apichart	Chirabandhu			
5. Mr. Sakchai	Tanaboonchai			
6. Ms. Suttirat	Leeswadtrakul	28,244,809	28,598,259	353,450
7. Ms. Jureerat	Lapanavanich			
8. Mr. Pravit	Horungruang			
9. Mr. Theerayuth	Lertsirarungsun			
10. Mr. Sophon	Pholprasith			
11. Mr. Vipoota	Trakulhoon			

### (B) Change in securities holding of executives

Name		Shareholding in MILL (Shares)		
		As of Dec 31,18	As of Dec 31,17	Change + (-)
1. Mr. Puchong	Jungwillikasem	440	413	27
2. Mr. Thanee	Loketkravee			
3. Mr. Thirapong*	Khumruangrit	106,666	100,000	6,666
4. Mr. Jiruss**	Rianchaiwanich			

Information above only presents an executive committee who did not be Directors.

Remark \*Mr. Tirapong Khamrueangrit's the wife, who is a person under Section 258, is a shareholder.

\*\* Mr. Jiruss Rianchaiwanich resigned from the company on January 31, 2019 and appointed Mr. Kasem Chanthaboon to be the position (Acting), Senior Executive Vice President of Human Resources and General Administration effective from 1 February 2019

## Auditor's Remuneration

### (A) Audit Fee

In 2018, the Company paid a total audit fee of Baht 4,144,000. In addition, CWWP Co., Ltd. also served as auditor for 6 subsidiaries of the Company, Mill Con Burapa Co., Ltd., Saharuum Construction Material Co., Ltd., Millcon Steel Pipe Co., Ltd. and Suntech Metals Co., Ltd., World Wilde Processing Co., Ltd, Siam Solar Generation Co., Ltd. with a combined audit fee of Baht 5,419,000.

### (B) Non-audit Service

In year 2018, the Company group's cost for other service of Auditors, as follows:

- Millcon Steel Public Company Limited
  - 1) Transportation fee relating to providing service 41,249 Baht.
  - 2) Over – time fee, 314,742 Baht.
  - 3) Postage fee 2,155 Baht.
- Subsidiary company
  - 1) Transportation fee relating to providing service 89,226 Baht.
  - 2) Over – time fee 92,720 Baht
  - 3) Postage fee, 17,440 Baht.

### Yearly Summary of Auditor's Remuneration from 2016- 2018, as follows:

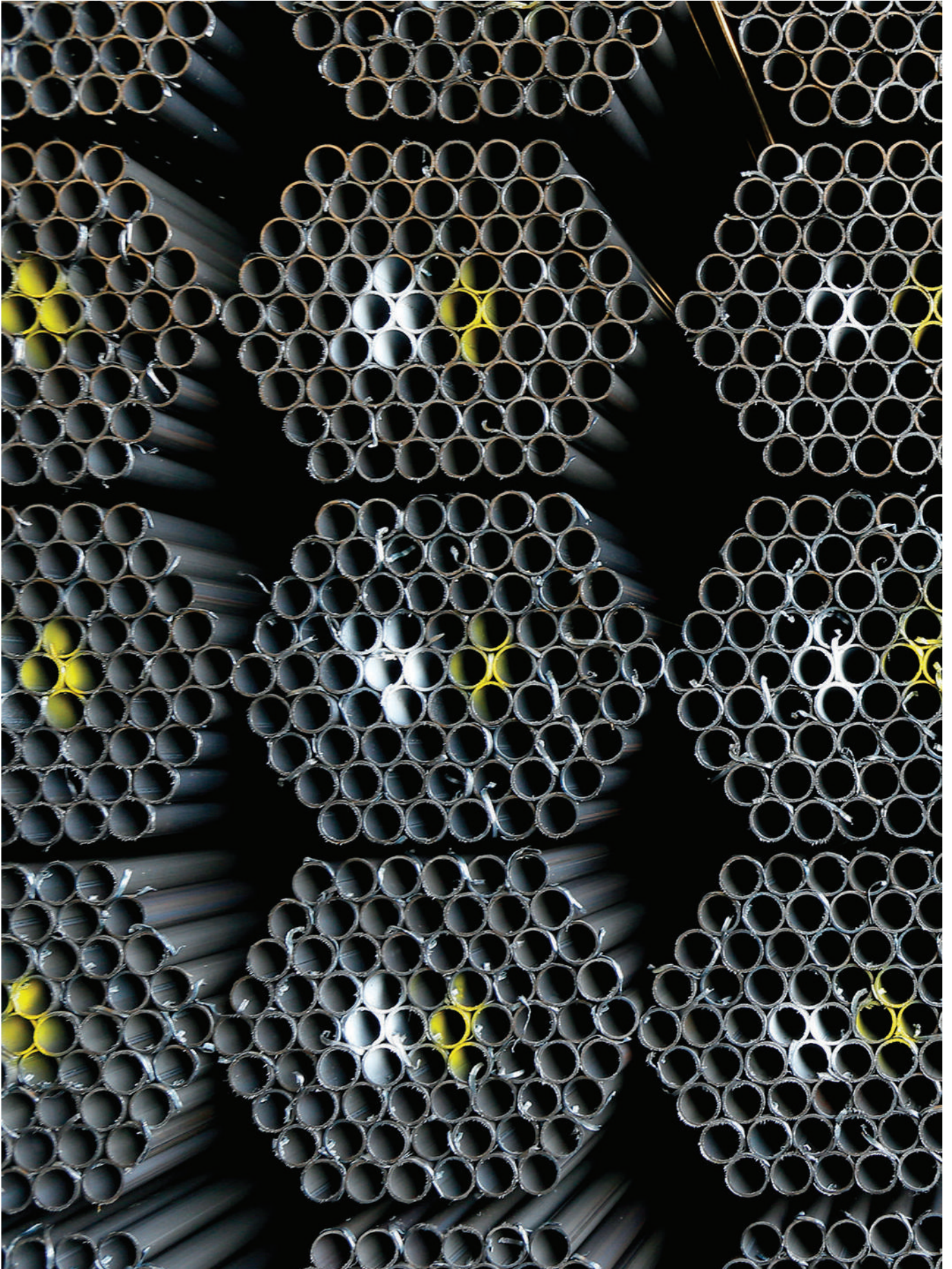
Auditor's Remuneration	Year 2018	Year 2017	Year 2016
1) Audit Fee of the Company and its Subsidiary	9,563,000 บาท	7,599,499 บาท	6,894,000 บาท
2) Other Services Charge	557,532 Baht	406,743 Baht	462,449 Baht

### Manpower

2018 (as of December 31, 2018)	
Operating staff (persons)	344
Office staff (persons)	201
<b>Total (persons)</b>	<b>545</b>
Total employee remuneration (Million Baht)	224.68
Provident fund contribution (Million Baht)	4.79









# Compliance with Good Corporate Governance Principles

## Policy overview of company

The Committee of Millcon Steel Public Co., Ltd. and its group companies have operated the business with responsibility and equitability in compliance with the guideline of SEC which called compliance with good corporate governance principles. This principle can help the Company to have efficiency on the business operation with transparency and thinking of the benefit for all interested person and able to inspect which it can help the Company to increase the ability of competitiveness, products and added value to long

term shareholders. The board of company and management division has made compliance with good corporate governance principles in writing and disseminates it to employees and group companies to be their guideline of working in the Company's website [www.millconsteel.com](http://www.millconsteel.com).

In addition, group company has set the policy of business operation system with the intention of enhance the ability especially of manufacturing and distributing, including with care of environment and social which the Company has disseminated to interested persons for notice, adhere and keep reviewing regularly and take it as main part of business operation.

## Purpose of Business Operation

Our Company is one of topflight as steel manufacturer and trading, and being one stop center of steel products with several type of products such as Hot Rolled Coil, Slitting Coil, Steel Sheet, Flat Plate, Lip-Channel Steel, Steel Pipe and also expand to Rolled Steel, Round Bar, Deformed Bar, High Tensile Thread Steel Bar and High Value Added Steel such as One Bar which is our latest innovation on deformed bar that help us to save cost for 20% and other products. Our products have been certified from the agency at the national and international level and we also keep developing in service by adding new service business line i.e. cut & bend and maintenance for being the real one stop center of steel products.

Furthermore, we have new products from our group companies' i.e. long shape steel or billet which support us to compete with the steel industry in intermediate level under the project of Green Mill. This project is for construct Electric Arc Furnace (EAF) with the intention to impel us to be the real one stop center of steel products. By the highest technology from Italy, the Company has an intention to product billet for both general use and special high quality for being raw material in manufacture of round bar and deformed bar and other special high quality steel. Technology of Electric Arc Technology (FASTARCTM) and Vacuum Degassing Technology (VD) are using for product genuine and delicate skin of steel which is different from products produced from using other general technology. These technology is required from the related industry that have to use high quality of raw materials for their manufacture such as automobile industry. And because of high-technology of our machines including with good delivery system, we are able to fulfill our customers' demand.

Furthermore, we also manufacture wire rods using machines imported from the United States. It can produce both wire rods low carbon, wire rods medium carbon and wire rods high carbon. This wire rod was used as raw material for processing in automotive industry, Machinery Industry, Furniture industry with its joint venture with Kobe Steel Limited of Japan. To take care of the production process and also check the product quality to ensure that the group's wire rod products meet Kobe Steel's standards are able to fulfill our customers' demand.



## Corporate Governance Policy

### Section 1 Rights of Shareholders

- 1.) The company has a policy not to deprive or create barriers to the opportunity for shareholders to communicate with each other.
- 2.) The Company provide right shareholder to acknowledge information in advance of the meeting date. And The Company will not add items to the meeting agenda to be voted which are not defined in Invitation Letter of AGM of Shareholders.
- 3.) The Company support and encourage all shareholders, including institution shareholders attend the AGM, regard the location of the meeting, travel and shareholders' meeting date for facilitate attend meeting
- 4.) Give opportunity for shareholders to propose in advance of AGM, items for inclusion on the meeting's agenda. Invitations and notifications with guideline and procedure on the methodology to propose agenda items was delivered to shareholders through the Stock Exchange of Thailand's news portal as well as the Company's own.
- 5.) At a shareholder meeting if there is any agenda item with vested interests of the director. The Company will identify the interests of the director in the invitation

letter to the shareholders' meeting and at the shareholders' meeting, the chairman of the meeting will give notice prior to considering the agenda. If any director has any interest, that director will not attend the meeting and abstain on that agenda.

- 6.) The company shall prepare the minutes of the shareholders' meeting and publish it on the company's website within 14 days from the date of the meeting by informing the shareholders through the Stock Exchange of Thailand's website and on the company website.



In 2018, the Company had the shareholder meeting one time is the Annual General Meeting of shareholder of 2018 held on, 27 April 2018 at 2 p.m. at Maenam Ramada Plaza Bangkok Hotel. Every shareholder meetings, the Company determines the date, time and place of meeting which is consider convenience from traveling and making map to the meeting place in invitation letter and sent to all shareholders who have the right to attend the shareholders' meeting on 12 April 2018.

## Section 2 Equitable Treatment of Shareholders

- 1.) Give opportunity for shareholders to propose in advance of AGM, items for inclusion on the meeting's agenda. Invitations and notifications with guideline and procedure on the methodology to propose nominate directors was delivered to shareholders through the Stock Exchange of Thailand's news portal as well as the Company's own.
- 2.) The Company determine policy and practice guideline on use of internal information such use information wrongly, use of internal information for securities trading etc. to members of the Board, Management and employee from using such information for personal which inform policy and practice guidelines within the organization monitoring.
- 3.) The Company enclosed the Proxy Form (A), Proxy Form (B), and Proxy Form (C) with the AGM invitation letter. This form may be used by shareholders who are unable to attend the meeting in person.
- 4.) The Company prohibits directors, executives and employees from using material information that may materially affect the Company's share price and not publicly available yet, seeking benefits no matter for themselves or other. So, all directors, executives and employees must comply with the Securities and Exchange Act BE 2535, the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand strictly.
- 5.) Board of Director of the Company will be held AGM in accordance with the agenda item in the invitation letter. There was no agenda item added without prior notice to the shareholders, other than those specified in the meeting invitation letter, for fairness to non-attendees except where necessary for the benefit of the company and strictly adhered to the relevant rules of law.



## Section 3 Rights and Equitable Treatment of Stakeholders

- 1.) The Company determines policy and measures to take care stakeholders for confidence and collaboration between stakeholders as shareholders, employees, customers, partners, suppliers, local communities appropriately and fairness to all parties.
- 2.) The Company determines Code of Ethics and practice guidelines to stakeholders recognize and practice for fairness to all parties.
- 3.) The Company determines Anti – Corruption Policy, measures to prevent and risk assessment form corruption.
- 4.) The Company recognize social responsibility management which determines principle and practice guideline for social responsibility management achieve.



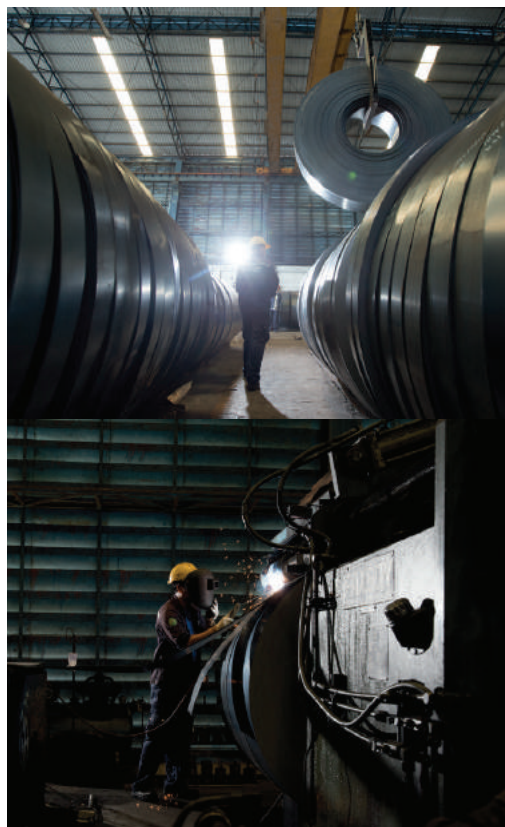
## Section 4 Information Disclosure and Transparency

- 1.) The company requires the company's directors and company executives must report trading including changes in the holding of securities issued by both self, spouses and minor children o to the board of director meeting and to the Securities and Exchange Commission.
- 2.) The company requires directors and executives report on their own interests and related persons, including any change in stock information and Stock Exchange of Thailand by assigned the Company secretary to the report of the information under Section 89 to the board of director meeting every year to consider the company's transactions(including changes). There may be conflicts of interest to the company as a whole. Directors and executives with any interest on the subject considered they must not participate in the voting and have no right to vote on the matter.
- 3.) The Company must disclose information to the public immediately when there are events affect stock price and shareholders of the Company.
- 4.) The Company must disclose information in annual report under the criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 5.) The Company has policy that the Audit Committee shall consider and opinion related transaction for present the Board of Director and/or propose the shareholder' meeting.
- 6.) The Company has a corporate communication channel to provide shareholders, investors and interested parties, the company has easy access to the Company's information, including the Annual Report, Performance Report, Company Website including the activities organized by the Stock Exchange of Thailand, etc.
- 7.) The Company establishes Investor Relations and channels where investors can contact information about the company you can contact the channels listed in the annual report.



## Section 5 Duties and Responsibilities of the Board of Directors

- 1.) The Board of Director elects the Chairman of the Board of Director. The Chairman of the Board of Director and Chief Executive Officer must not be the same person and there is a clear separation of boundaries and functions.
- 2.) The Board of Director determines the company has corporate governance policy and code of ethics who determines scope of authority, duties and corporate governance, and assign directors, executives, employees and stakeholders practice.
- 3.) The Board of Director has set up subcommittees. The roles and responsibilities are assigned by the Board of Director. The roles and responsibilities of each subcommittee are disclosed in the company's annual report. The Board of Director will review the roles and responsibilities of the Board of Director and committees every year.
- 4.) The Board of Director consider and review the vision and mission of the company every 5 years.
- 5.) The Board of Director determine to prepare a succession plan of Executive Vice President to CEO for the Company's operating are continuing.
- 6.) The Board of Director has assigned the Nomination and Rumination Committee to perform the duty of recruiting and nominating Directors who considered the candidates qualified with competence, experience, and ability to sufficiently devote their time. Further, the Company grant the shareholders the opportunity to propose the qualified candidates to be nominated as the Company's directors accordance with criteria of the Company.
- 7.) New Director and Management will be an orientation for acknowledge the Company's information, rule, policy and performance of the Company
- 8.) The Company encourages directors to training courses or seminar every year for enhance knowledge.
- 9.) The Company provides annual performance evaluation of the Board of Directors, Committees and individual1 time per year. The Nomination and Remuneration Committee shall consider the criteria for the evaluation of each committee to the Board of Director and Committees have review the performance of duties during the past year.



## Treatment of Stakeholders Policy

The Board of Directors has set policy and measures in treatment of stakeholders as detailed below:

### 1. Shareholders

The Board of Directors has set policy in treatment of shareholders as follows:

1) The Company is duty-bound to protect and observe the basic rights of the shareholders, comprising right to buy, sell or transfer shares, right to profit sharing, right to adequately access news or information on the Company, right to attend shareholders' meeting to approve businesses on the agenda as prescribed by law, to elect or remove directors, to appoint auditor, to allocate dividend, and other businesses related to the basic rights of the shareholders.

2) The Company is duty-bound to support and encourage the shareholders to exercise their rights in the businesses on the agenda of the annual general meeting of shareholders, i.e. right to propose matters to be put on the agenda in advance, right to make prior nomination of qualified persons for election of directors, right to send questions to the meeting in advance, right to raise questions and comments at the meeting, etc.

3) The Company shall commit no acts that will be violation or restriction to the rights of shareholders.

### 2. Employees

The Board of Directors has set policy in treatment of employees as follows:

1) The Company shall give remuneration to employees performance-based, with fairness and generally accepted and adopted evaluation method and justifiable to the nature of the job of each employee. Remuneration comprises monthly salary/wage, overtime payment off-office hours and on holidays, annual bonus and extra payment, life insurance, health insurance, provident fund, and so on.

2) The Company shall promote and develop its personnel's skill and knowledge on a consistent basis, e.g. participation in training and seminars of executives and staff at all levels, etc.

3) The Company shall treat all its employees on a fair and equitable basis as regards performance evaluation, safeguarding of confidential personal and professional data, exercise of rights to fringe benefits, etc.

4) The Company shall observe the rights of all employees and treat them with honor and respect for individual right, and allow them to voice complaints through various channels in case they are treated unfairly.

5) The Company shall observe the employees' rights to set up and participate in labor organizations, labor unions, or other organizations, and give them opportunity to negotiate employment conditions.

6) The Company shall be duty-bound to manage and make available good working environment with safety, sanitation and contribution to work efficiency and effectiveness.

7) The Company shall respect and observe the basic right of employment, i.e. no forced labor, no child labor, or no employment of children aged lower than the minimum prescribed by law.

8) There shall be no discrimination of employees on the grounds of gender, religion, race, nationality or origination. All employees shall be treated equitably.

9) The Company shall determine employment conditions for employees of all levels and titles no inferior to the minimum set by law.

### 3. Customers

The Board of Directors has set policy in treatment of customers as follows:

1) The Company is duty-bound to build long-term relationship and cooperation with customers, with integrity, trust and reliability for one another.



2) The Company is duty-bound to create maximum customer satisfaction, with high sense of accountability and care and with priority concern about customers' demand and problems.

- 2.1 Adhere to offering and delivery of products and services of standard quality and meeting customer demand.
- 2.2 Fulfill all conditions agreed upon with customers to the best of their ability.
- 2.3 Offer equitable prices and business terms to customers classified or ranked in the same group.
- 2.4 Provide true information to customers about properties and quality of the products and services to ensure fairness and customer confidence.
- 2.5 Be ready to answer questions from customers and take relevant actions in dealing with their complaints, as well as give suggestions and follow up the progress thereof.

#### 4. Business partners

The Board of Directors has set policy in treatment of trade partners as follows:

- 1) The Company shall be duty-bound to create good relationship with all business partners.
- 2) The Company shall be duty-bound to give equitable opportunity for all business partners to introduce or offer their products / services.
  - 2.1 Transact with business partners with integrity and on equitable term.
  - 2.2 Consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account.
  - 2.3 Safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.

3) The Company shall be duty-bound to procure or engage business partners that perform according to all rules and regulations relating to environmental protection and pollution control, and treatment of employees of business partners in relation to labor and employment on a fair basis and without discrimination.

4) The Company shall be duty-bound to provide training and give suggestions to business partners in performing duty in the premises of the Company and/or any other places as designated by the Company to ensure compliance with rules, regulations and criteria relating to safety and sanitation.

#### 5. Creditors

The Board of Directors has set policy in treatment of creditors as follows:

- 1) The Company shall be duty-bound to nurture relationship and treat creditors on the basis of integrity, trust and reliability.
- 2) The Company shall be duty-bound to take responsibility for, take care of and observe the conditions agreed upon with the creditors' best as possible.





## 6. Community

The Board of Directors has set policy in treatment of community as follows:

1) The Company and employees shall strictly behave as good citizens, observe human right and treat the nearby community and surrounding locality with friendship and have good relationship with the community in the locality, as well as pay attention to, do no discrimination, or bar away the people who need special care, such as children, women, the disabled and the elderly.

2) The Company shall be duty-bound to treat the community in the locality by allowing the community to participate, giving support and developing the community in various areas for their proper well-being, i.e. education, culture, public health, economy, and creation of jobs and income, etc.

3) The Company shall be duty-bound to open up opportunity for residents in the nearby community to work with the Company as appropriate and at the Company's discretion, and have the policy to hire or employ people there as necessary and proper.

4) The Company shall be duty-bound to take care of and support activities that are beneficial to the society and give cooperation to the public sector and various agencies with willingness and sacrifice for public interests.

### Anti-corruption policy

1. All directors, executives and employees of the Company must not support or do anything that expresses the intent of corruption, offer bribery, or take bribes of stakeholders with the Company group in matter of which they are responsible either direct or indirect to get the benefit to the organization, self or relevant persons by accepting or following the anti-corrupt practices of the Company.

2. The Board of Directors assign the audit committee and Corporate Governance committee to follow and supervise the corporate governance policy.

3. The Company operates with transparency, honestly by prohibiting directors, executives and employees get bribes or incentives including gifts, prizes and endorsements in whatever format by following the business ethics or practical guide of the Company.

4. The Company provides training and education on anti-corruption to directors, executives and employees of the Company continuously to fully acknowledgement the anti-corruption action policy including the consciousness of all employees to work with honestly and in accordance with ethics, moral and governance which is an important foundation to help employees to be clear and concrete, successful according to the Company policy.

5. The Company provides an internal control system. It is responsible for reviewing the implementation of the anti-corruption policy to prevent potential fraud and may affect the financial position and the Company performance.

6. The Company has set guidelines for charitable donations or sponsor any organization to act on behalf of the company or its affiliates only, and must assist or support the organization for the public benefit, is obtained a legitimate license and other public safety, amount must be appropriate not more than necessary as the case may be. The Company must proceed with transparency, follow the Company's prescribed procedures as well as follow up and monitor to ensure that donations are not being used as an excuse for corruption or bribery.



7. The Company has established guidelines on business relations and procurement with the public sector or private agencies including contact with the public or government officials or the private sector as well as those involved in running the business of the Company and its affiliates must be careful, transparent, honest, through the company's prescribed procedures and can be checked.

8. The Company provides channels for reporting clues or complaints when there is enough corruption and policies to protect and provide fairness for employees who report clues or report corruption related to the Company or affiliates by protecting the complainant or those who cooperate to report corruption including the Company has imposed penalties and disciplinary action against employees who violate the implementation of this anti-corruption corruption policy in accordance with ethics and practical guide of company.

9. The Company has a policy of political neutrality, all personnel have legal rights and political liberties and be aware not to take action or do any activities including any resources of the Company and its affiliates for political action or activities. This will cause the company group to lose its neutrality or be affected by its involvement or political support.

## Clue reporting and whistleblowing channel

### Compliance

Millcon Steel Public Company Limited  
52 Thaniya Plaza Building 29th Floor, Silom Road,  
Suriyawongse Bangrak Bangkok 10500  
Tel. 0-2652-3333 #207 Fax. 0-2632-9899  
Email : [compliance@millconsteel.com](mailto:compliance@millconsteel.com)

## Code of Ethics and Practice Guidelines

### 1. Organization governance

The Company is determined to operate its business with integrity and taking public and national interests into account, and in compliance with the relevant rules, regulations and criteria, as well as observe the interests of others to whom the Company has relations. All executives and staff must perform duties with adherence to the Company's rules and regulations together with provisions of the laws; assistance, support and cooperation with other private agencies and public sector or organizations that are regulators or supervisors of the Company. Moreover, executives and staff shall perform duty with due prudence, and they shall be prevented from participating or getting involved in any activity in an illegitimate manner that may impair the business of the Company.

### 2. Fair competition

The Company has confidence that fair competition will empower the Company to develop consistently. It sets its policy for all the executives and staff to have self-learning and self-development all the time, and use no unfair method or no method that contradicts the business ethics to take advantage of competitors by whatsoever means.

### 3. Equitable treatment

The Company has a policy for all executives and staff to treat all the people with whom they have transactions fairly and equitably, namely staff in the organization, customers, business partners, shareholders, investors, government agencies, other private agencies and surrounding community and society, with due consideration of basic rights and interests of these people; and have no special treatment of any person or group of persons because of personal relationship or personal benefits.

## 4. Employee relations

The Company sets a policy to treat all employees equitably and with respect for human right under international standard, and to have all employees treat one another with respect for individual dignity and rights having information on personal profile of the employees only as required for work performance and by law gathered and kept in confidence, which may be allowed for disclosure only when required by the persons with lawful rights to access such information.

Complaints / suggestions of employees regarding labor practices	2018	2017	2016
Number of employee complaints regarding labor practices	-	-	-
The number of complaints that have been resolved	-	-	-
The number of complaints is being processed.	-	-	-

The Company sets a policy to promote learning and potential development of employees of all levels so that they have progress in their career path on an equitable and non-discriminatory basis as appropriate.

In addition, the Company sets guidelines for arranging work environment that is safe, sanitary and conducive to efficient and effective work performance. Each employee shall be responsible for and render support to the colleagues and the organizations in his/her work performance, and not behave in a way that will cause deterioration of the work environment.

### Work safety statistics from 2016-2018

Subjects	Unit	2018	2017	2016
Number of accidents from work	Time	14	28	31
Number of accidents to stop work	Person	7	6	15
Number of deaths from work	Person	-	-	-

## 5. Customer relations

The Company sets a policy to create long-term relationship and cooperation with the customers, with adherence to principles of integrity, trust and reliability among one another, and most importantly, customers' maximum satisfaction in their use of products and/or services of the Company with due care and responsibility, and awareness of customers' demand and problems as the first priority. Executives and staff shall:

- 5.1 Adhere to offer and deliver products and services that are of standard quality and meet customers' demand.
- 5.2 Comply with all conditions agreed upon with the customers to the best of their ability.
- 5.3 Offer fair and equitable price and conditions to and among customers in the same group.
- 5.4 Give the customers true and correct information regarding features and quality of products and services to ensure confidence among and fairness to the customers.
- 5.5 Be prepared to answer the questions of the customers, and handle the customers' complaints and suggestions, as well as follow up the progress of all such issues.

## 6. Business partner relations

The Company sets a policy to create good relationship with its business partners by giving equitable opportunity for all business partners to introduce or offer their products / services, and all executives and staff to transact with business partners with integrity and on equitable term, and consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account; as well as safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.

## 7. Conflict of interest

The Company expects all executives and staff to make business decision by taking into consideration the maximum benefits of the Company and those of the Company's customers, without being influenced by personal reasons or those of family members to deviate from the above principle, or falling in the purview of matters of personal interests that are in conflict with those of the Company and the customers, thereby

- 7.1 Executives and staff shall not perform in a way to seek benefits or to take over assets that are or should have been under ownership of the Company or the customers.
- 7.2 Executives and staff should avoid inducing any situation or having personal activity and having financial benefits that may conflict with the duty and function in their engagement.
- 7.3 Executives and staff should not participate in making decision on the matters from which their positions and duties and responsibilities can contribute directly or indirectly to making benefits to such executives and staff or to their family members and relatives or to any outside parties.
- 7.4 The Company shall avoid delegating duties and responsibilities to executives and staff in case that may lead to conflict of interest with the Company or contradict the interests of the customers of the Company.
- 7.5 In the event where executives and staff participate in any outside activity or hold position outside the organization, such as being directors, advisors, representatives or employees of the entities outside the organization, such activity must cause no conflict of interest with the Company and the customers of the Company, either directly or indirectly, no damage to the Company, and no impact on the performance of duties of such persons.
- 7.6 Executives and staff are prohibited from participating in or taking any position in the organization engaging in the business of the same nature as the Company and the business in competition with that of the Company and companies in the Group or the business that may have conflict of interest with the Company.



## 8. Confidentiality

The Company shall have commitment in and responsibility for safeguarding confidentiality of the customers and business partners as regards information on transactions between customers or business partners of the Company, including personal data received from customers and/or business partners. Use of such information shall accord with the Company's normal business objectives. No confidential information shall be used for personal interests of any person. Executives and staff shall have the duty to safeguard confidentiality of the information of the customers and/or business partners. Consideration with due prudence shall always be made when such information is going to be used. Safeguarding of confidentiality of the information of customers and/or business partners shall remain the duty of executives and staff even after the end of their employment with the Company.

## 9. Misuse of information

The Company sets a policy for executives and staff to have duty to control, monitor and maintain all information inside the organization relating to the Company and the business of the Company in strict confidence. Executives and staff shall not use such information they may have obtained during their performance of duties to seek interests, either directly or indirectly, for themselves, their family members, their relatives or any other persons, without prior consent from the Company. The responsibility for no misuse of information shall be binding on them during their employment and after the end of their employment with the Company for a period of time as prescribed. Disclosure of information to external parties shall be under monitoring and responsibility of the supervisors and top executives.

## 10. Insider trading of stocks

The company recognizes the importance of inside information, which is a significant factor to decision making of investors, whether it is information on operational performance, business expansion plan, or other information related to the Company. There may be any person who has access to and uses inside information for the benefit of trading of the Company stock while such information has not yet been disclosed to the Stock Exchange of Thailand (SET) and the public. The Company has thus set a policy prohibiting any use of inside information not yet disclosed to the SET and the public for the benefit of trading of the Company stock, including:

- Executives and staff shall strictly perform in compliance with the Securities and Exchange (SEC) Act B.E. 2535 (1992), rules and regulations of the Office of the SEC, the SEC, the SET and rules and regulations of other relevant agencies.
- Use of inside information that is of material essence and may impact the Company's stock price and has not yet been disclosed to the public for the benefits either of oneself or others shall be regarded as an offense against the law and the work regulations of the Company.
- Executives and staff as well as their family members shall not trade the Company stock during the time of their possession of inside information that has not yet been disclosed to the public in general.
- Executives and staff shall not disclose to any uninvolved persons the inside information that is of material essence and that may affect the Company's stock price.

In 2018, the Company held a press conference and activities for shareholders as follow:

Meeting with Shareholders and Analysts	Frequency (per year)
Analyst Meeting	1
Road Show	1

## 11. Bribery and incentive

The Company sets a policy prohibiting executives and staff from receiving or calling for any bribe or incentives in whatsoever form and from assigning any person to do the same on his/her behalf that will lead to business advantage, privileges or financial benefits, as well as from offering bribe either directly or indirectly to government officials or politicians or any other person to induce them to commit any act that will benefit the Company in a way that contradicts the code of ethics, rule of law or moral principles.

## 12. Gift, reward and entertainment offer

The Company has instituted no policy for executives and staff to receive any gift, reward or entertainment offered by business partners or prospective business partners of the Company in a manner beyond the normal gesture of compliment in business operations. Executives and staff who receive gift, reward or entertainment shall give explanation on their proper reasons for the receipt thereof including detailed information thereon, and report the matter for the supervisor's acknowledgment. The gift or reward so received shall also be sent to be kept to relevant work unit for further management.

## 13. Monitoring and review of compliance with code of ethics

Internal Audit Department of the Company shall be in charge of monitoring and ensuring compliance with code of ethics and reporting result thereof to Audit Committee, as well as recording or keeping all information on any acts conducted in violation to or in breach of this code of ethics. All executives and staff shall be duty-bound to give cooperation in ensuring and providing correct and complete information to Internal Audit Department.

The Company expects all its executives and staff to take part in the responsibility for monitoring the compliance with this code of ethics, as any contradicting act to this code of ethics shall be deemed disciplinary offense as prescribed in the work regulations, and may be deemed legal offense, which will impair and do damage to the good values of the organization, which will in turn cause damage to the organization both short term and long term. Executives and staff thus have duty to forthwith report to Internal Audit Department or supervisors or top executives when seeing or learning about any acts that are seen as violation or suspicious of violation to this code of ethics.

## 14. Penalty

The Company shall take penal action against the employees who breach this code of ethics, thereby the supervisor in the supervision line is authorized to consider such offense and take penal action against such employee who has been in misconduct or in breach of this code of ethics. The consideration of penal action shall be made based on the nature and the severity of the offense on a case by case basis. Such penal action is classified as below:

- Verbal warning
- Written warning
- Employment suspension without pay
- Employment termination, removal or dismissal











# Internal Control

The audit committee of Millcon steel Pcl. (Mill) assessed the adequacy of the internal control system of the Company based on the Internal Control Assessment Form prescribed by the Securities and Exchange Commission with enquiries of data made with the management in charge of the following five areas:

## Organization and environment

- The Board has monitored and supervised the determination of operational targets, covering short-term, medium-term and long-term, and setting of annual budget, with follow-up of results made from time to time, and having operational plan reviewed and revised during implementation to suit the circumstances at the moment as appropriate. Such issues are submitted to the Board for approval.
- The Board has considered setting of operational targets prudently and with review made to ensure the targets can be achieved and also analysis undertaken on the reasonableness of incentive or compensation scheme for the employees.
- The Company has mapped out clear organization structure with administration classified into two sections, one at the managing section and the operating plants section, which will facilitate and contribute to the efficient management of the management team.
- The Company has worked out ethical criteria and procedure, covering prohibition of the management and employees from performing in a way that may cause conflict of interest with the Company and the business partners of the Company, and clear determination of penal provisions in case of violation.
- The Company has instituted written work policy and procedure regarding financial transactions, procurement and general administration on a prudent basis in order to fend off any fraud. Procurement manual worked out has been consistent with such quality standard certification as ISO 9001: 2008 and 14001: 2004. Regarding financial and administrative operations, flow chart and delegation of approval authority with clearly set approval amount are put in place. The Company has also developed its IT system consistently for use to control and prevent fraud.

To determine operational policy and plan, the Company has taken into account fairness to business partners for mutual benefits in the long run, which are prescribed as code of ethics for the management and employees.

## Risk management

- The Company has established Risk Management Committee to review risk management system and assess the effectiveness thereof at least once a year and every time when a change of risk level has been found. It also gives importance to the institution of any alert signal and identification of risk events.
- Risk Management Committee will analyze and report progress of risk profile and risk management
- Risk Management Committee has set measures for risk control effectiveness assessment in various perspectives and worked out risk mitigation methodology to prevent loss to the organization.
- Risk Management Committee has formulated annual risk management plan and follow up implementation thereof, together with reporting relevant progress to Audit Committee.

## Oversight of management

- The Company has segregated duties and responsibilities concerning (1) approval, (2) recording book items and information memorandum, (3) safekeeping of assets with clear classification and work flow of operational procedure.
- The Company has drawn up measures and procedures for related party transactions and set as a policy on conflict of interest integrated as part of code of ethics for executives and staff. Internal Audit Department is assigned to conduct the audit work and report directly and consistently to Audit Committee. Persons with beneficial interest are prohibited from participating in consideration and approval of transactions that may have conflict of interest. In making decision to approve any transactions, the Company mainly brings into account long-term maximum benefits. Transactions with possible conflict of interest shall be reported for Audit Committee's acknowledgment or comments, as the case may be.
- The Company has monitored compliance with contracts or agreements in transactions with related parties that are in a manner with long-term binding and continued commitment of contractual clauses. It is evident that the Company has never been faced with any bad debt problem so far. In this regard, measures on making transactions have been set forth and integrated in the code of ethics for executives and staff.
- The Company has regularly monitored the business operations of subsidiary companies in case of having investments in subsidiary companies thereby representative directors will be appointed as authorized directors of such subsidiary companies.
- The Company has measures in place to ensure compliance with the relevant laws as risk mitigation in its operations. It has engaged external legal advisor with specialized expertise to assist in the review of documents and give advice on various areas of operations. It also had engaged Internal Audit Service of specialize and non-related/beneficial person in charge of examining compliance with relevant rules, regulations, criteria and laws.
- The Company has no past records of performance in breach of the law and has duly instituted preventive and remedy measures.



## Information and communications infrastructure

- For each Board meeting, Board Secretary and the management have made available before the meeting information and documents as well as details of the businesses on the agenda so that Board members can study in advance and use such resources to support decision making. Any additional information thereafter (if any) will be sent to them before the meeting or provided on the meeting date.
- The Company has sent Board meeting invitation notice and minutes of the previous Board meeting together documents for the businesses on the agenda to the Board members for them to study averagely at least seven days before the meeting.

## Follow-up and monitoring system

- The management has reported operating results to Executive Committee and Board of Directors on a quarterly basis. The Company has prepared annual budget plan for the following year operations and also for use as criteria in performance evaluation and gap analysis report systematically to Executive Committee.
- The Company has made available executive management meeting every month to track operational performance and compare it with the targets set forth in form of KPI (Key Performance Indicator), as well as to discuss rectification guidelines in case there remain gaps compared with the targets. Structure Committee has also been appointed to support operations vis-à-vis the targets with focus on development of operational work systems in order to control production cost under the budget.

The Company has prepared minutes of the meeting which include material information of the businesses tabled at the meeting together with recommendations, suggestions, remarks and objection (if any) raised at the meeting, and have the following Board meeting certify such minutes of the previous meeting. The Chairman have allowed Board members to independently propose amendment or addition to such minutes.

- The Company has made available specific place at Office of the Chairman, Head Office, for safekeeping documents relating to book recording and other accounts in an orderly manner. No remark of deficiency in safekeeping of documents has been made by the Auditor so far.
- The Company has adopted accounting policy in accordance with the generally accepted accounting principles under the monitoring and examination by external Auditor that is certified public accountant, without using any policy that allows for exhibition of deviated operating performance.
- The Company has made available audit of performance in compliance with the internal control system on a regular basis. Internal Audit Department is in charge of working out annual audit plan covering finance, operations and compliance with relevant laws, rules and regulations to assess efficiency and effectiveness, as well as audit of compliance with the internal control system in place. Internal Audit Department has been assigned to making audit result report and audit progress report directly to Audit Committee on a quarterly basis. For 2018, there have been no findings of any material irregularities. However, to prevent any future deficiencies, Internal Audit Department has examined and followed up work performance of each work unit regularly.
- The Company has a policy for its management to forthwith report to the Board of Directors in case of finding of or suspicion of fraud event, violation to the law and any other irregularities, which may tarnish the reputation and the financial status of the Company.



- After the assessment, the Board has viewed that, under the current circumstances, the Company has put in place the internal control system that is adequate and consistent with the Internal Control Assessment Form of the Office of the SEC, especially on the part of internal control relating to transactions with major shareholders, directors, executives and related persons thereof. The Company has instituted the rigorous internal control system and appointed Internal Audit Department to take charge of reporting audit result to Audit Committee.

### The process of product purchase

Every purchasing shall be approved by the authority about pricing, quantity and seller. The consideration of purchasing have to be meet with the demand in the best advantageous way to the Company, in addition, the Company also thought about quality, due date of delivery and condition of payment. Furthermore, the Company also has purchasing policy to compare at least 3 sellers, except the special products that the Company could not find more than 1 distributor.



### The Fixing Price

In the present, the Company has considered and approved the selling price by the board of sale division in cooperation with the chief executive director as a signer every month under the market price standard. The main reason of selling the products under the market price may be from many factors such as the transportation, the demand from the purchaser and the condition of payment.

Presently, the Company has already improved the internal control and the meeting of the board of audit committee has appointed internal auditor from I.A.P Internal Audit Co., Ltd. for internal inspection in main systems of the Company. The internal inspector shall report such inspection in each system to the board of audit committee and shall report to the management division for their further improvement which such step of improvement shall be reported to the board of audit committee periodically.



# Corporate Social and Environmental Responsibility



## Operation with fairness and anti-corruption

The Company has set the policies, business ethics and related guidelines for the fairness business operation and for anti-corruption which will be disseminated for understanding, including specifying the guidelines to all employee levels starting from orientation of new employees and/or the conference of each division. The dissemination has been done on website for all stakeholders at [www.millconsteel.com](http://www.millconsteel.com), also provide stakeholders the various channels to complain

to the group company if saw any unfair treats or corruption i.e. complaint box, telephone, e-mail, Company website, letter and other channels. The received complaints will be gathered and transferred to related division for consideration and resolve them respectively.

## The operations affecting to social responsibility

The Company has emphasize on enhancing the quality of life of the community along with an environmental conversation and always has responsibility to social. Regardless with any factors from inbound or outbound, the Company still carries on the business with awareness of unstable situations in order to move forward steadily by upholding good governance principles for the extremely advantages to the Company and shareholders.



## Principle and way to accomplish the Company goals in social responsibility management

1. To operate with integrity and concerning on common interest and nation, including comply with regulations and rules relating to the business operating.

2. To uphold the principle of equality in each group relationship among internal employees, customers, partners, shareholders, investors, government sectors, other private sectors as well as nearby community and society.

3. To have equality practice to employees, maintain the confidential, enhance the acquisition of knowledge and potentiality of all employees level in order to provide opportunities for better career and provide safety and sanitary in working surrounded.



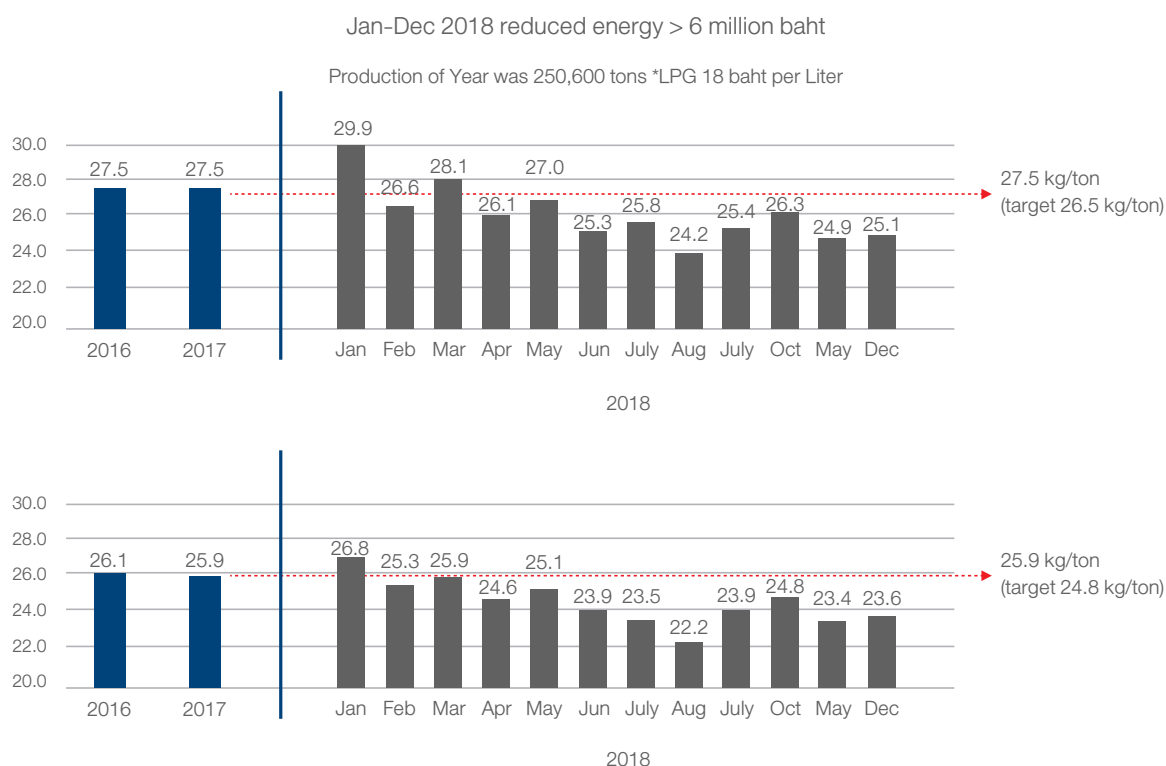
4. To have the operation in reducing the environmental impacts and concerning on developing the quality of life and preserve the surrounding environment.

5. To support the fair operation by not using unfair competition methods or conflict with business morality in order to take advantage from competitors.

6. To maintain standardize of propose, transfer products and services to meet customer's requirements.

7. To support the participation between the Company and community including participating in continue development of community as appropriated i.e. education, culture, and public health and Job creation.

## Sustainability



**Project Name** : Energy Management and Conservation in Rebar Mill, Millcon Steel PCL

**Purpose** : The company has seen the importance of energy conservation by setting policies for efficient energy management. Moreover, the company is also interested in participating in the competition. Outstanding Industry Award Energy Management Type of Ministry of industry (The Prime Minister's Industry Award), which is held every year

**Performance** : Reducing LPG usage more than 6 million

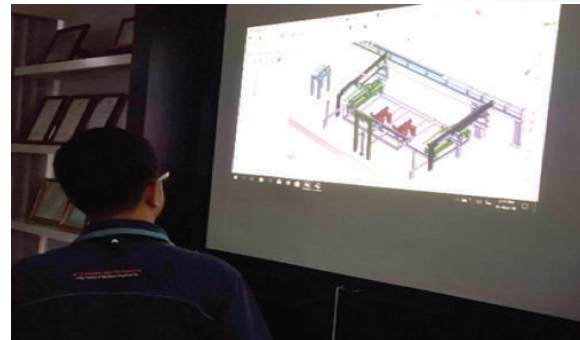
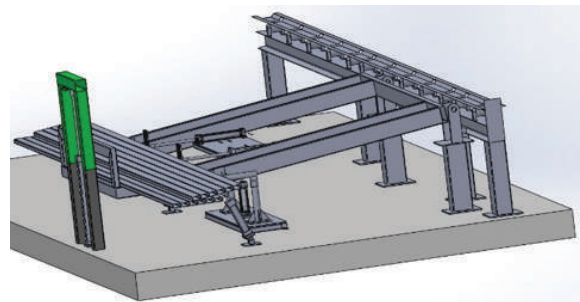
**Project Name :**

Development of semi-automatic systems, Structural Steel Arrangement

**Purpose :**

Help to increase production efficiency and reduce dependency on human labor in jobs that have to be repeated throughout the day, such as automatic painting system, system to help flip, system sorting the truss which found that at present production of steel pipes with various shapes and shapes there must be a steel arrangement as a pile before making a bundle, such as steel. Box size 3 "x 1.5" may have to be sorted, may need to be arranged in a 10-tiered line, with 6 lines each, in which the arrangement requires 3 employees to arrange. It is a work that must be done repeatedly throughout the day. The factory needs to develop an automatic system to align the billet to reduce human labor

**Performance :** On process

**Project Name :**

Kaizen Form Development for Steel Mill, Rama II Branch

**Purpose :**

Development of Kaizen making for steel mills In order to improve or change for better, reduce losses by continuing and consistently including the development of personnel to have the ability to improve their work for the better from the hard practice that made it easy with effectiveness, seen as concrete.



<b>Kaizen</b>		ชื่อแผนก/ฝ่าย/ทีม : ทีมงานพัฒนา	ชื่อ : ชุมนันท์ ตำแหน่ง : วิศวกร	สถานที่ : โรงหล่อ อุปกรณ์/วัสดุ : อุปกรณ์และวัสดุที่ใช้ : วัสดุเหล็ก
เรื่อง : Board control Pump Roughing วันที่ : 30/08/2561	วันที่ : 30/08/2561	ผลที่ได้ : แก้ไขปัญหา Break-down เกี่ยวกับนาฬิกาน Board Roughing		
<b>Before</b> 		<b>After</b> 		
ปัญหาจาก Board Return ชุดนี้ทำให้ระบบไม่ทำงานและทำให้เกิดความเสียหายต่อ Board control Pump Roughing ระบบไฟฟ้า motor Pump หยุดการทำงาน		ทำการย้ายตำแหน่ง Board control Pump ไปตำแหน่งใหม่		

## Activities to social and environment

Good management is the key factor to the business. Thinking of the business eternity, paying attention to social, community, and environmental shall be kept in mind which help the Company able to run the business along with society and community in the future. Beside the global standardize (ISO 2600 : Social Responsibility), we have an intention to have activities for benefit society with the continued projects and new projects emphasizing on quality of life, spirit and coordinate from all relating parts, including being a supporter and participator on public event in 2018

## Community and Environmental Responsibility

### Targeting Area for Community Relations Project

The company focuses on community development located in the vicinity within a radius of 5 kilometer, Total 6 Sub-districts comprising 21 villages.

Nikhom Pattana Sub-district Administration Organization	Phana Nikhom Sub-district Administration Organization	Mabkha Sub-district Municipal	Mabkha Pattana Sub-district Municipal	Makhamkhu Sub-district Municipal	Muang Mabtaput Municipal
Village No. 1, Bann Nikhom Pattana, KM. 12	Village No. 2, Baan Soi 8	Soi 2 Pattana Community	Village No. 5, Baan Mabkha	Village No. 1 Baan Nong Wa	Huay Pong Nai 1 Community
Village No. 2, Bann Nikhom 1	Village No. 3 Baan KhlongTa Tai	Soi 13 Pattana Community	Village No. 6 Baan Tung Samnak	Village No. 6, Baan Chak Ooy	Mabkha Community – Ai Ngon Office
Village No. 3, Bann Mai Samakkee		Ruamjai Pattana Community	Village No. 7 Baan Chak Daw Rueng	Village No. 7, Baan Khao Jom Hae	Huay Pong Nai Community – Nam Tuam Bridge (Huay Pong Nai 3)
Village No. 4, Bann Nongbon		Nonghin Kawna Community			
Village No. 5, Baan Chak Pak Kood					
Village No. 6, Baan Khlong Ta Tai					

## Project Summary for the year 2018

### Education

On January 12, 2018, National Children's Day Activity 2018, has been giving gifts, learning supplies to give to the children in the participation of the National Children's Day Activity for 3 schools, Watchakpakkood School, Nikomsang-tonang School, Rayong Province 2, and Nikomsangtonang School, Rayong Province5.



Millcon Steel PCL has created fairy mushroom plant to Watchakpakkood School to be a learning base for sufficiency economy, students studied the knowledge of fairy mushrooms, caring and able to cook for eating in the cafeteria and distributed to the parents.





Millcon Steel PCL Group recognizes the importance of education which is important to the development of Thai youth which will be the main force and driving force of the country in the long term but due to poverty problem and lack of funds. Thus causing youth to lack commitment and despair.

Therefore, Millcon Steel Group PCL has therefore established a project, dreaming for the day of younger continued for the sixth year for the children and youth around the factory to receive scholarships to be morale in education.



## Religion, Culture and Tradition

Boon Khao Lam Tradition will gather to make Khao Lam that emphasizes the taste for three flavors: sweet, creamy, salty, by bringing sticky rice with coconut milk then burned the fire on the ancient soil. So, each house may burn rice among themselves within the family or each community will come to burn rice together which burned on ancient soil. Villagers have to dig the soil on the open courtyard as a shallow trough, set a cylinder of rice and then create a fire parallel to the Khao Lam cylinder after burning the curd, they will divide and make merit at a nearby temple within their own community.

The ancient way is often considered after harvesting rice and then making Khao Lam, offering monks for the prosperity and morale of the next rice farming and to allow the brothers and sisters in the community to love and harmonize because they have to bring new rice of each house together and make Khao Lam offering to monks. Moreover, it is a succession of traditions that ancestors have inherited and passed on to the youth to continue.



Millcon Group joins the traditional candle procession festival and the tradition of offering rain showers cloth at Pakorn Thammaram Temple, Chak Phak Kut Temple and Nong Bon Temple which is a tradition that represents faith, community unity and the continuation of Buddhism but if everyone helps to preserve this beautiful tradition. The tradition of casting candles and parade candles will be a tradition in Thailand.



Millcon Group has participated in the Kathin ceremony at Chak Pak Kut Temple and Nong Bon Temple for employees to make merit to maintain good culture of Thailand and cause a good relationship between the factory and the community.





## Career

Mushroom cultivation project for the community. Millcon Group supports the project continued for the second year to community enterprise groups, the group developed community life, brought the mushroom that has been developed to be processed into 3 mushroom formulas chili paste, namely 1. Fairy Mushroom Chili Paste 2. Mushroom Chili Paste, pickled fish formula and 3. Burnt Fairy Mushroom Chili Paste to be OTOP products are sold to generate income for the community.



Millcon Steel PCL Group has helped farmers who have experienced the economic crisis, the price of pineapple has fallen, purchase of 500 kilograms of pineapple for distribution to employees, Watchakpakkood School student, and Nikomsangtonang School, Rayong Province 5.



## Environmental

On May 7, 2018, Board of Director and employees of Millcon Steel PLC and Millcon Burapa Co., Ltd have joint planting 500 pine trees to form a dust protection fence to build environmental awareness.



Joined the volunteer project, we will do good with heart to clean Nong Bon Temple, Chak Pak Kut Temple, Nikomsangtonang School, Rayong Province 5 and Watchak-pakkood School.





## Awards

1. Evaluation results of the 2018 Annual General Meeting of Shareholders Quality Assessment Project, which the Company received 95 points from Thai Investors Association.

2. The results of the assessment of corporate governance of Thai listed companies for the year 2018 are in the "good" level is the score more than 70 points.

3. Millcon Steel PCL Group received the award and certificate of establishment with CSR standards of mineral industry entrepreneurs (CSR-DPIM) for the year 2017



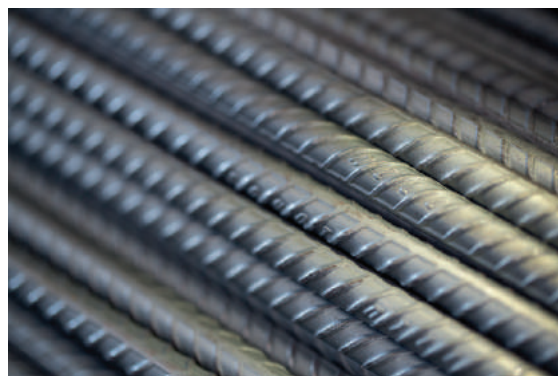


## Related Transactions



## Nature of Relationship

The Company has related transactions with related party which might have conflict of interest. The transactions occur, which the transactions with shareholders and/or directors of the Company and related party which might have conflict of interest who are shareholders and/or directors of the Company which are summarize nature relation as follow as:



Related party which might have Conflict of Interest	Nature of Relationship
Mr. Somphop Leeswadtrakul	Ms. Suttirat Leeswadtrakul's father who is major shareholders and Board of Directors of Millcon Steel PLC.
Mr. Sittichai Leeswadtrakul	Major shareholders and Ms. Suttirat Leeswadtrakul's brother who is Board of Directors of Miicon Steel PLC
Ms. Suttirat Leeswadtrakul	Major shareholders and Board of Director of Millcon Steel PLC.

## Related Party

Related party which might have Conflict of Interest	Primary Business	Nature of Relationship
Million Miles Co., Ltd	Transportation Services	As the director of Million Miles and being the husband of Ms. Sutthirat Leeswardtrakul which is the company's director.
RSP Steel Co., Ltd	Steel Products	As the director of RSP and being the husband of Ms. Sutthirat Leeswardtrakul which is the company's director.
General Engineering Plc.	Construction materials and services	Being a major shareholder of the Company 18% of paid-up capital.
AEC Power Engineering Sole Limited	Electrical Services	As the director of IGEN which is associate of the Company, being director of AEC Power Engineering Sole Limited



## Nature of related transactions

In 2018, The Company has related transactions which the Company summarize nature and amount of the related transaction as follow as

- Guarantee loan from financial institutions/Creditors

### Millcon Steel PLC.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Mr. Sittichai Leeswadtrakul	Guarantee Long-term loans in domestic	500	397.58	The transaction is beneficial to the Company. As the Company will has long-term capital for support the Company's business.
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	4,952.34	6,053.63	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business.

### Millcon Burapa Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	1,630.74	2,185.09	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee Long-term loans domestic	328.36	49.67	The transaction is beneficial to the Company. As the Company will has working capital for Green Mill Project.
Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee Long-term loans domestic	1,442.90	1,443.91	The transaction is beneficial to the Company. As the Company will has long-term capital for support the Company's business

## Millcon Steel PiPe Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Mr. Sittichai Leeswadtrakul  Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, by Issued P/N and credit limit for advance foreign currency.	106.43	248.73	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business

## Suntech Metals Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Mr. Sittichai Leeswadtrakul  Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, by Issued P/N and credit limit for advance foreign currency.	261.15	246.87	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business

## IGEN Engineering Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Millcon Steel PLC.	Guarantee loans by working capital	10.00	23.30	The transaction is beneficial to the Company. As the Company will has working capital for support business of associate

## IGEN Powertech Co., Ltd.

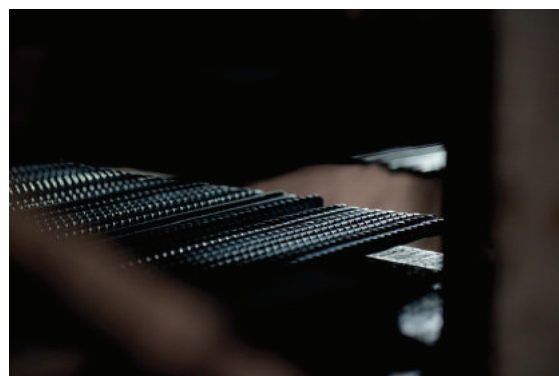
Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2017	As of Dec 31, 2018	
Mr. Sittichai Leeswadtrakul  Millcon Steel PLC.	Guarantee loans by O/D, by Issued P/N and long term loans	10.00	23.30	The transaction is beneficial to the Company. As the Company will has working capital for support business of associate

### The opinion of audit committee

A consideration of the list as above did by the administrator who is a major shareholder. The audit committee has checked list as above and saw that it necessary and reasonable because of the condition of Commercial Bank loan and loan creditor use it for business that will make benefits for the company and subsidiaries without any fee of loan insure.

### Measure or procedure of the approval related transactions.

Nowadays, procedure of the approval related party transactions of the company must ensue compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand by the committee or a person who might have conflict of interate or might have conflict of interest in any benefit with the company or subsidiaries, they will not have the right to vote for the approval consideration in any related transactions



## Related transactions policy

The company policy for the approval a related transaction, generally classify follow these.

- General business account and General Business support account with general merchandise condition such as purchasing or distribute products and service etc. The company has determined the related transaction policy to any conditions follow a general merchandise character in the price market that could compared with the price happening to outside person and must practice follow the agreement contract by strictly including price determined and other conditions with clearly, fairness and do not cause to transfer any benefits. So that, the internal audit will check the information and do the report to the audit committee to consider and comments for the appropriate of the price and a reasonable of every three months.
- General business account and General Business support account without general merchandise condition and other related transaction. The company has a policy for the audit committee to consider and comments about a reasonable and a necessary of a transaction before do it and must practice to ensure compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand including practicing follow the regulation of the information disclose involving and received or distribute a very important asset of the company or subsidiaries (if have), Related transactions such as a transaction involved the asset or other services such as assets' rented or rental and acquisition or sale of asset ect., and a transaction for received or given a financial fund such as loan, guarantee and

using asset as a guarantee ect. In case of the audit committee have no expertise in a consideration related transactions; the company will hire a freelance expert to comments related transactions to consist of a decision of the committee or a shareholder depends on the case and the company will disclose related transactions in the remarkable with financial budget which pass the check by the company accounting audit including Form 56-1 and annual report. So that, a person who might have conflict of interate or gain or loss any related transactions will not have the right to vote in related transaction.

So that, related transaction may happen in the future, the committee must practice follow the regulations that determined and the committee must not approve any transaction which themselves or a person who might have a conflict of interest in other character with the company and must disclose the above transaction to the company committee for a consideration.

**Transactions between the Company and its subsidiaries, subsidiaries and subsidiaries, Company and related companies and subsidiaries and related companies. Transactions with business alliances, Transactions between the Millcon Burapa Co., Ltd. and business alliances**

In 2018, the Company had transactions with its subsidiaries and related companies at the same conditions and prices as it had with any third party. Details on December 31, 2018 are as followings.



## 1) Transactions between the Company and its subsidiaries

Transactions	Millcon Burapa Co., Ltd. Amount (Baht)	Millcon (HK) Limited Amount (Baht)	Millcon Thiha Limited Amount (Baht)
<b>1. Revenues</b>	Production and sale of Steel bar	Transaction of the acquisition of assets TSSI	Steel and Construction materials Distributor
1.1 Revenues from sale goods and services	2,158,057,053.60	-	389,142,219.01
1.2 Interest receivable	-	-	-
1.3 Dividend receivable	-	-	-
1.4 Other revenues	16,815,095.40	-	780,000.00
<b>2. Expenses</b>			
2.1 Purchase of goods	3,717,325,721.00	-	-
2.2 Cost of Productions and services	11,012,880.00	-	-
2.3 Selling and services expenses	-	-	9,430,531.38
<b>3. Outstanding balances arising from purchases and sale of goods and services</b>			
3.1 Account receivable	49,420,068.76	-	351,230,152.36
3.2 Advance payment	100,235,788.92	-	-
3.3 Accrued interest receivable	-	-	-
3.4 Accrued Expenses	-	-	-
3.5 Short-term loans	-	1,018,542.43	-
3.6 Advances Received for Inventories	-	-	-
3.7 Other current assets (assets receivable)	4,555,381.60	-	2,504,653.17
3.8 Trading Account Payable	-	-	-
3.9 Long-term loans	-	-	-

Transactions	Saharuum Construction Material Co., Ltd. Amount (Baht)	Millcon Steel Pipe Co., Ltd. Amount (Baht)	Suntech Metals Co., Ltd. Amount (Baht)	Siam Solar Generation Co., Ltd. Amount (Baht)
<b>1. Revenues</b>	Distribute steel and construction materials	Produce and distribute structural steel	Management and scrap processing	Produce and distribute renewable energy
1.1 Revenues from sale goods and services	585,464,259.28	-	164,130,438.00	-
1.2 Interest receivable	-	-	12,237,230.78	-
1.3 Dividend receivable	-	10,316,400.00	-	-
1.4 Other revenues	720,000.00	3,000,000.00	1,592,795.00	12,000,000.00
<b>2. Expenses</b>				
2.1 Purchase of goods	865,890.39	-	-	-
2.2 Cost of Productions and services	724,237.60	78,970.40	1,987,950.63	-
2.3 Selling and services expenses				
<b>3. Outstanding balances arising from purchases and sale of goods and services</b>				
3.1 Account receivable	71,003,324.78	-	22,641,690.06	-
3.2 Advance payment	-	70,000,000.00	5,000,000.00	-
3.3 Accrued interest receivable	-	-	16,327,483.26	-
3.4 Accrued Expenses	-	-	221,979.17	-
3.5 Short-term loans	-	-	-	-
3.6 Advances Received for Inventories	-	5,607,476.64	-	-
3.7 Other current assets (assets receivable)	64,200.00	28,938,227.89	-	17,120,000.00
3.8 Trading Account Payable	836,733.99	31,222.60	-	-
3.9 Long-term loans	-	-	233,090,111.00	-

## 2) Transactions between the company with associate and joint venture

Transactions	Kobelco and Millcon Steel Co., Ltd Amount (Baht)	IGEN Engineering Co., Ltd Amount (Baht)	Bulk One Group Co., Ltd Amount (Baht)	Begistics PLC. Amount (Baht)
<b>1. Revenues</b>				
1.1 Revenues from sale goods and services	-	-	-	-
1.2 Profit (Loss) from sale assets	-	-	-	-
1.3 Interest receivable	-	388,586.31	-	-
1.4 Other revenues	8,041,401.30	1,800,000.00	880,000.00	-
<b>2. Expenses</b>				
2.1 Purchase of goods	946,482,909.63	-	-	-
2.2 Cost of Productions and services	13,129,239.90	3,642,900.00	-	51,340,436.28
2.3 Selling and services expenses	-	-	1,225,700.00	84,186,558.95
2.4 Doubtful debt	-	-	-	-
2.5 Purchase of assets	-	1,941,367.50	-	-
<b>3.Outstanding balances arising from purchases and sale of goods and services</b>				
3.1 Account receivable	-	-	-	-
3.2 Advance payment	-	-	-	-
3.3 Accrued Expenses	-	-	-	-
3.4 Advances Received for Inventories	-	-	-	-
3.5 Other current assets	-	-	-	-

## 3) Transactions between the company and related companies.

Transactions	R.S.P. Steel Co., Ltd. Amount (Baht)	General Engineering PLC. Amount (Baht)	Millcon Thiha GEL Limited Amount (Baht)
<b>1. Revenues</b>			
1.1 Revenues from sale goods and services	-	91,846,388.11	-
1.2 Profit (Loss) from sale assets	-	-	227,865.48
1.3 Interest receivable	-	-	-
1.4 Other revenues	-	-	8,400,000.00
<b>2. Expenses</b>			
2.1 Cost of Productions and services	447,792.00	-	-
2.2 Doubtful debt	7,362,098.50	-	15,903,587.97
<b>3. Outstanding balances arising from purchases and sale of goods and services</b>			
3.1 Account receivable	7,362,098.50	13,739,182.66	-
3.2 Advance payment	-	-	469,767.41
3.3 Accrued Expenses	73,673.00	-	-
3.4 Advances Received for Inventories	-	-	-
3.5 Other current assets	-	-	26,303,708.68

Transactions	Bulk Asia Co., Ltd. Amount (Baht)	IGEN Powertech Co., Ltd Amount (Baht)	Siam Solar Generation Co., Ltd. Amount (Baht)
<b>1. Revenues</b>			
1.1 Revenues from sale goods and services	225,347,561.94	-	-
1.2 Profit (Loss) from sale assets	-	-	-
1.3 Interest receivable	-	478,100.70	-
1.4 Other revenues	-	-	6,000,000.00
<b>2. Expenses</b>			
2.1 Cost of Productions and services	-	-	-
<b>3. Outstanding balances arising from purchases and sale of goods and services</b>			
3.1 Account receivable	46,457,376.53	-	-
3.2 Advance payment	-	-	-
3.3 Accrued Expenses	-	-	-
3.4 Advances Received for Inventories	9,874,460.70	-	-
3.5 Other current assets	-	-	-

#### 4) Transactions between the Millcon Burapa Co., Ltd. and related companies.

Transactions	Complete Transport Co., Ltd. Amount (Baht)	Ocean Supply Co., Ltd. Amount (Baht)	Kobelco and Millcon Steel Co., Ltd. Amount (Baht)	IGEN Engineering Co., Ltd. Amount (Baht)
1. Revenues				
1.1 Revenues from sale goods and	-	-	1,938,700,631.20	-
1.2 Rental Income	-	-	-	-
2. Expenses				
2.1 Purchase of goods and services	-	44,605,835.00	-	-
2.2 Selling and services expenses	-	-	-	-
3. Outstanding balances arising from purchases and sale of goods and services				
3.1 Account receivable	-	-	-	-
3.2 Advance payment	-	-	-	-
3.3 Accrued Expenses	-	-	-	-
3.4 Advances Received for Inventories	-	-	-	-
3.5 Other current assets	-	-	-	-

#### 5) Transactions with business alliances

Transactions	Insight Steel Co., Ltd. Amount (Baht)	Simba Inter Co., Ltd. Amount (Baht)	Triple O Trading Co., Ltd. Amount (Baht)	Jarasungroj Co., Ltd. Amount (Baht)	Deesinchai Steel Co., Ltd. Amount (Baht)
1. Revenues from sale goods	214,987,684.35	-	-	18,326,337.58	-
2. Purchase of goods and services					
2.1 Purchase of goods	384,550.00	-	-	-	-
3. Outstanding balances arising from purchases and sale of goods and services					
3.1 Account receivable	130,928,937.62	-	-	10,800,167.80	-



## Pricing Condition and Policy

The above related party transactions were executed between MILL and its subsidiaries and related companies, using the trading policy that was based on market mechanism.



## Necessity and Reasonableness of Related Party Transactions

The said related party transactions were entered into under the usual course of business between MILL and its subsidiaries and related companies and were subject to the similar terms and conditions for non-related party transactions. That is, in executing the transactions on raw material procurement, the Company was confident in quality and consistency of raw material supply, while the transactions on product selling were a means of broadening the Company's distribution channels.



## Measure or Procedure for Approval of Related Party Transactions

The individual member companies of MILLCON Group have clearly defined rules on delegation of approval authority for entering into related party transactions. Under the rules, the transactions are subject to approval from the president or board of directors of each subsidiary or from the Executive Committee Chairman or the management or the Board of Directors of the Company within the specified approval limits and under an adequate internal control system that could prevent frauds. Such approval authority is regularly reviewed to ensure smoothness and flexibility in the business operation.

If there are any future transactions that may involve a conflict of interest, the Company will strictly abide by all measures and procedures under the notifications and



regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, in relation to the seeking of approval from the Board of Directors and/or the shareholders of the Company under recommendation from the Audit Committee. The director/s and executive/s who has/have a conflict of interest is/are not entitled to participate in the meeting or must abstain from voting to ensure that a decision is made with fairness by the Board of Directors and the management.





Discussion and  
Analysis of  
Financial Position  
and Operating  
Results

## Analysis and Explanation of Management

### Industry Overview

From information of Iron and Steel Institute of Thailand, structural steel consumption of Thailand in the year 2018 has expanded 4.8% at 17.4 million ton. Domestic Steel Production at 7.1 million ton, has expanded 3.4%, importing structural steel product has expanded 6.2% at 12 million ton, exporting has expanded 19% when compared with the previous year.

For the forecast of the demand for Thai steel using in the year 2019 at 18.7 – 19 million ton. Positive factors from the expansion in the construction industry, government infrastructure investment, mass transit project in Bangkok and its vicinity and investment trends in the real estate sector and investment in the special economic zone in Eastern Economic Corridor (EEC) under the Thailand 4.0 Strategic Plan. The expansion of the automotive industry, machine and related manufacturing industries are likely to grow better.

### Company Performance

## Revenue from Sales and Other Incomes

Table showing sales of the Company Group Classified by product type

(unit : Million Baht)

Product Type	Year 2018			Year 2017			Year 2016		
	QTY (Ton)	Value	%	QTY (Ton)	Value	%	QTY (Ton)	Value	%
Steel Bar	574,323	10,880	53.55	592,804	9,979	50.85	732,647	10,522	54.76
Structural Steel	45,543	1,057	5.20	40,713	852	4.34	39,901	773	4.02
Wire rod	42,929	865	4.26	36,159	658	3.35	69,344	977.20	5.09
Billet	324,400	5,707	28.09	474,726	7,057	35.96	526,398	6,389	33.25
Other	142,607	1,810	8.90	87,368	1,078	5.50	62,354	553	2.88
Grand Total	1,129,802	20,319	100.00	1,231,770	19,624	100.00	1,430,644	19,214	100.00

From above table, it can be seen that the company has revenue from sales and services in the year 2016 – 2018 at 19,214 million baht, 19,624 million baht and 20,319 million baht respectively, because the average selling price of the whole year is higher than the previous year, while the company has sales volume of products in the year 2016 – 2018 at

1,430,644 ton, 1,231,770 ton, and 1,129,802 ton respectively, Mainly due to the sale to government projects and the expansion of the customer base in the wire rod group increased, for Billet has lower sales volume because the production for using in the group itself is primarily which can be seen from the geographic sales table.



Table showing sales by geography

(Unit: Million Baht)

Revenue from Sales of Company Group Product	Year 2018		Year 2017		Year 2016	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Domestic	19,680	97	17,329	89	18,275	95
Overseas	639	3	2,295	11	939	5
Grand Total from Selling	20,319	100	19,624	100	19,214	100

For sales by geography of the Company Group in the year 2016–2018, the ratio of revenue from domestic sales to total sales revenue at 95%, 89% and 97% respectively while the ratio of overseas sales at 5%, 11% and 3% respectively.

For other incomes during 2017 – 2019 at 487 million baht, 187 million baht and 1,439 million baht respectively, calculated to be ratio at 2%, 1% and 7% of total income respectively which in the year 2018 company had profit for selling land 285 Rai for 1,089 million baht, profit from debt restructuring of subsidiaries 60 million baht as the company has negotiated debt restructuring with financial institutions of Siam Solar Generation Company Limited ("Siam Solar"), a subsidiary company, Reversal of doubtful accounts 157 million baht, revenue from dividends of 7 million baht and other income of 126 million baht, resulting in the company's total revenue of 21,578 million baht.

## The Gross Profit

Gross profit of the company in the year 2016 – 2018 is 8%, 7% and 2% respectively, by the year 2018 the gross profit has decreased due to cost sales and serviced has increased 1.800 million baht from the year 2017 due to the high volatility of steel price. It made the finished product price to fall faster than the raw material price, the different between the selling price and the raw material is therefore reduced. Moreover, the company has the production cost of 70 million baht to install a new transformer which will help increase the efficiency of the production of long steel bar faster and the allowance for diminution in value of inventories of 250 million baht, therefore the company has increased costs resulting in lower gross profit.

## Selling and Administrative Expenses

Selling and administrative expenses of Company Group in the year 2016 – 2018 at 899 million baht, 755 million baht and 696 million baht respectively, by the year 2018 selling and administrative expenses has decreased when compared with previous year which decreased from international shipping due to in the year 2018 the company has produced Billet for using in the company group mainly.

Moreover, in the year 2018 the company had a loss from the difference in the finished goods for 516 million baht and loss from investment in associates and joint venture at 191 million baht.

## Net (loss) Profit

The Company Group has net (loss) profit since the year 2016 – 2018 at 394 million baht, 123 million baht and (411) million baht respectively from the performance as mentioned above resulting in the year 2018 having a loss of operating results but considering only operating profit (EBITDA) at 1,227 million baht, 1,047 million baht and 1,247 million baht respectively.

## Financial Status

### Asset

### Trade Accounts and Notes Receivable-net

Table showing the Age of Trade Accounts and Notes Receivable-Net from 2016 to 2018

Description	Total Financial Status					
	Year 2018		Year 2017		Year 2016	
	Value (Baht)	Ratio	Value (Baht)	Ratio	Value (Baht)	Ratio
Not yet due	2,271,860,625	86.49%	775,811,442	59.93%	1,600,099,229	66.60%
Overdue not more than 3 months	233,961,742	8.91%	96,141,050	7.43%	62,264,229	2.59%
Overdue more than 3 to 6 months	63,851,712	2.43%	7,640,261	0.59%	295,761,914	12.31%
Overdue more than 6 to 12 months	7,107,206	0.27%	7,517,200	0.58%	962,659	0.04%
Overdue more than 12 months	49,927,434	1.90%	407,320,505	31.47%	443,430,148	18.46%
Grand Total	2,626,708,720	100.00%	1,294,430,458	100.00%	2,402,518,180	100.00%
Less allowance for doubtful accounts	(51,208,061)	1.95%	(406,515,002)	31.40%	(439,302,129)	18.28%
Grand Total Trade Accounts and Notes Receivable-net	2,575,500,659	98.05%	887,915,456	68.60%	1,963,216,051	81.72%

On December 31 in the year 2016 -2018, company group has Trade Accounts and Notes Receivable-net at 1.963 million baht, 887 million baht and 2,576 million baht respectively by trade account in the year 2018 has increased from the previous year for 1,534 million baht calculated to be 115% when compared with the year 2017 from expansion the customer base to more new customers which all the company has already sent to the customer.

Moreover, less allowance for doubtful accounts in the year 2018 that decreased 355 million baht caused by reversal of doubtful accounts 182 million baht because

the debtor has paid back the dept to company as ordinary share to Siam Solar Generation Company Limited for 1,984,000 shares and sale of claims in trade accounts receivable of 185 million baht that has the allowance for doubtful accounts is fully set up.

However, at present, the company has carefully considered and planned credit control for each customer in order to prevent risks that may cause bad debts. For the amount of outstanding debts for a long time The company has followed up and accelerating the collection of debt at all stages closely, preventing loss of benefits of the company that may occur.

### Inventory

Table showing net inventory of products at the end of the year 2016 - 2018

(Unit : Million Baht)

Descriptions	Total Financial Statement					
	Year 2018		Year 2017		Year 2016	
	Value	%	Value	%	Value	%
Raw Materials	1,069	23%	1,067	26%	1,127	33%
Semimanufactured Goods	32	1%	49	1%	50	1%
Finished Goods	2,221	49%	1,959	48%	1,395	41%
Spare Parts and Supplies	762	17%	857	21%	638	19%
Goods in Transit	470	10%	168	4%	187	6%
<b>Grand Total Inventory</b>	<b>4,553</b>	<b>100%</b>	<b>4,100</b>	<b>100%</b>	<b>3,397</b>	<b>100%</b>
Deducted allowance for devaluation of goods	185	4%	5	0%	5	0%
Deducted allowance for differences in finished goods	516	11%	-	-	-	-
Net Inventories	3,852	85%	4,095	100%	3,392	100%

Inventories of the company group on Dec 31 of the year 2016 – 2018 at 3,392 million baht, 4,095 million baht and 3,852 million baht respectively. In the year 2018 the company has less inventories due to the devaluation of product 185 million and the difference in finished goods of 516 million baht

### Property, Building and Equipment

On Dec 31 of the year 2016 to 2018 the company group has property, building and equipment net at 9,129 million baht, 9,036 million baht and 10,594 million baht calculated to be 48%, 46% and 45 of total asset respectively. Property, building and equipment net have increased 1,468 million baht. In the year 2018, the acquisition of Siam Solar Generation Company Limited, Transformer Installation, Improving the Furnace including tools and equipment for production.

### Goodwill

For goodwill on Dec 31 in 2016 – 2018 at 334 million baht, 334 million and 1,907 million, goodwill that increased in 2018 due to the company has invented in Siam Solar Generation Company Limited.

### Source of Funds

#### Liabilities

In end of the year 2016 – 2018, the company group has total debt at 13,059 million baht, 13,565 million baht, and 18,273 million baht respectively dividing into current liabilities each year at 12,446 million baht, 11,494 million baht and 14,823 million baht respectively which current liabilities increased when compared to the previous year from the classification of long-term loans to short-term loans of 1,494 million baht. Increasing short-term loans for use in the production and distribution of longitudinal flexes to KMS and sales of customer's cheque. Moreover, the acquisition of Siam Solar Generation Company Limited resulted in trade accounts payable and the portion of long-term loans due within 1 year increased. For advance receipts, product costs decreased by 832 million baht due to delivery of products to customers.

The non-current liabilities at 613 million baht, 2,072 million baht and 3,450 million baht respectively. In the year 2018 non-current liabilities increased due to long-term liabilities of Siam Solar Generation Company Limited.

### Shareholders' Equity

In the end of 2016 – 2018 the company group has shareholders' equity value at 5,769 million baht, 5,877 million baht and 5,317 million baht respectively because the company has repurchased shares for financial management at 318 million baht and from the performance as mentioned above therefore causing shareholders' equity to decrease from the above mentioned, the company has a debt to equity ratio in the year 2018 at 3.40

### Liquidity

From the summary of important financial ratios compared between the year 2016 to 2018 found that the liquidity of the group by considering the current ratio at 0.68 times, 0.80 times and 0.64 times respectively while quick ration at 0.41 times, 0.44 times and 0.38 times respectively in the year 2018 due to the classification of long-term loans as short-term loans amounting to 1,494 million baht including short-term loan drawdowns and the result of the acquisition of Siam Solar Generation Company Limited resulting in increased current liabilities causing the liquidity ratio and faster turnover ratio.

For the profitability of the company in the year 2016 – 2018, the company has gross profit margin of 7.66%, 7.39%, 1.70% because the price of steel is highly volatile causing the finished product price to fall faster than the raw material price. The difference between the selling price and the raw material is therefore reduced. Moreover, the company has a production cost of 70 million baht to install new transformers which will help increase the efficiency of the production of long steel bar faster and the allowance for diminution in value of inventories of 250 million baht, therefore the company has increased costs but when looking at operating profit (EBITDA) at 1,247 million baht.



## Audit Committee's Report

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Dear Shareholders,

The Board of Directors appointed an Audit Committee, which is composed of three independent directors, namely General Winai Phattiyakul, as Chairman of the Audit Committee, Mr. Apichart Chirabandhu and Mr. Pratana Bongkojmas, as Audit Committee Members. All of Committee members are experts with skills in various fields such as accounting and finance and corporate management, and have met the qualifications as prescribed by the Stock Exchange of Thailand, with no shareholding, no involvement in the business operations and no vested interests in the Company.

The Audit Committee has performed duty and rendered opinion independently under the scope of duty and responsibility entrusted by the Board of Directors with respect to the oversight of the Company's operation to ensure transparency and compliance with the regulations, standards and requirements under relevant laws, with cooperation from the management, internal auditors and external auditors.

In 2018, 7 meetings were held, with details of meeting attendance of each Audit Committee member as shown below:

	Number of attendance
1. General Winai Phattiyakul	7/7
2. Mr. Pratana Bongkojmas	7/7
3. Mr. Apichart Chirabandhu	4/7

At the meetings, consideration was made on various matters, of which material details together with the Audit Committee's opinion could be summed up as follows:

### 1. Opinion on the quarterly and yearly financial statements of the Company

Furthermore, in Year 2018, Audit Committee, after reviewed the Quarterly to Yearly Financial Statement, significant Accounting Policy of the Company, adequacy of Information Publicity, through the Auditing Plan, Method, and by working with the management team of the Company, the Audit Committee opine that Financial Statement of the Company is appropriated.

### 2. Consideration on appropriateness of internal control system

The Audit Committee held meetings with the internal auditors, who are independent, to follow up on the operation of all departments to ensure conformity with the established system, as well as to revise the Company's internal control system to be aligned and compatible with its current circumstance. The Audit Committee is of the opinion that the Company's internal control system is appropriate and adequate and has not discovered any material mistake in the past year.

In additional, the Audit Committee had reviewed the internal Audit' Plan, which was appropriated, independent and complied with COSO (the Committee of Sponsoring Organizations) policy.



### 3. Review of regulatory and legal compliance

The Company has engaged an internationally-recognized legal consultant to advise on compliance with regulations of concerned authorities, laws on securities and exchange, regulations of the Stock Exchange of Thailand, the Public Limited Companies Act, and other legislations related to the Company's business. The Company has exercised cautions to avoid any action that could violate rules and regulations of the concerned regulatory bodies.

### 4. Consideration and opinion on connected transactions or transactions with possible conflict of interest

The Audit Committee has examined the Company's related party transactions taking place during the past year and viewed that they were executed on an arm's-length basis, which is consistent with the auditor's opinion. Details of the transactions were correctly and completely disclosed and presented in the financial statements and notes to the financial statements.

### 5. Consideration on appropriation, and appointment of the auditors

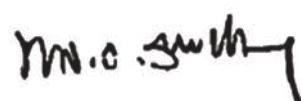
The audit committee selected auditor for an accounting year 2019. PKF Audit (Thailand) Ltd is an appropriate and non-related/beneficial from the company/subsidiaries/management/major shareholder or individual. Miss Napaporn Sathitthammaporn, Certified Public Accountant (Thailand) No. 7494 and/or Miss Sawinee Sawanont Certified Public Accountant (Thailand) No. 7092 are appointed for the Financial year 2019.

The Annual General Meeting of Shareholder 1/2019 to appoint the Auditors will be held on April 26, 2019 2 P.M. at Mae Nam Grand Ballroom, 2nd Floors, 2074, Ramada Plaza Bangkok Me-Nam Riverside Hotel, Chareonkrung Road, Bangkolame Bangkok, 10120 or such other date, time and place as the Meeting may be held.

### 6. Opinion and self-estimate of Audit Committee

The Audit Committee had self-estimated their performance in Year 2018 in 2 parts which are 1. Overall Performance and 2. Specifically Performance which is 1) Review the adequacy and appropriation of Financial Statement, 2) Review the adequacy and efficiency of Internal Audit, 3) Review the adequacy and appropriation of Compliance to SEC Regulation and other relevant Laws, 4) Consider and Select the external Auditor, 5) Review the transaction with person might be related 6) Prepare and Report the Audit Committee's opinion, the Audit Committee estimated and opined that the performances were duly and efficient conducted.

On behalf of the Audit Committee



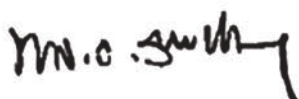
(General Winai Phattiyakul)  
Chairman of the Audit Committee

## Board of Directors' Statement of Responsibility for Financial Reports

The Board of Directors of Millcon Steel Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2018, which are prepared according to Generally Accepted accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely and able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

Directors Believes that the Company's overall internal control system is able to create credibility and reliability for the financial and its subsidiaries for the period ended December 31, 2018.



(General Winai Phattiyakul)  
Chairman of the Board



(Mr. Pravit Horungruang)  
Chairman of Executive Committee / President

**(TRANSLATION)**  
**INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of Millcon Steel Public Company Limited

**Qualified Opinion**

I have audited the accompanying consolidated and separate financial statements of Millcon Steel Public Company Limited and its subsidiaries (“the Group”) and of Millcon Steel Public Company Limited (“the Company”), which comprise the consolidated and separate statements of financial position as at 31 December 2018, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders’ equity and the consolidated and separate statements of cash flow for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects to the consolidated and separate financial statements of the matter described in the *Basis for Qualified Opinion* section of my report, The accompanying consolidated and separate financial statements present fairly, in all material respect, the consolidated and separate financial position of Millcon Steel Public Company Limited. and its subsidiaries and of Millcon 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 Qualified Opinion**

The consolidated financial statements as at 31 December 2018 included Baht 149.58 million of investment in overseas joint venture under the equity method and Baht 14.89 million of participating loss of the joint venture under the equity method for the year ended on the same date as mentioned in the Note No. 17. Since the financial statements of the said joint venture have been prepared by applying the financial information prepared by the management of the overseas joint venture, which have not yet been audited by the auditor of the joint venture. I have not been able to obtain sufficient appropriate audit evidence for the investment in overseas joint venture and the Company’s participating loss for the year. Consequently, I was unable to determine whether any adjustments were necessary.

The consolidated financial statements as at 31 December 2018 included the financial statements of overseas subsidiary which comprise the assets in amount of Bath 323.82 million and Liability in amount of Baht 389.21 million are presented in the consolidated statements of financial position, income in amount of

Baht 255.40 million and expense in amount of Baht 309.01 million are presented in the consolidated statements of comprehensive income for the year then ended. These financial statements are based on financial information compiled by the management of such overseas subsidiary which have not been audited by their auditor. I was unable to obtain sufficient appropriate audit evidence about the financial position and performance for the year of overseas subsidiary. Consequently, I was unable to determine whether any adjustments were necessary.

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 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 qualified opinion.

#### **Material Uncertainty Related to Going Concern.**

I draw attention to Note 2 in the financial statements which indicated that, as at 31 December 2018, the Group and the Company have current liabilities exceeded its current assets by Baht 5,362.25 million and Baht 3,036.47 million respectively. The current liabilities mainly include short-term loans in the term of promissory note and trust receipt and letter of credit. The Group has remaining of credit facilities that did not drawn out of Baht 2,326.80 million. These factors indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company ability to continue as a going concern. Hereby, my opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

I draw attention to notes to financial statements No. 12. As at 31 December 2018, the Company recorded Baht 516.27 million of loss from difference in finished good because, at the ending date of the accounting period, the warehouse inventory report have less finished goods than those in the accounting inventory report. At present, the management is investigate the fact for the said difference in finished goods so appropriate action can be applied to this matter. Hereby, my opinion is not modified in respect of this matter.



I draw attention to notes to financial statements No. 13. As at 31 December 2018, in the consolidated the subsidiary paid advance payment for goods to a company, which is a partner in sourcing metal scraps. Baht 598.13 million portion of the advance payment for goods is paid by avals with the maturity date of 150 – 180 days and the said partner sold the entire amount of discounting avals to a financial institution. Hereby, my opinion is not modified in respect of this matter.

I draw attention to notes to financial statements No. 38. As at 31 December 2018, two subsidiaries gained of revenues from sale to external customers from segment billet production and a part of segment separation scrap to many business partners at Baht 3,005.63 million. The Company and a subsidiary purchased from many business partners. The said two subsidiaries have sold the same type of goods to the said many business partners during the same time period or within short intervals at Baht 3,018.95 million. 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. In addition to the matter described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* section of my report, I have determined the matters described below to be the communicating key audit matter of my report.

#### Measurement of Inventories and Advance Payment for Inventories

Value of inventories and advance payment for inventories in Note to the financial statements No.12 and 13 respectively, 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.

### Recognition of revenue from sale of goods

The Group Companies recognize revenue from sales according to the accounting policies disclosed in the notes to financial statements No. 8.21. Since the amount of the Group Companies' revenue from sales is material in comparison to the total revenue. The key area of focus in my audit is reviewing that the revenue from sales is actually incurred and the time period in recognizing the revenue.

Therefore, my audit procedures have included assessing and testing the efficiency of the Group Companies' internal audit system related to the revenue cycle by interview the responsible staff, obtain an understanding and select sample to randomly test the operation under the control which designed by the Group Companies, randomly select the sales supporting documents and credit notes incurred during the year and near the end of the reporting period and after the end of the reporting period, analyse and compare the accounting information of the revenue from sales from subsidiary ledger to review any abnormality of the sales transactions that may incurred in the accounting period, and review the recognition of revenue from sales from the journal voucher entry.

### **Other Matter**

The consolidated and separate statements of financial position of Millcon Steel Public Company Limited and its subsidiaries and of Millcon Steel Public Company Limited as at 31 December 2017, as presented herein for comparative purpose, was audited by another auditor who expressed an unmodified opinion and uncertainty regarding the significant doubt on the entity's ability to continue as a going concern and emphasis of matter regarding the portions of revenues from sales to partners as report dated 27 February 2018. The consolidated and separate statements of financial position as at 31 December 2017, as presented herein for comparative purpose have been adjusted in notes to the financial statements No. 46, I have audited the adjustments and have considered them appropriate and have been properly adjusted.

### **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 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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- ☐ Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that 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,

8 March 2019

## CON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht	Baht	Baht	Baht
			(Restated)	(Restated)		(Restated)	(Restated)
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	9	297,038,157.15	553,487,486.00	453,789,151.54	227,761,611.49	360,072,789.36	362,918,634.93
Pledged Financial Institution Deposits	10	877,037,923.48	749,068,790.15	617,252,709.57	559,518,134.01	405,021,069.44	543,075,742.09
Trade and Other Current Receivables	11	2,869,398,052.68	1,335,158,639.76	2,522,938,889.73	2,288,163,316.77	884,585,183.06	1,673,891,921.88
Short-term Loans to Related Parties	41.3	-	150,700,000.00	-	-	30,700,000.00	896,948.26
Inventories	12	3,852,088,508.81	4,095,280,118.34	3,392,413,647.11	1,533,446,208.94	2,097,821,289.01	1,459,752,967.98
Advances Payment for Inventories	13	1,560,548,934.78	2,302,722,711.79	1,389,617,928.85	83,268,072.77	1,335,885,709.47	824,257,409.04
Current Tax Assets		4,109,265.29	1,915,548.50	3,467,813.53	-	279,210.82	1,175,865.98
Other Current Financial Assets	39.3	353,788.41	4,677,193.37	64,132,445.31	353,788.41	4,580,549.27	3,650,244.30
TOTAL CURRENT ASSETS		9,460,574,630.60	9,193,010,487.91	8,443,612,585.64	4,692,511,132.39	5,118,945,800.43	4,869,619,734.46
NON-CURRENT ASSETS							
Investments in Associates	14	307,673,338.58	52,425,176.42	68,646,762.50	329,396,522.24	66,551,215.41	56,120,855.41
Investments in Subsidiaries	15	-	-	-	5,457,376,193.78	4,535,497,023.78	4,533,763,533.78
Investments in Joint Ventures	17	149,580,827.07	220,781,191.62	311,298,502.38	1,592,553,148.10	1,592,553,148.10	1,592,553,148.10
Other Long-term Investments	18	-	-	-	-	-	-
Long-term Loans to Related Parties	41.3	-	-	-	233,090,111.00	233,090,111.00	233,090,111.00
Investment Property	19	38,970,280.48	501,918,574.38	515,101,895.25	109,220,217.34	573,475,918.58	587,976,169.42
Property, Plant and Equipment	20	10,504,473,515.46	9,036,061,817.70	9,129,334,135.78	1,810,892,297.35	1,801,866,213.20	1,755,257,552.77
Goodwill	21	1,907,470,032.49	333,598,106.17	333,598,106.17	-	-	-
Other Intangible Assets	22	35,057,003.95	7,088,879.70	12,313,993.26	34,256,122.39	5,527,222.35	6,108,980.78
Right to Generate and Sell Electricity	23	984,915,675.52	-	-	-	-	-
Other Non-Current Assets		200,623,840.66	97,204,743.15	14,708,380.08	90,961,650.81	86,518,327.72	33,451,236.74
TOTAL NON-CURRENT ASSETS		14,128,764,514.21	10,249,078,489.14	10,385,001,775.42	9,657,746,263.01	8,895,079,180.14	8,798,321,588.00
TOTAL ASSETS		23,589,339,144.81	19,442,088,977.05	18,828,614,361.06	14,350,257,395.40	14,014,024,980.57	13,667,941,322.46

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

MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht	Baht	Baht	Baht
			(Restated)	(Restated)		(Restated)	(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Bank Overdraft and Short-term Borrowings from Financial Institutions	24	10,590,980,759.40	7,244,446,230.96	8,569,205,128.49	5,144,816,027.16	3,840,017,242.44	4,854,544,760.49
Trade and Other Current Payables	25	2,956,105,049.83	2,421,758,757.68	2,021,958,865.58	1,574,072,650.91	2,205,564,504.93	882,704,221.55
Advances Received for Inventories		868,905,735.72	1,701,431,895.97	1,571,496,044.24	870,471,931.45	930,469,212.10	1,530,623,775.54
Current Portion of Long-term Borrowings	26	355,093,527.77	118,800,000.00	278,685,497.79	100,093,527.77	100,800,000.00	-
Current Portion of Liabilities under Finance Leases Agreements	27	17,110,610.54	4,573,127.55	2,107,562.66	10,935,899.76	529,486.35	-
Short-term Borrowings from Related Party	41.3	-	-	-	1,018,542.43	3,072,002.63	1,190,497,458.54
Current Income Tax Payable		22,211,171.90	2,923,191.68	2,253,288.85	21,349,611.17	-	-
Other Current Financial Liabilities	39.3	12,417,819.84	-	322,776.80	6,226,205.28	-	322,776.80
TOTAL CURRENT LIABILITIES		14,822,824,675.00	11,493,933,203.84	12,446,029,164.41	7,728,984,395.93	7,080,452,448.45	8,458,692,992.92
NON-CURRENT LIABILITIES							
Liabilities in Joint Ventures	17	131,145,919.00	-	-	-	-	-
Long-term Borrowings	26	2,807,875,887.54	1,814,100,000.00	351,137,692.00	297,489,514.00	396,700,000.00	-
Liabilities under Finance Leases Agreements	27	43,356,715.23	9,436,324.10	3,334,542.05	30,387,878.19	1,617,023.13	-
Deferred Tax Liabilities	28	422,791,170.39	209,653,089.97	225,388,477.97	40,946,566.70	41,862,676.55	41,612,060.20
Non-Current Provisions for Employee Benefit	29	44,511,321.76	38,332,121.11	33,641,241.00	22,692,927.72	19,765,538.74	16,700,037.00
TOTAL NON-CURRENT LIABILITIES		3,449,681,013.92	2,071,521,535.18	613,501,953.02	391,516,886.61	459,945,238.42	58,312,097.20
TOTAL LIABILITIES		18,272,505,688.92	13,565,454,739.02	13,059,531,117.43	8,120,501,282.54	7,540,397,686.87	8,517,005,090.12
SHAREHOLDERS' EQUITY							
Share Capital	31						
Authorized Share Capital							
192,118,226 Preference Shares of par Baht 0.40 each		76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40
6,741,670,105 Ordinary Shares of par Baht 0.40 each		2,696,668,042.00			2,696,668,042.00		
5,093,492,577 Ordinary Shares of par Baht 0.40 each			2,037,397,030.80			2,037,397,030.80	
5,449,012,608 Ordinary Shares of par Baht 0.40 each				2,179,605,043.20			2,179,605,043.20
		2,773,515,332.40	2,114,244,321.20	2,256,452,333.60	2,773,515,332.40	2,114,244,321.20	2,256,452,333.60
Issued and Paid Share Capital							
192,118,226 Preference Shares of par Baht 0.40 each		76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40	76,847,290.40
4,333,167,300 Ordinary Shares of par Baht 0.40 each		1,733,266,920.00			1,733,266,920.00		
3,862,348,930 Ordinary Shares of par Baht 0.40 each			1,544,939,572.00	1,544,939,572.00		1,544,939,572.00	1,544,939,572.00
Share Premium							
Share Premium on Preference Shares		313,152,708.38	313,152,708.38	313,152,708.38	313,152,708.38	313,152,708.38	313,152,708.38
Share Premium on Ordinary Shares		3,577,067,552.93	3,360,039,403.55	3,360,039,403.55	3,577,067,552.93	3,360,039,403.55	3,360,039,403.55
Retained Earnings							
Appropriated - Legal Reserve		93,518,370.29	45,232,058.69	45,232,058.69	93,518,370.29	45,232,058.69	45,232,058.69

Appropriated - Legal Reserve for Treasury Shares	33	317,705,790.26	-	-	317,705,790.26	-	-
Unappropriated		(681,350,265.97)	244,302,840.44	116,330,855.48	272,136,306.07	969,649,295.89	(353,041,765.47)
Treasury Shares	33	(317,705,790.26)	-	-	(317,705,790.26)	-	-
Other Components of Shareholders' Equity		262,331,673.63	263,850,031.15	279,046,384.18	163,766,964.79	163,766,964.79	163,766,964.79
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>5,374,834,249.66</b>	<b>5,848,363,904.61</b>	<b>5,735,588,272.68</b>	<b>6,229,756,112.86</b>	<b>6,473,627,293.70</b>	<b>5,150,936,232.34</b>
Non-Controlling Interests		(58,000,793.77)	28,270,333.42	33,494,970.95	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>5,316,833,455.89</b>	<b>5,876,634,238.03</b>	<b>5,769,083,243.63</b>	<b>6,229,756,112.86</b>	<b>6,473,627,293.70</b>	<b>5,150,936,232.34</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>23,589,339,144.81</b>	<b>19,442,088,977.05</b>	<b>18,828,614,361.06</b>	<b>14,350,257,395.40</b>	<b>14,014,024,980.57</b>	<b>13,667,941,322.46</b>

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



## MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT 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 (Restated)	Baht	Baht (Restated)
Revenues from Sales and Rendering of Services		20,318,728,212.59	19,623,760,211.72	14,394,306,164.12	11,379,173,221.77
Cost of Sales of Goods and Rendering of Services		(19,973,145,851.03)	(18,173,578,297.34)	(14,466,591,349.27)	(10,527,956,755.78)
<b>Gross (Loss) Profit</b>		<b>345,582,361.56</b>	<b>1,450,181,914.38</b>	<b>(72,285,185.15)</b>	<b>851,216,465.99</b>
Gain on Disposal of Assets	19	1,088,743,846.57	37,058,442.19	1,088,050,136.57	47,278,511.95
Dividend Income		6,999,930.00	-	-	1,151,639,537.36
Gain on Debt Restructuring		59,970,975.53	-	-	-
Other Incomes		126,804,178.31	114,337,924.37	117,713,698.28	87,791,132.00
Reversal of Doubtful Debt and Doubtful Debt		156,862,954.42	35,145,144.77	156,862,954.42	35,145,144.77
Distribution Costs		(251,342,574.34)	(293,523,383.47)	(169,964,837.96)	(166,064,868.97)
Administrative Expenses		(444,427,903.99)	(461,165,601.82)	(268,869,596.70)	(263,398,130.20)
Loss from Difference in Finished Goods	12	(516,269,092.12)	-	(516,269,092.12)	-
Other Expenses		(24,238,973.64)	(32,949,551.83)	(21,726,345.77)	(7,561,045.71)
Finance Costs		(753,102,654.75)	(646,119,936.78)	(460,667,985.64)	(409,616,831.83)
Share of Loss of Associates and Joint Ventures		(190,570,077.27)	(89,231,494.42)	-	-
<b>Profit (Loss) Before Income Tax Expense</b>		<b>(394,987,029.72)</b>	<b>113,733,457.39</b>	<b>(147,156,254.07)</b>	<b>1,326,429,915.36</b>
Tax (Expense) Income	36	(16,350,272.05)	9,351,449.55	(21,714,249.50)	(1,901,300.26)
<b>Profit (Loss) for the Year</b>		<b>(411,337,301.77)</b>	<b>123,084,906.94</b>	<b>(168,870,503.57)</b>	<b>1,324,528,615.10</b>
<b>Other Comprehensive Income (Expense)</b>					
<b>Items that will be subsequently reclassified to Profit or Loss</b>					
Exchange Differences on Translating Financial Statements		(1,340,095.10)	(564,295.20)	-	-
Share of Other Comprehensive Income (Expense) of Joint Ventures		(966,253.65)	(17,613,124.88)	-	-
<b>Total Items that will be subsequently reclassified to Profit or Loss - Net of Tax</b>		<b>(2,306,348.75)</b>	<b>(18,177,420.08)</b>	<b>-</b>	<b>-</b>
<b>Items that will not be subsequently reclassified to Profit or Loss</b>					
Share of other Comprehensive gain (loss) in Associate and Joint Venture		384,508.87	1,621,791.92	-	-
Gain (Loss) on Remeasurement of Defined Benefit Plans		(2,411,257.27)	(592,165.10)	(1,917,005.87)	(1,837,553.74)
<b>Total Items that will not be subsequently reclassified to Profit or Loss - Net of Tax</b>		<b>(2,026,748.40)</b>	<b>1,029,626.82</b>	<b>(1,917,005.87)</b>	<b>(1,837,553.74)</b>
<b>Total Other Comprehensive Income (Expense) for the Period - Net of Tax</b>		<b>(4,333,097.15)</b>	<b>(17,147,793.26)</b>	<b>(1,917,005.87)</b>	<b>(1,837,553.74)</b>
<b>Total Comprehensive Income (Expense) for the year</b>		<b>(415,670,398.92)</b>	<b>105,937,113.68</b>	<b>(170,787,509.44)</b>	<b>1,322,691,061.36</b>
<b>Profit (Loss) Attributable to</b>					
- Owners of Parent		(396,903,172.55)	126,942,358.14	(168,870,503.57)	1,324,528,615.10
- Non-Controlling Interests		(14,434,129.22)	(3,857,451.20)	-	-
<b>Profit (Loss) for the year</b>		<b>(411,337,301.77)</b>	<b>123,084,906.94</b>	<b>(168,870,503.57)</b>	<b>1,324,528,615.10</b>
<b>Total Comprehensive Income (Expense) Attributable to:</b>					
- Owners of Parent		(400,567,729.31)	110,963,791.63	(170,787,509.44)	1,322,691,061.36
- Non-Controlling Interests		(15,102,669.61)	(5,026,677.95)	-	-
<b>Total Comprehensive Income (Expense) for the year</b>		<b>(415,670,398.92)</b>	<b>105,937,113.68</b>	<b>(170,787,509.44)</b>	<b>1,322,691,061.36</b>

**Earnings (Loss) per Share for Owners of Parent**

Basic Earnings (Loss) per Share	37	(0.10)	0.03	(0.04)	0.32
Diluted Earnings (Loss) per Share	37	(0.09)	0.03	(0.04)	0.31

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

**MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the year ended 31 December 2018

CONSOLIDATED FINANCIAL STATEMENTS																	
	Notes	Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings		Treasury Shares		Other Components of Shareholders' Equity			Total	Other Components of Equity attributable to the owners of the Company	Non-Controlling Interests	Total Shareholders' Equity			
				Appropriated		Unappropriated		Translation of Financial Statements		Revaluation Surplus					Surplus (Discount) from Changes in Shareholding Interest in a Subsidiary	Share of Other Comprehensive Income (Expense) of Associates and Joint Ventures	
				Legal Reserve	Legal Reserve for Treasury Shares	Baht	Baht	Baht	Baht	Baht							Baht
				Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2017 (As previously reported)		1,621,786,862.40	3,673,192,111.93	45,232,068.69	-	93,142,122.99	-	(64,341,487.73)	410,540,269.71	(4,899,414.58)	14,237,018.20	355,516,385.60	5,788,889,541.61	34,192,869.30	5,823,082,410.91		
Cumulative Effect of Accounting Error Correction	46	-	-	-	-	23,188,732.49	-	30,854.09	(42,042,514.14)	(34,478,341.37)	-	(76,490,011.42)	(53,301,268.93)	(697,898.35)	(53,999,167.28)		
Beginning balance as at 1 January 2017 (Restated)		1,621,786,862.40	3,673,192,111.93	45,232,068.69	-	116,330,855.48	-	(64,310,633.64)	368,497,755.57	(93,777,755.95)	14,237,018.20	279,046,384.18	5,735,588,272.68	33,494,970.95	5,769,083,243.63		
Transactions with Owners																	
Change in Ownership Interests in Subsidiaries																	
without a Change in Control																	
Increase (Decrease) of Non-Controlling Interests in Subsidiaries with a Change in Control		-	-	-	-	-	-	-	-	1,811,840.30	-	1,811,840.30	1,811,840.30	(197,959.58)	1,613,880.72		
Total Change in Ownership Interests in Subsidiaries																	
without a Change in Control		-	-	-	-	-	-	-	-	1,811,840.30	-	1,811,840.30	1,811,840.30	(197,959.58)	1,613,880.72		
Total Transactions with Owners																	
Total Comprehensive Income (Loss) for the year																	
Profit for the year (Restated)		-	-	-	-	126,942,358.14	-	-	-	-	-	-	126,942,358.14	(3,857,451.20)	123,084,906.94		
Other Comprehensive Income (Expense) for the year (Restated)		-	-	-	-	1,029,626.82	-	604,931.55	-	-	(17,613,124.88)	(17,008,193.33)	(15,978,566.51)	(1,169,226.75)	(17,147,793.26)		
Total Comprehensive Income (Loss) for the year (Restated)		-	-	-	-	127,971,984.96	-	604,931.55	-	-	(17,613,124.88)	(17,008,193.33)	110,963,791.63	(5,026,677.95)	105,937,113.68		
Ending balance as at 31 December 2017 (Restated)		1,621,786,862.40	3,673,192,111.93	45,232,068.69	-	244,302,840.44	-	(63,705,702.09)	368,497,755.57	(37,566,915.65)	(3,376,106.68)	263,850,891.15	5,848,363,094.61	28,270,333.42	5,876,634,228.03		

## CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings				Treasury Shares		Other Components of Shareholders' Equity				Total		Non-Controlling Interests	Total Shareholders' Equity
				Appropriated		Unappropriated		Translation of Financial Statements	Revaluation Surplus from Land	Surplus Changes in Shareholding Interest in a Subsidiary	Share of Other Comprehensive Income (Expense) of Associates and Joint Ventures	Other Components of Shareholders' Equity	Equity attributable to the owners of the Company				
				Legal Reserve	Legal Reserve for Treasury Shares	Legal Reserve	Legal Reserve for Treasury Shares										
														Baht	Baht		
Beginning balance as at 1 January 2018 (As previously reported)		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	241,117,598.23	-	(75,377,951.18)	410,540,269.71	(15,607,723.36)	(2,195,819,292.9)	(42,042,514.14)	-	316,178,508.49	5,897,597,139.74	28,968,321.77	5,926,475,371.51
	Cumulative Effect of Accounting Error Correction	46	-	-	-	3,185,242.21	-	11,672,229.09	(42,042,514.14)	(21,958,192.29)	-	-	-	(52,238,477.34)	(49,143,235.13)	(697,898.35)	(49,841,133.48)
Beginning balance as at 1 January 2018 (Restated)		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	244,302,840.44	-	(63,705,702.09)	368,497,755.57	(37,565,915.65)	(37,565,915.65)	(3,376,106.68)	263,859,031.15	5,848,363,904.61	28,270,333.42	5,876,634,238.03	
Transactions with Owners																	
Contributions by and Distributions to Owners of the Company																	
Increase in Ordinary Share	31	80,000,000.00		-	-	-	-	-	-	-	-	-	-	-	297,028,149.38	-	297,028,149.38
Issue of Ordinary Shares to the Warrant	31	32.00		-	-	-	-	-	-	-	-	-	-	-	32.00	-	32.00
Dividend Payment	32	108,327,316.00		-	-	(160,733,378.52)	-	-	-	-	-	-	-	-	(52,406,062.52)	-	(52,406,062.52)
Legal Reserve	32	-		48,286,311.60	-	(48,286,311.60)	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) of Treasury Shares	33	-		-	-	-	(317,705,790.26)	-	-	-	-	-	-	-	(317,705,790.26)	-	(317,705,790.26)
Legal Reserve for Treasury Shares	33	-		-	-	317,705,790.26	-	-	-	-	-	-	-	-	-	-	-
Increase from Purchase of Business	5	-		-	-	-	-	-	-	-	-	-	-	-	-	(71,046,711.82)	(71,046,711.82)
Total Contributions by and Distributions to Owners of the Company		188,327,348.00	217,028,149.38	48,286,311.60	-	(526,725,480.38)	(317,705,790.26)	-	-	-	-	-	-	(73,083,671.40)	(71,046,711.82)	(144,130,383.22)	
Change in Ownership Interests in Subsidiaries																	
without a Change in Control																	
Increase (Decrease) of Non-Controlling Interests in Subsidiaries		-	-	-	-	-	-	-	-	121,745.76	-	-	121,745.76	-	121,745.76	-	-
with a Change in Control																	
Total Change in Ownership Interests in Subsidiaries		-	-	-	-	-	-	-	-	121,745.76	-	-	121,745.76	-	121,745.76	-	-
without a Change in Control																	
Total Transactions with Owners		188,327,348.00	217,028,149.38	48,286,311.60	-	(526,725,480.38)	(317,705,790.26)	-	-	121,745.76	-	-	121,745.76	(72,961,925.64)	(71,108,457.58)	(144,130,383.22)	
Total Comprehensive Income (Loss) for the year																	
Profit (Loss) for the year		-	-	-	-	-	(396,903,172.55)	-	-	-	-	-	-	(396,903,172.55)	(14,434,129.22)	(411,337,301.77)	
Other Comprehensive Income (Expense) for the year		-	-	-	-	-	(2,024,453.48)	-	-	(673,849.63)	-	-	(966,253.65)	(1,640,103.28)	(3,664,556.70)	(668,540.39)	(4,333,097.15)
Total Comprehensive Income (Loss) for the year		-	-	-	-	-	(398,927,626.03)	-	-	(673,849.63)	-	-	(966,253.65)	(1,640,103.28)	(4,000,567,729.31)	(15,102,669.61)	(415,670,398.92)
Ending balance as at 31 December 2018		1,810,114,210.40	3,890,220,261.31	93,518,370.29	-	(881,350,265.97)	(317,705,790.26)	-	-	(64,379,551.72)	368,497,755.57	(37,444,109.89)	(4,342,360.33)	262,331,673.63	5,574,834,249.66	(58,000,793.77)	5,516,833,455.89

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

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

For the year ended 31 December 2018

**SEPARATE FINANCIAL STATEMENTS**

	Notes	Issued and Paid-up Share Capital	Premium on Shares	Retained Earnings		Treasury Shares	Other Components of Shareholders' Equity		Total
				Appropriated			Unappropriated	Shareholders' Equity Revaluation Surplus	
				Legal Reserve	Legal Reserve for Treasury Shares				
Beginning Balance as at 1 January 2017		Baht	Baht	Baht	Baht	Baht	Baht	Baht	
1,621,786,862.40		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	(353,041,765.47)	163,766,964.79	5,150,936,232.34	
Total Comprehensive Income (Loss) for the year									
Profit for the year (Restated)		-	-	-	-	1,324,528,615.10	-	-	1,324,528,615.10
Other Comprehensive Income (Expense) for the year (Restated)		-	-	-	-	(1,837,553.74)	-	-	(1,837,553.74)
Total Comprehensive Income (Loss) for the year (Restated)									
Ending Balance as at 31 December 2017 (Restated)		-	-	-	-	1,322,691,061.36	-	-	1,322,691,061.36
1,621,786,862.40		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	969,649,295.89	163,766,964.79	6,473,627,293.70	
Beginning balance as at 1 January 2018 (As previously reported)									
1,621,786,862.40		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	963,888,678.27	163,766,964.79	6,467,866,676.08	
Cumulative Effect of Accounting Error Correction									
46		-	-	-	-	5,760,617.62	-	-	5,760,617.62
Beginning balance as at 1 January 2018 (Restated)									
1,621,786,862.40		1,621,786,862.40	3,673,192,111.93	45,232,058.69	-	969,649,295.89	163,766,964.79	6,473,627,293.70	
Transactions with Owners									
Contributions by and Distributions to Owners of the Company									
31		80,000,000.00	217,028,149.38	-	-	-	-	-	297,028,149.38
31		32.00	-	-	-	-	-	-	32.00
32		108,327,316.00	-	-	-	(160,733,378.52)	-	-	(52,406,062.52)
32		-	-	48,286,311.60	-	(48,286,311.60)	-	-	-
33		-	-	-	-	-	(317,705,790.26)	-	(317,705,790.26)
33		-	-	-	317,705,790.26	(317,705,790.26)	-	-	-
Total Contributions by and Distributions to Owners of the Company									
188,327,348.00		188,327,348.00	217,028,149.38	48,286,311.60	317,705,790.26	(526,725,480.38)	-	(73,083,671.40)	
188,327,348.00		188,327,348.00	217,028,149.38	48,286,311.60	317,705,790.26	(526,725,480.38)	-	(73,083,671.40)	
Total Transactions with Owners									
Total Comprehensive Income (Loss) for the year									
Profit (Loss) for the year		-	-	-	-	(168,870,503.57)	-	-	(168,870,503.57)
Other Comprehensive Income (Expense) for the year		-	-	-	-	(1,917,005.87)	-	-	(1,917,005.87)
Total Comprehensive Income (Loss) for the year									
1,810,114,210.40		1,810,114,210.40	3,890,220,261.31	93,518,370.29	317,705,790.26	272,136,306.07	163,766,964.79	6,229,756,112.86	

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



## MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (Loss) Before Income Tax		(394,987,029.72)	113,733,457.39	(147,156,254.07)	1,326,429,915.36
Adjustment to Reconcile Profit (Loss) Before Income Tax to Cash Received (Paid) from Operations					
Depreciation		347,772,327.56	285,458,871.35	75,908,478.90	59,158,582.30
Amortization Right to Generate and Sell Electricity		23,174,486.48	-	-	-
Amortization Other Intangible Assets		1,731,306.28	1,656,008.56	925,030.49	852,653.43
Bad Debt Expense in Trade and Other Current Receivable		-	6,645,887.39	-	6,645,887.39
Doubtful Debt in Trade and Other Current Receivable (Reversal)		-138,143,491.46	-46,198,574.60	-156,862,954.42	-6,175,322.16
Doubtful Debt in Short-term Loans to Other Company (Reversal)		-	-35,615,710.00	-	-35,615,710.00
Doubtful Debt in Advances Payment for Inventories (Reversal)		595,246.80	-3,142,014.20	-	-
Loss on Declining in Value of Inventories (Reversal)		180,090,111.34	-365,363.39	77,844,112.29	551,444.48
Loss from Difference in Finished Goods		516,269,092.12	-	516,269,092.12	-
Loss on Declining in Value of Advances Payment for Inventories		18,049.18	738,689.86	-540,531.29	738,689.86
Loss on Impairment of Other Long-term Investments		18,791,506.17	-	-	-
Share of Loss of Associates and Joint Ventures		190,570,077.27	89,231,494.42	-	-
Gain on Disposal of Claimant's Right of Trade Account Receivable		-150,000.00	-	-150,000.00	-
Gain on Disposal of Investment Property		-1,087,821,272.10	-37,005,008.49	-1,087,821,272.10	-37,005,008.49
Gain on Disposal of Fixed Assets		(818,244.12)	(53,433.70)	(228,864.47)	(10,273,503.46)
Loss on Disposal of Investments in Associated and Joint Ventures		100.00	1,782,573.86	-	-
Loss on Write-off of Fixed Assets		404,455.54	90,062.92	76,956.10	80,930.74
Loss on Write-off of Intangible Assets		2.00	3,840,000.00	2.00	-
Loss on Write-off of Income Tax		1,943,195.03	2,565,583.18	-	-
Gain on Debt Restructuring		(59,970,975.53)	-	-	-
Unrealized Fair Value Loss on Derivative Financial Instruments		16,741,224.80	59,132,475.14	10,452,966.14	(1,253,081.77)
Gain on Measuring the Previously Held Interests Before Business Combination		(17,451,520.00)	-	-	-
Dividend Income		(6,999,930.00)	-	-	(1,151,639,537.36)
Unrealized (Gain) Loss on Exchange Rate		(4,463,010.44)	(6,881,318.40)	(341,828.07)	(5,047,262.67)
Employee Benefit Expenses		5,705,207.51	5,664,805.00	2,543,659.11	2,500,411.00
Cost of Front-end Fee		2,543,501.28	-	883,041.77	-
Interest Income		(22,096,453.85)	(20,058,571.47)	(19,412,037.66)	(20,692,102.31)
Interest Expense		670,663,875.62	553,085,300.12	356,138,888.44	335,843,209.85
Profit (Loss) from Operation before Changes in Operating Assets and Liabilities		244,111,837.76	974,305,214.94	(371,471,514.72)	465,100,196.19
(Increase) Decrease in Operating Assets					
Trade and Other Current Receivables		(2,010,663,072.38)	1,222,576,534.83	(1,470,512,382.58)	739,409,852.49
Inventories		(492,245,153.61)	(719,979,354.79)	(49,375,553.59)	(638,619,765.51)
Advances Payment for Inventories		741,560,481.03	(1,051,345,515.28)	1,308,700,224.06	(543,913,330.29)
Other Non-Current Assets		(100,502,773.03)	(82,228,863.93)	(4,164,112.27)	(14,119,200.00)
Increase (Decrease) in Operating Liabilities					
Trade and Other Current Payables		606,293,370.42	554,445,095.32	(925,109,602.71)	1,324,168,308.61
Advances Received for Inventories		(832,526,160.25)	239,033,568.41	(59,997,280.65)	(572,422,787.74)
Non-Current Provisions for Employee Benefits		(1,986,576.00)	(1,566,090.00)	(1,533,276.00)	(1,272,463.00)

Cash Received (Paid) from Operating Activities	(1,845,958,046.06)	1,135,240,589.50	(1,573,463,498.46)	758,330,810.75
Cash Received from Interest Income	8,983,566.56	7,652,961.49	6,303,427.71	4,792,752.44
Cash Paid in Income Tax	(10,098,645.50)	(6,994,852.91)	(1,280,748.18)	(1,929,894.73)
Cash Received from Income Tax	13,203.80	-	-	-
<b>Net Cash Provided from (Used in) Operating Activities</b>	<b>(1,847,059,921.20)</b>	<b>1,135,898,698.08</b>	<b>(1,568,440,818.93)</b>	<b>761,193,668.46</b>

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

**MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**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
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
(Increase) Decrease in Pledged Financial Institution Deposits		(127,969,133.33)	(131,816,080.58)	(154,497,064.57)	138,054,672.65
Cash Paid from Short-term Loans to Related Parties		(40,000,000.00)	(297,000,000.00)	-	(53,000,000.00)
Cash Received from Short-term Loans to Related Parties		190,700,000.00	146,300,000.00	30,700,000.00	23,196,948.26
Cash Received from Short-term Loans to Other Company		-	35,615,710.00	-	35,615,710.00
Cash Paid in Investments in Associates		(262,845,306.83)	(10,680,360.00)	(262,845,306.83)	(10,680,360.00)
Cash Received from Sale Investment in Subsidiaries		-	250,000.00	-	250,000.00
Cash Paid in Investments in Subsidiaries		(426,633,518.35)	-	(434,379,170.00)	(1,733,490.00)
Cash Paid in Investments in Joint Ventures		-	(10,000,000.00)	-	-
Cash Received from Disposal of Investment Property		1,550,769,566.00	59,672,025.00	1,550,769,566.00	21,900,000.00
Cash Paid in Purchases of Property, Plant and Equipment		(312,485,704.85)	(144,872,054.43)	(65,441,352.33)	(102,994,329.85)
Cash Received from Disposal of Property, Plant and Equipment		6,027,603.10	5,240,369.19	5,279,677.39	5,976,743.31
Cash Paid for Purchase of Intangible Assets		(1,919,800.00)	-	(1,874,300.00)	-
Cash Received from Interest		13,869,164.81	5,007,374.60	1,187,411.64	27,840,792.39
Cash Received from Dividend in Investments in Associates		6,999,930.00	2,000,010.00	-	2,000,010.00
<b>Net Cash Provided from (Used in) Investing Activities</b>		<b>596,512,800.55</b>	<b>(340,283,006.22)</b>	<b>668,899,461.30</b>	<b>86,426,696.76</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
(Increase) Decrease in Bank Overdraft		541,802.14	-	-	-
Cash Received from Short-term Borrowings from Financial Institutions		41,320,428,766.16	33,673,830,347.46	27,028,248,813.24	21,425,285,453.03
Cash Paid in Short-term Borrowings from Financial Institutions		(39,135,577,309.98)	(35,331,199,898.21)	(25,732,335,390.63)	(22,441,346,653.42)
Cash Received from Short-term Borrowings from Related Parties		-	-	-	85,000,000.00
Cash Paid in Short-term Borrowings from Related Parties		-	-	(2,053,460.20)	(87,163,019.51)
Cash Paid in Payable for Assets		(25,991,263.92)	(123,290,070.60)	(4,524,376.23)	(144,365.00)
Cash Received from Long-term Borrowings from Financial Institutions		164,679,423.56	1,932,900,000.00	-	497,500,000.00
Cash Paid in Long-term Borrowings from Financial Institutions		(493,985,697.80)	(301,466,317.61)	(100,800,000.00)	-
Cash Paid in Liabilities under Finance Leases Agreements		(10,275,491.11)	(3,292,653.06)	(5,441,786.67)	(813,490.52)
Cash Received from Increase in Ordinary Share		297,028,037.38	-	297,028,037.38	-
Cash Received from the Exercise of Warrants		144.00	-	144.00	-
Cash Paid in Treasury Shares		(317,705,790.26)	-	(317,705,790.26)	-
Cash Paid in Dividend Payment		(52,402,278.99)	(1,440.00)	(52,402,278.99)	(1,476.00)
Increase in Non-Controlling Interests		-	1,613,880.72	-	-
Cash Paid in Interest		(751,302,454.28)	(544,446,910.90)	(342,783,731.88)	(328,782,659.37)
<b>Net Cash Provided from (Used in) Financing Activities</b>		<b>995,437,886.90</b>	<b>(695,353,062.20)</b>	<b>767,230,179.76</b>	<b>(850,466,210.79)</b>

**Net Increase (Decrease) in Cash and Cash Equivalents**

<b>Before Effect of Exchange</b>		<b>(255,109,233.75)</b>	<b>100,262,629.66</b>	<b>(132,311,177.87)</b>	<b>(2,845,845.57)</b>
Effect of Exchange on Cash and Cash Equivalents		(1,340,095.10)	(564,295.20)	-	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(256,449,328.85)</b>	<b>99,698,334.46</b>	<b>(132,311,177.87)</b>	<b>(2,845,845.57)</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>		<b>553,487,486.00</b>	<b>453,789,151.54</b>	<b>360,072,789.36</b>	<b>362,918,634.93</b>
<b>Cash and Cash Equivalents at the Ending of the year</b>	<b>9</b>	<b>297,038,157.15</b>	<b>553,487,486.00</b>	<b>227,761,611.49</b>	<b>360,072,789.36</b>

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

# MILLCON STEEL PUBLIC COMPANY LIMITED

## AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2018

#### 1. General Information

MILLCON STEEL PUBLIC COMPANY LIMITED was registered initially as a limited company since 31 July 1998 with the Company registration number 0105541047713 and was later registered as a public company limited on 1 June 2007 with the Company registration number 0107550000076. The Company is a public limited company incorporated and resident in Thailand. The address of its registered office's are as follows.

Head office: 9, 11, 13 Soi Banggradee 32, Banggradee Road, Samaedum, Bangkhuntien, Bangkok

Branch 1: 52 Thaniya Plaza Building 29th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok

Branch 2: 99 Moo 3, T. Nikompattana, A. Nikompattana, Rayong

The Company is principally engaged in manufacturing and trading of steel products and generation and sale of electricity alternative energy source.

The major shareholder is Mr.Sittichai Leeswadtrakul holds 34.95%

#### 2. Operation Going Concern

As at 31 December 2018 and 2017, the Group has the current liabilities in excess of the current assets amounting to Baht 5,362.25 million and Baht 2,300.92 million respectively, and the Company has the current liabilities in excess of the current assets amounting to Baht 3,036.47 million and Baht 1,961.51 million respectively. The current liabilities mainly include short-term loans in the term of promissory note and trust receipt and letter of credit, which the Company used the majority of the said credit granted by the financial institution to pay advance payment for goods. However, the Group has remaining of credit facilities that did not drawn out of Baht 2,326.80 million. The management is in the process of cooperation with financial institutions and major shareholders to find ways to ensure adequate liquidity in the Group and the Company. Therefore, the management believes that the Group will continue its operations at least for the forthcoming 12 months. Accordingly, the Group and the Company financial information has been prepared on a going concern basis.

### 3. Basis of Preparation of Financial Statements

- 3.1 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 regulation of the Securities and Exchange Commission.
- 3.2 The financial statements were presented in compliance with the notification of Department of Business Development relating to determination of abbreviated items in the financial.
- 3.3 In order to prepare the financial statements to comply with Thai Financial Reporting Standards, the Company's management had 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.
- 3.4 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.

### 4. Basis in Preparation of the Consolidated Financial Statements

- 4.1 In preparation of the consolidated financial statements, the Company will only take its subsidiaries which are under the control of MILLCON STEELPUBLIC COMPANY LIMITED. As at 31 December 2018 and 2017, the Company has the investment ratio in the subsidiaries as follows:

Company’s Name	Percentage of Shareholdings		Country of Registration	Category
	As at	As at		
	31 December 2018	31 December 2017		
<u>Direct Shareholding in Subsidiaries</u>				
Millcon Burapa Co., Ltd.	99.10	99.10	Thailand	Manufacture and distribution of round bars, deformed bars
Millcon(HK) Limited	100.00	100.00	Hong Kong	Purchase of the right on claim for asset
Millcon Thiha Limited	51.00	51.00	Myanmar	Trading of steel; products and construction material
Millcon Steel Pipe Co., Ltd.	100.00	100.00	Thailand	Production and distribution of all types of steel products



Company's Name	Percentage of Shareholdings		Country of Registration	Category
	As at 31 December 2018	As at 31 December 2017		
Saharuam Construction Materials Co., Ltd.	100.00	100.00	Thailand	Trading all kinds of steels product and building materials
Suntech Metals Co., Ltd.	99.99	99.99	Thailand	Production of scarp and trading steel products
Siam Solar Generation Co., Ltd.	90.00	-	Thailand	Generation and sale of electricity alternative energy source
<u>Indirect shareholding via Subsidiary</u>				
World Wide Processsing Co., Ltd.	99.99	99.99	Thailand	Non-operating

4.2 The accounting period of the subsidiaries ended on the same date as that of MILLCON STEEL PUBLIC COMPANY LIMITED.

4.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.

4.4 Significant inter-outstanding balances and transactions between the Company and its subsidiaries including investments in subsidiaries and shares capital of the subsidiaries have been eliminated from the consolidated financial statements.

## 5. Business Combination Achieved in Stages

On 21 December 2017, the Company entered into the share purchase agreement with ordinary shareholders with ordinary shareholders to Siam Solar Generation Company Limited amount of 1,984,000 shares, accounted for 19.84% and paid by the assignment of claim in a trade receivable in amount of Baht 182.00 millionas in Note 11.

On 14 March 2018, the Board of Directors Meeting of the Company No.2/2018, has approved the purchase of the entire ordinary shares. Therefore, on 21 March 2018 the Company has entered into agreements to purchase the remaining ordinary shares of 8,015,999 shares, representing at 80.16% of all shares in amount of Baht 735 million. By paid up shares in partial in the amount of Baht 249.50 million, the Company was transferred the ownership of the shares on 21 March 2018, but it also does not have the power of control the Company being acquired because it does not comply with the terms of share purchase agreement.

On 22 March 2018 and 6 July 2018 and 17 December 2018 have been amended share purchase agreement. The Company paid of the shares amount of Baht 180.00 million and the rest is expected to be paid complete within May 2019 amount of Baht 305.50 million. The buyer has follow the terms of the contract is complete. So have the power of control to the activity of the Company, which was acquired on 6 July 2018 onward.

However, according to the subsidiary's debt restructuring request to a financial institution on 29 June 2018, it stipulated for the subsidiary to increase its capital by Baht 200.00 million to repay debt to the said financial institution. The Company resolved to relinquish the right to purchase the new ordinary shares of Siam Solar Generation Co., Ltd. in accordance with the Company's board of directors' meeting No. 4/2018 held on 16 July 2018. After the Company relinquished the right to purchase the new ordinary shares on the shareholding ratio in compliance with the condition set by the financial institution, which will invest in Siam Solar Generation Co., Ltd. and for obtaining financial support benefit from the financial institution. The said relinquish resulted in the Company's shareholding ratio in the ordinary shares of Siam Solar Generation Co., Ltd. Decreased from 99.99% to 90.00%. Consequently, the Company has rights or interests in the returns of Siam Solar Generation Company Limited and able to use power to direct the activities that has significant effect to the amount of those returns. Therefore, the Company has deemed to have control over Siam Solar Generation Company Limited and included the financial statements of Siam Solar Generation Company Limited in preparing the consolidated financial statements since 6 July 2018, which is the date that the Company has obtained the control over Siam Solar Generation Company Limited.

The information of the recognized business combination of Siam Solar Generation Company Limited at the acquisition date in the consolidated financial statements is summarized as follows:

	Baht
The fair values of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2,866,481.65
Trade and other current receivables	68,411,136.69
Property, plant and equipment	1,377,839,092.51
Right to generate and sell electricity	1,008,090,162.00
Other non-current assets	2,943,971.01

	Baht
The fair values of the identifiable assets acquired and liabilities assumed (Continue)	
Trade and other current payables	(226,508,847.03)
Long-term borrowings	(2,722,057,149.98)
Deferred tax liabilities	(222,051,965.00)
Net identifiable assets	(710,467,118.15)
<u>Less</u> Non-controlling interests	(71,046,711.83)
The Company's interests in the net identifiable assets	(639,420,406.32)
Carrying amount of the Company's previously held interests before business combination	182,000,000.00
Gain on remeasuring	17,451,520.00
Fair value of the Company's previously held interests before business combination	199,451,520.00
Fair value of the consideration transferred	917,000,000.00
Gain on remeasuring	17,451,520.00
<u>Less</u> The Company's interests in the net identifiable assets	(639,420,406.32)
Goodwill	1,573,871,926.32
Cash paid as the consideration transferred	917,000,000.00
Offset account receivable (as in Note 11)	(182,000,000.00)
Payable for shares (as in Note 25)	(305,500,000.00)
Net	(429,500,000.00)
<u>Less</u> Cash and cash equivalents of the subsidiary acquired	(2,866,481.65)
Cash paid for purchase of business	(426,633,518.35)

## 6. Applied New and Revised Financial Reporting Standards

The Group 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.

## 7. 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 Group 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 periods 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 Group believes that the above financial reporting standard will not have any significant impact on the financial report when they are applied.

## **8. Significant Accounting Policies**

### **8.1 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.

### **8.2 Items denominated in foreign currencies**

Items denominated in foreign currencies are recognized by translated into Baht at the prevailing exchange rate when the transaction occurs, and their balances of assets and liabilities at the end of period are translated into Baht at the closing rate on that date. ( Except for liabilities under rehabilitation plan on the exchange rate as defined in the plan). Gain or loss on exchange rate is shown as revenues or expenses in the statements of comprehensive income for that period.

### **8.3 Financial instruments**

Financial assets and financial liabilities which are stated in the statement of financial position include cash and cash equivalents, current investments, investments, trade and other current receivables, loans, other current financial assets, trade and other current payables, other current financial liabilities and borrowings. The accounting policy of each item would be disclosed in separated items.

#### 8.4 Cash and cash equivalents

Cash and cash equivalent include deposit at financial institution in type of current accounts, savings accounts, and not over than 3 months fixed accounts without guarantee obligation.

#### 8.5 Trade and other current receivables and allowance for doubtful debts

Trade and other receivables are stated at the net realizable value. Allowance for doubtful debts is estimated from each receivable that are not expected to be repayable.

#### 8.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of raw materials (Billet) and other inventories are determined by the specific method and the first-in, first-out method, respectively. 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 and work in progress comprise raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excluded borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

#### 8.7 Investments

##### Investments in associate

Investments in associate in the consolidated financial statement are accounted for using the equity method and the separate financial statements are accounted for using the cost method, less impairment of investment (if any).

##### Investments in subsidiary companies

Investments in subsidiary company in the separate financial statements are accounted for using the cost method, less impairment of investment (if any).

##### Investments in joint venture

Investments in joint venture in the consolidated financial statement are accounted for using the equity method and the separate financial statements are accounted for using the cost method, less impairment of investment (if any).

## 8.8 Investment Property

The Company's investment property is their owned land without specific purpose of use in the future and/ or exploiting for rental income or appreciation of the asset. The Company measures the investment property by the cost value, deducted allowance for impairment (if any).

## 8.9 Property, Plant and Equipment

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

Depreciation is calculated on the straight-line method to write-off the cost of each asset, to its residual value over the estimated useful life as follows:

Land improvement	5 - 20 years
Buildings and buildings improvement	10 - 50 years
Machinery and equipment	5 - 50 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Utilities system	50 years

The Group review and adjust the assets' residual values and useful lives, if appropriate, at the end of each reporting period.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as expenses in profit or loss.

#### 8.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 8.11 Intangible Assets

##### Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives between 5 and 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### 8.12 Right to Generate and Sell Electricity and its Amortization

The Group recorded initial cost of right to generate and sell electricity which obtained from business combination at fair value as at business combination date. After initial recognition, right to generate and sell electricity is presented at cost less accumulated amortization and allowance for impairment, (if any).

The Group amortizes based on period of agreement for right to generate and sell the electricity by using straight-line method for the remaining period of its subsidiary since the date which the Group has controls over its subsidiary.

### 8.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

### 8.14 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.

#### 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 expected 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 impairment loss of assets excluding goodwill recognized in the prior period will be reversed if the estimation for indicated net realizable value 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 (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as revenue in profit or loss impairment.



### 8.15 Long-term Leases

- Where the Group 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 property 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 outstanding balance. The outstanding lease obligations net of finance charges are presented as liabilities under finance lease agreements. The interest expense is charged to profit or loss over the lease term. The assets acquired under finance leases will be depreciated throughout the useful lives of leased assets. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is calculated according to useful life of leased asset or lease term whichever the period is lower.

Long-term leases which the substantial risks and rewards of ownership still remain with the lessor are classified as operating leases. Payment under operation lease agreements (net of any incentives received from the lessor) is recognized as expense in profit or loss on a straight-line basis over that lease term.

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

### 8.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### 8.17 Employee Benefits

##### Short-term Employee Benefits

The Group recognizes salary, wage, bonus, and social security fund as expense in profit or loss when the transaction occurs.

##### Long-term Employee Benefits

##### Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the profit or loss in the year to which they relate.

##### Defined benefit plan - retirement benefit

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).

#### 8.18 Provisions

Provisions 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.

### 8.19 Share Capital

Ordinary shares and non-redeemable preferred shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options are shown in shareholders' equity as a deduction, net of tax, from the proceeds.

### 8.20 Treasury Shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, ( 'Surplus on treasury shares'). Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

### 8.21 Recognition of Revenues

- Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.
- Interest income is recognised on an accrual basis.
- Dividend income is recognized when the shareholder's right to receive payment is established.

### 8.22 Recognition of Expenses

Expenses are recognized on an accrual basis

### 8.23 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.

#### 8.24 Appropriation of Legal Reserve

Appropriation of legal reserve is in accordance with the Public Limited Companies Act B.E. 2535 which will be appropriated when it is approved by the shareholders' meeting. This legal reserve shall not be distributed as dividend.

#### 8.25 Income Tax

The Group calculates income taxes according to the Revenue Code and records them on accrual basis. The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences.

##### Income tax

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

##### Current Tax

Current tax is provided in the accounts 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 provided 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.

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

#### 8.26 Accounting for Derivative Financial Instruments

The Group recognises derivative financial instruments in the financial statements on the inception. Subsequently the Group measures each derivative financial instrument at its fair value. Gains and losses on the derivative financial instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the profit or loss, whereas the gains and losses on the derivative financial instruments which relate to trading

business are offset for financial reporting purposes and are recognised as other income/(other expenses) in the profit or loss.

#### 8.27 Earnings (Loss) per Share

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the year with the weighted average number of issued and paid-up ordinary shares during the period, 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.

#### 8.28 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.



## 8.29 Significant Accounting Judgments and Estimates Used

In order to prepare the financial statements to comply with financial reporting standards, the management of Company always has to use judgments and estimates on uncertainties. These judgments and estimates used may have an effect on the amount shown in the financial statements and the information shown in notes to the financial statements, the actual result may differ from the estimated amount. Significant judgments and estimates used are as follows:

### **Allowance for doubtful accounts - trade and other receivables**

In determining an allowance for doubtful accounts-trade and other 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.

### **Reduction of inventories to become net realizable value**

In estimating the reduction of inventories to become net realizable value, 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.

### **Impairment of investments**

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

### **Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, investment property, 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.

In addition, the management is required to review plant and equipment, investment property 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.

### Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### Post employment benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation, the mortality rates using mortality tables that reveal the country. Actual post-retirement costs may ultimately differ from these estimates.

### Fair value of financial instruments

In determining the fair value of financial instruments which are recognised in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

## 9. 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	457,280.01	641,164.10	150,000.00	150,000.00
Cheque in Hand	6,432,391.46	3,960,355.28	653,330.00	-
Cash Deposit - Current Account	17,313,491.64	87,385,142.02	217,726.86	51,334,335.22
Cash Deposit - Savings Account	263,950,810.48	454,795,812.11	222,524,911.84	306,111,524.36
Cash Deposit - Fixed Account	8,884,183.56	6,705,012.49	4,215,642.79	2,476,929.78
Total	<u>297,038,157.15</u>	<u>553,487,486.00</u>	<u>227,761,611.49</u>	<u>360,072,789.36</u>

## 10. Restricted Deposits at Financial Institutions

As at 31 December 2018 and 2017, the whole amount is fixed deposits carried interest rate 1.000 – 1.150 per annum equally for both years. which the Company used as collateral for credit facilities with the financial institutions as in Note 24 and Note 26.

## 11. Trade and Other Current 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
Trade Receivables	1,759,028,639.52	1,205,721,788.46	1,139,010,958.68	887,824,155.52
Notes Receivables	867,680,080.30	88,708,669.10	828,403,858.25	51,859,489.28
<b>Total</b>	<b>2,626,708,719.82</b>	<b>1,294,430,457.56</b>	<b>1,967,414,816.93</b>	<b>939,683,644.80</b>
<u>Less</u> Allowance for Doubtful Debt	(51,208,061.30)	(406,515,001.67)	(32,439,103.14)	(390,348,271.41)
<b>Trade Receivables – Net</b>	<b>2,575,500,658.52</b>	<b>887,915,455.89</b>	<b>1,934,975,713.79</b>	<b>549,335,373.39</b>
Other Receivables	327,400,996.95	448,725,963.63	369,505,820.23	335,664,438.95
<u>Less</u> Allowance for Doubtful Debt	(33,503,602.79)	(1,482,779.76)	(16,318,217.25)	(414,629.28)
<b>Other Receivables – Net</b>	<b>293,897,394.16</b>	<b>447,243,183.87</b>	<b>353,187,602.98</b>	<b>335,249,809.67</b>
<b>Net</b>	<b>2,869,398,052.68</b>	<b>1,335,158,639.76</b>	<b>2,288,163,316.77</b>	<b>884,585,183.06</b>

Trade and notes 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
Not yet Due	2,271,860,625.22	775,811,441.75	1,690,717,903.93	413,180,292.40
- Less than 3 months	233,961,742.41	96,141,050.26	130,035,266.24	108,722,919.32
- Over 3 months to 6 months	63,851,711.96	7,640,260.52	112,128,974.75	27,414,225.03
- Over 6 months to 12 months	7,107,206.00	7,517,200.00	4,027,195.94	204.60
- Over 12 months	49,927,434.23	407,320,505.03	30,505,476.07	390,366,003.45
<b>Total</b>	<b>2,626,708,719.82</b>	<b>1,294,430,457.56</b>	<b>1,967,414,816.93</b>	<b>939,683,644.80</b>
<u>Less</u> Allowance for Doubtful Debt	(51,208,061.30)	(406,515,001.67)	(32,439,103.14)	(390,348,271.41)
<b>Net</b>	<b>2,575,500,658.52</b>	<b>887,915,455.89</b>	<b>1,934,975,713.79</b>	<b>549,335,373.39</b>

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
Account Receivable –				
Revenue Department	77,878,554.61	156,674,006.00	45,429,348.10	95,449,657.34
Advance Payment	5,899,636.36	19,007,769.41	180,070,607.66	79,971,699.41
Accrued Interest	7,844,216.79	8,600,494.31	17,210,931.97	5,289,733.66
Other Receivables	100,086,341.35	16,379,776.91	92,071,054.37	37,324,850.40
Accrued Revenue	24,788,186.66	36,668,438.03	-	-
Undue input tax	108,540,757.87	160,171,751.52	5,399,660.63	80,747,098.37
Others	2,363,303.31	51,223,727.45	29,324,217.50	36,881,399.77
Total	327,400,996.95	448,725,963.63	369,505,820.23	335,664,438.95
Less Allowance for Doubtful Debt	(33,503,602.79)	(1,482,779.76)	(16,318,217.25)	(414,629.28)
Net	293,897,394.16	447,243,183.87	353,187,602.98	335,249,809.67

For the year ended 31 December 2018 and 2017, the movement of allowance for doubtful accounts 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
Beginning Balance	(407,997,781.43)	(454,196,356.03)	(390,762,900.69)	(396,938,222.85)
Increase During the year	(43,936,508.54)	(8,151,962.11)	(25,217,045.58)	(3,134,119.84)
Decreased During the year	80,000.00	54,350,536.71	80,000.00	9,309,442.00
Decreased from the Transfer				
of Claims	185,142,625.88	-	185,142,625.88	-
Decreased from the Transfer				
of Claims on Trade Receivable				
(as in Note 5)	182,000,000.00	-	182,000,000.00	-
Ending Balance	(84,711,664.09)	(407,997,781.43)	(48,757,320.39)	(390,762,900.69)

During the year 2018, the Company sold Baht 185.14 million in claimant's right of a trade account receivable, which the allowance for doubtful debt have been set for the full amount, to a company at Baht 0.15 million.

As of 31 December 2018, Baht 579.21 million of note receivables that are post-dated cheques with 3 – 166 days before the date of the cheque arrived are used as collateral against the loans mentioned in Note 24.

## 12. 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
Raw Materials	1,069,151,514.08	1,066,573,582.72	364,047,828.22	520,668,450.96
Semi-Finished Goods	31,566,835.96	49,453,840.12	7,184,676.43	24,788,465.12
Finished Goods	2,220,609,229.25	1,959,105,652.42	1,167,223,155.43	1,349,018,871.10
Spare Parts and Supplies	761,828,695.63	856,560,662.81	268,941,346.01	206,299,744.60
Goods in Transit	469,826,143.66	168,121,086.58	323,116,650.03	-
<b>Total</b>	<b>4,552,982,418.58</b>	<b>4,099,814,824.65</b>	<b>2,130,513,656.12</b>	<b>2,100,775,531.78</b>
<u>Less</u> Allowance for Devaluation				
of Inventories				
- Raw Materials	(104,473,647.63)	(1,009,716.67)	(26,658,728.95)	-
- Semi-Finished Goods	(641,066.45)	(37,529.30)	-	-
- Finished Goods	(79,510,103.57)	(3,487,460.34)	(54,139,626.11)	(2,954,242.77)
<u>Less</u> Allowance for Difference in				
Finished Goods	(516,269,092.12)	-	(516,269,092.12)	-
<b>Total</b>	<b>(700,893,909.77)</b>	<b>(4,534,706.31)</b>	<b>(597,067,447.18)</b>	<b>(2,954,242.77)</b>
<b>Net</b>	<b>3,852,088,508.81</b>	<b>4,095,280,118.34</b>	<b>1,533,446,208.94</b>	<b>2,097,821,289.01</b>
 Cost of Inventories to Recognized				
Expenses and Total to Cost of				
Sales				
- Cost of Sales	19,793,055,739.69	18,173,943,660.73	14,388,747,236.98	10,527,405,311.30
- Devaluation in Net				
Realizable Value	180,090,111.34	(365,363.39)	77,844,112.29	551,444.48
<b>Net</b>	<b>19,973,145,851.03</b>	<b>18,173,578,297.34</b>	<b>14,466,591,349.27</b>	<b>10,527,956,755.78</b>



As at 31 December 2018 and 2017, the Company and subsidiary company had pledged finished goods to guarantee with financial institutions as collateral for borrowings; overdrafts, long-term borrowings and credit facilities from financial institutions in Note 24 and Note 26.

For the year ended 31 December 2018 and 2017, the movements of allowance for devaluation of inventories and allowance for difference in finished goods 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
Beginning Balance	(4,534,706.31)	(4,900,069.70)	(2,954,242.77)	(2,402,798.29)
Increase within year				
- Devaluation of Inventories	(184,754,979.95)	-	(80,784,353.22)	(551,444.48)
- Difference in Finished Goods	(516,269,092.12)	-	(516,269,092.12)	-
Reverse within year				
- Devaluation of Inventories	4,664,868.61	365,363.39	2,940,240.93	-
- Difference in Finished Goods	-	-	-	-
Ending Balance	<u>(700,893,909.77)</u>	<u>(4,534,706.31)</u>	<u>(597,067,447.18)</u>	<u>(2,954,242.77)</u>

As of 31 December 2018, the Company recorded Baht 516.27 million loss from difference in finished goods because, at the ending date of the accounting period, the warehouse inventory report have less finished goods than the accounting finished goods inventory report. At present, the management is investigate the fact for the said difference in finished goods so appropriate action can be applied to this matter.

### 3. Advances to 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
Advances Payment for Inventories				
(Avals)	598,130,841.18	1,388,012,663.55	-	793,457,943.93
Advances Payment for Inventories	979,748,564.16	931,427,222.82	97,470,717.88	557,170,941.94
Total	1,577,879,405.34	2,319,439,886.37	97,470,717.88	1,350,628,885.87
Less Doubtful Debt	(16,426,841.00)	(15,831,594.20)	(13,857,596.02)	(13,857,596.02)
Less Allowance for Devaluation	(903,629.56)	(885,580.38)	(345,049.09)	(885,580.38)
Net	1,560,548,934.78	2,302,722,711.79	83,268,072.77	1,335,885,709.47

As at 31 December 2018 and 2017, in the consolidated the Group paid advance payment for goods to a company, which is a partner in sourcing metal scraps Baht 598.13 million and and Baht 1,388.01 million respectively, portion of the advance payment for goods is paid by avals with the maturity date of 150 – 180 days and the said partner sold the entire amount of discounting avals to a financial institution.

For the year ended 31 December 2018 and 2017, the movement of allowance for devaluation of advances to suppliers for purchases of goods 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
Beginning Balance	(16,717,174.58)	(19,120,498.92)	(14,743,176.40)	(14,004,486.54)
Increase within year				
- Devaluation of Advances Payment				
for Inventories	(903,629.56)	(885,580.38)	(345,049.09)	(885,580.38)
- Value Allowance for Doubtful Debt	(595,246.80)	-	-	-
Reverse within year				
- Devaluation of Advances Payment				
for Inventories	885,580.38	146,890.52	885,580.38	146,890.52
- Value Allowance for Doubtful Debt	-	3,142,014.20	-	-
Ending Balance	(17,330,470.56)	(16,717,174.58)	(14,202,645.11)	(14,743,176.40)

## 14. Investments in Associates

Consist of:

Consolidated Financial Statements						
Equity Method						
Company's Name	Nature of Business	Country of Registration	Paid-up Capital Baht	Investment Ratio %	As at 31 December 2018 Baht	As at 31 December 2017 Baht
I-Gen Engineering Co., Ltd.	Supply and Installation of High Voltage Equipment	Thailand	52,500,000	40.00	102,900,621.03	25,899,890.36
Builk One Group Co., Ltd.	Manufacturing Services and Consulting Program	Thailand	3,333,340	34.60	20,845,249.15	26,525,286.06
Begistics Public Co., Ltd.	Operation of a Port and Warehousing which includes Services Transportation	Thailand	592,796,735.40	24.98	183,927,468.40	-
Total Investments in Associates					307,673,338.58	52,425,176.42
Separate Financial Statements						
Cost Method						
Company's Name	Nature of Business	Country of Registration	Paid-up Capital Baht	Investment Ratio %	As at 31 December 2018 Baht	As at 31 December 2017 Baht
I-Gen Engineering Co., Ltd.	Supply and Installation of High Voltage Equipment	Thailand	52,500,000	40.00	108,000,000.00	36,000,000.00
Builk One Group Co., Ltd.	Manufacturing Services and Consulting Program	Thailand	3,333,340	34.60	32,000,160.00	32,000,160.00
Begistics Public Co., Ltd.	Operation of a Port and Warehousing which includes Services Transportation	Thailand	592,796,735.40	24.98	190,845,306.83	-
Total					330,845,466.83	68,000,160.00
<u>Less</u> Allowance for Impairment in Investment					(1,448,944.59)	(1,448,944.59)
Total Investment in Associates - Net					329,396,522.24	66,551,215.41

### I-Gen Engineering Company Limited

According to the Board of Directors Meeting of the Company No.2/2018 on 14 March 2018, has approved to purchase ordinary shares of I-Gen Engineering Company Limited, the Company holds the 40% of the total of shares which an increased portion equal to Baht 72,000,000.00 divided into 720,000 shares with a par value of Baht 100 the payment of at least 100% of the total shares has been paid by the shareholders equal to Baht 72,000,000.00 Then, I-Gen Engineering Company Limited. has registered increase in the share capital of the Ministry of Commerce on 3 April 2018.

### Begistics Public Company Limited

On 2 March 2018, the Company has an investment in Begistics Public Company Limited, the objective is provide transportation services to the Company. Issued and paid-up of the Company is in amount of Baht 592,796,735.40 by 871,759,905 common shares, at par value of Baht 0.68 per share. The Company holds 22.94% of the authorized share capital, by 200,000,000 shares at par value of Baht 0.68 per share, in amount of Baht 136,000,000.00 The investment was paid in full by Baht 0.90 per share the total amount of Baht 180,000,000.00.

On 16 July 2018, the Board of Directors Meeting of the Company No.4/2018, has approved to purchase for another not exceeding 17,800,000 ordinary shares of Begistics Public Company Limited which the total value not exceeding Baht 16,100,000.00 Consequently, the Company holds the ordinary shares in Begistics Public Company Limited increase to 24.98% of the total authorized ordinary shares.

The financial information of material associated company are follows:

	Investments in Associates					
	I-Gen Engineering Co., Ltd.		Builk One Group Co., Ltd.		Begistics Public Co., Ltd.	
	As at	31 December 2017	As at	31 December 2017	As at	31 December 2017
	Baht		Baht		Baht	
Current Assets						
Non Current Assets	442,988,058.86	111,426,520.93	81,666,999.26	47,191,462.65	463,503,000.00	-
Current Liabilities	474,146,843.13	352,304,312.34	23,435,280.26	16,348,525.22	337,858,000.00	-
Non Current Liabilities	(418,223,171.50)	(142,477,826.81)	(68,384,367.67)	(41,807,915.42)	(133,044,000.00)	-
Non-controlling Interests	(161,437,056.01)	(167,494,681.05)	(33,831,369.71)	(2,429,238.66)	(108,159,000.00)	-
Net Assets	(54,666,136.30)	(65,299,360.51)	-	-	-	-
	282,808,538.18	88,458,964.90	2,886,542.14	19,302,833.79	560,158,000.00	-
	Investments in Associates					
	I-Gen Engineering Co., Ltd.		Builk One Group Co., Ltd.		Begistics Public Co., Ltd.	
	For the year end	31 December 2017	For the year end	31 December 2017	For the year end	31 December 2017
	Baht		Baht		Baht	
Revenue	491,547,503.40	175,215,104.42	478,245,681.34	217,030,672.54	570,838,000.00	-
Profit (Loss) for the year	(6,655,498.02)	8,163,935.13	(16,511,774.44)	(11,435,048.82)	(49,012,000.00)	-
Other Comprehensive Income (Expense) for the year	878,679.55	80,516.67	95,482.79	1,587,855.34	(252,000.00)	-
Total Comprehensive Income for the year	5,776,818.47	8,244,451.80	(16,416,291.65)	(9,847,193.48)	(49,264,000.00)	-
Dividend Income from Associate during the year	-	-	-	2,000,010.00	-	-



The reconciliation of the above financial information with the carrying amount of interest Investments in Associated Companies which is recognized in the Consolidated financial statements are as follows:

	Investments in Associates					
	I-Gen Engineering Co., Ltd.		Bulk One Group Co., Ltd.		Begistics Public Co., Ltd.	
	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017
Net Assets						
Investment Ratio (%)	40	40	34.60	34.60	24.98	-
Carrying Amount of Investment	113,123,415.27	35,383,585.96	998,743.58	6,678,780.49	139,927,468.40	-
Goodwill	-	-	19,846,505.57	19,846,505.57	560,158,000.00	-
Gian (Loss) on year end Assets	(10,222,794.24)	(9,483,695.60)	-	-	-	-
Book Value of Investment in Associates	102,900,621.03	25,899,890.36	20,845,249.15	26,525,286.06	183,927,468.40	-
Fair Value of Investment in Associates	-	-	-	-	84,942,000.00	-
	Investments in Associates					
	I-Gen Engineering Co., Ltd.		Bulk One Group Co., Ltd.		Begistics Public Co., Ltd.	
	For the year end 31 December 2018	For the year end 31 December 2017	For the year end 31 December 2018	For the year end 31 December 2017	For the year end 31 December 2018	For the year end 31 December 2017
Profit (Loss) for the year Owners of Parent						
Investment Ratio (%)	40	40	34.60	34.60	24.98	-
Gain (Loss) on Assets Recognized During the year	5,388,357.49	(2,333,272.87)	(5,713,073.96)	(2,953,848.37)	(6,917,838.43)	-
Share of Profit of Associates	(739,098.63)	-	-	-	-	-
	4,649,258.86	(2,333,272.87)	(5,713,073.96)	(2,953,848.37)	(6,917,838.43)	-

The fair value measurement of investments in associates 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.

## 15. Investments in Subsidiaries

Consist of:

Company's Name	Separate Financial Statements							
	Paid-up Capital		Investment Ratio		Cost method		Dividends Income	
	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017
			%	%	Baht	Baht	Baht	Baht
Millcon Burapa Co., Ltd.	Baht 3,399,999,990.00	Baht 3,399,999,990.00	99.10	99.10	3,524,115,162.98	3,524,115,162.98	-	-
Millcon (HK) Limited	USD 32,000.00	USD 32,000.00	100.00	100.00	984,940.80	984,940.80	-	1,149,639,527.36
Millcon Thiha Limited	USD 100,000.00	USD 100,000.00	51.00	51.00	8,276,790.00	3,397,620.00	-	-
Millcon Steel Pipe Co., Ltd.	Baht 150,000,000.00	Baht 150,000,000.00	100.00	100.00	149,999,600.00	149,999,600.00	-	-
Saharuum Construction Materials Co., Ltd.	Baht 50,000,000.00	Baht 50,000,000.00	100.00	100.00	49,999,700.00	49,999,700.00	-	-
Suntech Metals Co., Ltd.	Baht 716,000,000.00	Baht 716,000,000.00	99.99	99.99	807,000,000.00	807,000,000.00	-	-
Siam Solar Generation Co., Ltd.	Baht 1,111,111,000.00	-	90.00	-	917,000,000.00	-	-	-
Total					5,457,376,193.78	4,535,497,023.78	-	1,149,639,527.36

### 15.1 Millcon (HK) Limited

According to the board of group director meeting No. 6/2017 held on 14 November 2017, has acknowledged the resolution to approve of declaration of interim dividend payment of Millcon (HK) Limited and to off set against loan of Millcon (HK) Limited of USD 34,785,909.63 (Baht 1,149,639,527.36).

## 16. Non-controlling Interests

The information relating to each of the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	As at 31 December 2018					
	Millcon Burapa	Millcon Thiha	Siam Solar	Other Subsidiary	Eliminations	Total
	Co., Ltd.	Limited	Generation Co., Ltd.	Immateriality		
	Baht	Baht	Baht	Baht	Baht	Baht
Percentage of Non-controlling Interests	0.90	49.00	10.00			
Current Assets	4,169,147,560.31	323,505,709.19	83,613,417.00			
Non Current Assets	6,673,172,260.36	312,749.17	2,530,221,636.46			
Current Liabilities	(6,211,605,838.95)	(389,209,694.24)	(448,095,039.95)			
Non Current Liabilities	(167,367,969.76)	-	(2,732,438,338.54)			
<b>Net Assets</b>	<b>4,463,346,011.96</b>	<b>(65,391,235.88)</b>	<b>(566,698,325.03)</b>			
Carrying Amount of Non-controlling Interests	40,170,114.11	(32,041,705.58)	(56,669,832.50)	700	(9,460,069.80)	(58,000,793.77)

For the year ended 31 December 2018

	Millcon Burapa Co., Ltd.	Millcon Thiha Limited	Siam Solar Generation Co., Ltd.	Other Subsidiary Immateriality	Eliminations	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Total Revenue	9,425,977,423.68	255,396,685.46	236,574,613.57			
Profit for the year	(70,916,173.51)	(53,616,033.48)	143,768,793.12			
Other Comprehensive Income (Expense)	(254,990.91)	(1,359,684.64)	-			
<b>Total Comprehensive Income (Expense)</b>	<b>(71,171,164.42)</b>	<b>(54,975,718.12)</b>	<b>143,768,793.12</b>			
Profit Attributable to Non-controlling Interests	(638,245.56)	(26,271,856.40)	14,376,879.31	-	(1,900,906.57)	(14,434,129.22)
Other Comprehensive Income (Expense)						
Attributable to Non-controlling Interests	(2,294.92)	(666,245.47)	-	-	-	(668,540.39)
Net Cash Provided (Used) from Operating Activities	(165,265,299.38)	(19,797,657.07)	251,504,782.06			
Net Cash Provided (Used) from Investing Activities	(158,923,870.42)	(267,231.63)	(34,572,365.24)			
Net Cash Provided (Used) from Financing Activities	216,241,736.63	4,879,170.00	(210,540,896.73)			
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(107,947,433.17)</b>	<b>(15,185,718.70)</b>	<b>6,391,520.09</b>			

	As at 31 December 2017			
	Millcon Burapa	Other Subsidiary	Eliminations	Total
	Co., Ltd.	Immateriality		
	Baht	Baht	Baht	Baht
Percentage of Non-controlling Interests	0.90			
Current Assets	3,599,430,999.04			
Non Current Assets	6,214,155,057.54			
Current Liabilities	(5,646,705,844.10)			
Non Current Liabilities	(89,627,985.80)			
<b>Net Assets</b>	<b>4,077,252,226.68</b>			
Carrying Amount of Non-controlling Interests	<u>36,695,270.04</u>	(7,495,010.95)	(929,925.67)	28,270,333.42
	For the year ended 31 December 2017			
	Millcon Burapa	Other Subsidiary	Eliminations	Total
	Co., Ltd.	Immateriality		
	Baht	Baht	Baht	Baht
Total Revenue	8,854,489,506.28			
Profit for the year	66,759,633.53			
Other Comprehensive Income (Expense)	-			
<b>Total Comprehensive Income (Expense)</b>	<b>66,759,633.53</b>			
Profit Attributable to Non-controlling Interests	<u>600,836.70</u>	(3,134,283.82)	(1,324,004.08)	(3,857,451.20)
Other Comprehensive Income (Expense)				
Attributable to Non-controlling Interests	<u>-</u>	(1,169,226.75)	-	(1,169,226.75)
Net Cash Provided (Used) from Operating Activities	113,665,524.76			
Net Cash Provided (Used) from Investing Activities	26,205,438.97			
Net Cash Provided (Used) from Financing Activities	<u>(42,610,494.35)</u>			
<b>Net Increase (Decrease) in Cash and Cash</b>				
<b>Equivalents</b>	<u>97,260,469.38</u>			



## 17. Investments in Joint Ventures/Liabilities in Joint Ventures

Consist of:

### Consolidated Financial Statements

#### Equity method

Company's Name	Nature of Business	Country of Registration	Paid-up Capital	Investment Ratio %	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Investment in Joint Ventures						
Wisdom Tree Investment(S) Pte. Limited	Oversea Trade and Investment	Singapore	USD 12,000,100	45	149,580,827.07	165,432,406.70
Kobelco Millcon Steel Co., Ltd.	Production and Sale of Steel Wire	Thailand	Baht 2,830,000,000	50	-	37,917,432.28
Ocean Supply Co., Ltd. (Invest via Suntech Metals Co., Ltd.)	Sale of Steel and Paper	Thailand	Baht 23,750,000	50	-	17,431,352.64
Total					149,580,827.07	220,781,191.62
Liabilities in Joint Ventures						
Kobelco Millcon Steel Co., Ltd.	Production and Sale of Steel Wire	Thailand	Baht 2,830,000,000	50	131,145,919.00	-
Total					131,145,919.00	-

### Separate Financial Statements

#### Cost Method

Company's Name	Nature of Business	Country of Registration	Paid-up Capital	Investment Ratio %	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Wisdom Tree Investment(S) Pte. Limited	Oversea Trade and Investment	Singapore	USD 12,000,100	45	177,553,448.10	177,553,448.10
Kobelco Millcon Steel Co., Ltd.	Production and Sale of Steel Wire	Thailand	Baht 2,830,000,000	50	1,414,999,700.00	1,414,999,700.00
Total					1,592,553,148.10	1,592,553,148.10

Ocean Supply Company Limited

According to the Minutes of Board of Director's Meeting No.4/2017, on 7 July 2017 of the Company, it had unanimously resolved to Suntech Metals Co., Ltd. and Ocean International Business Co., Ltd. to joint investment in Ocean Supply Co., Ltd. The registered capital is of Baht 20,000,000.00 ; divided into 200,000 shares with a par value of Baht 100. This had been incorporated by the Ministry of Commerce on 13 July 2017. Suntech Metals Co.,Ltd. holds the 50% of the total of shares, divided into 100,000 with a par value Baht 100 which equal to Baht 10,000,000.00.

The financial information of of material joint ventures are follows:

	Wisdom Tree Investment(S) Pte. Limited		Kobelco Millcon Steel Co., Ltd.		Ocean Supply Co., Ltd.	
	As at	As at	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Cash and Cash Equivalents						
Other Current Assets						
(Not include Cash and Cash Equivalents)						
Other Non-current Assets						
Trade Accounts Payable and						
OtherAccounts Payable						
Other Current Liabilities						
(Not include Trade accounts payable						
and Other accounts payable)						
Other Non-current liabilities						
Net assets						
	1,274,143.00	13,017,335.46	40,270,617.00	152,076,834.00	-	145,286,945.41
	195,744,246.39	228,574,253.61	2,077,672,714.00	957,393,892.00	-	183,307,266.56
	449,983,982.93	463,702,994.98	4,866,153,089.00	5,050,601,902.00	-	8,145,463.91
	-	-	(1,446,388,367.00)	(398,635,362.00)	-	(22,851,981.84)
	(239,260,346.37)	(261,789,981.60)	(2,145,680,174.00)	(1,679,886,226.00)	-	(279,024,988.77)
	(75,340,188.00)	(75,877,032.00)	(1,479,328,874.00)	(1,744,892,898.00)	-	-
	332,401,837.95	367,627,570.45	1,912,699,005.00	2,336,658,142.00	-	34,862,705.27

	Wisdom Tree Investment(S) Pte. Limited		Kobelco Millcon Steel Co., Ltd.		Ocean Supply Co., Ltd.	
	For the year end	For the year end	For the year end	For the year end	For the year end	For the year end
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue	277,702,967.26	160,022,702.63	2,817,615,391.00	1,541,736,518.00	-	1,816,721,396.86
Profit (Loss) for the year	(33,078,502.18)	(6,799,776.11)	(423,959,136.80)	(260,383,713.00)	-	14,862,705.27
Other Comprehensive Income (Expense) for the year	-	-	-	-	-	-
Total Comprehensive Income for the year	(33,078,502.18)	(6,799,776.11)	(423,959,136.80)	(260,383,713.00)	-	14,862,705.27
Dividend Income from Joint Ventures During the year	-	-	-	-	-	-
Profit (Loss) for the year are Include as Follows						
Depreciation and Amortization	10,005,907.64	11,718,239.78	154,191,481.32	82,870,986.95	-	135,661.23
Interest Income	-	-	543,739.46	524,873.26	-	28.15
Interest Expenses	11,627,999.46	8,677,562.74	87,686,880.60	69,130,615.07	-	7,907,397.26

The reconciliation of the above financial information with the carrying amount of interest Investments in Joint Venture Companies which is recognized in the consolidated financial statements are as follows:

	Wisdom Tree Investment(S) Pte. Limited		Kobelco Millcon Steel Co., Ltd.		Ocean Supply Co., Ltd.	
	As at	31 December 2017	As at	31 December 2018	As at	31 December 2017
Net Assets	Baht		Baht		Baht	
	332,401,837.95	367,627,570.45	1,912,699,005.00	2,336,658,142.00	-	34,862,705.27
Investment Ratio (%)	45.00	45.00	50.00	50.00	-	50.00
Net Assets for Proportion of Investment	149,580,827.07	165,432,406.70	956,349,502.50	1,168,329,071.00	-	17,431,352.64
(Profit) Loss in Asset Ending Balance	-	-	(1,087,495,421.50)	(1,130,411,638.72)	-	-
Carrying Amount of Investment in Joint Ventures	149,580,827.07	165,432,406.70	(131,145,919.00)	37,917,432.28	-	17,431,352.64
	Wisdom Tree Investment(S) Pte. Limited		Kobelco Millcon Steel Co., Ltd.		Ocean Supply Co., Ltd.	
	For the year end	31 December 2017	For the year end	31 December 2018	For the three month end	31 December 2017
Profit (Loss) for the year Owners of Parent	Baht		Baht		Baht	
	(33,078,502.18)	(6,799,776.11)	(423,959,136.80)	(260,383,713.00)	2,720,507.06	14,862,705.27
Investment Ratio (%)	45.00	45.00	50.00	50.00	50.00	50.00
	(14,885,325.98)	(3,059,899.25)	(211,979,568.40)	(130,191,856.50)	1,360,253.53	7,431,352.64
Gain (Loss) on Assets Recognized During the year	-	-	42,916,217.11	41,876,029.93	-	-
Share of Profit (Loss) of Joint Ventures	(14,885,325.98)	(3,059,899.25)	(169,063,351.29)	(88,315,826.57)	1,360,253.53	7,431,352.64



## 18. Other Long-term Investments

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
Ocean Supply Co., Ltd.	18,791,506.17	-	-	-
Thai Special Steel Industry				
Public Company Limited	220,000,000.00	220,000,000.00	-	-
<u>Less</u> Allowance for Impairment				
in Investment	(238,791,506.17)	(220,000,000.00)	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the year ended 31 December 2018 and 2017, the movements of allowance for Impairment in Investment are 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
Beginning Balance	(220,000,000.00)	(220,000,000.00)	-	-
Increase within year	(18,791,506.17)	-	-	-
Reverse within year	-	-	-	-
Ending Balance	<u>(238,791,506.17)</u>	<u>(220,000,000.00)</u>	<u>-</u>	<u>-</u>

### Ocean Supply Company Limited

According in the Board of Directors Meeting of the Company No.2/2018 on 14 March 2018, has approved the Suntech Metals Company Limited, a subsidiary has the waiver not purchase capital increase ordinary shares in proportion to Ocean Supply Company Limited. The subsidiary has shareholding at 19.99% from 50%, the Company has reclassify to other long term investments.

According in the Board of Directors Meeting of Ocean Supply Company Limited No. 1/2018 on 27 February 2018, has approved the dividend payment to ordinary shareholder 200,000 shares, at rate of Baht 70.00 per share, amount of Baht 14.00 million.

## 19. Investment Property

Consist of:

	Consolidated Financial Statements Baht	Separate Financial Statements Baht
<b>As at 1 January 2017</b>		
Cost	515,101,895.25	615,672,312.34
<u>Less</u> Accumulate Depreciation	-	(27,696,142.92)
<b>Carrying Amount</b>	<b>515,101,895.25</b>	<b>587,976,169.42</b>
<b>Transactions during the year ended 31 December 2017</b>		
Disposal of Assets	(13,183,320.87)	(13,183,320.87)
Depreciation for the year	-	(1,316,929.97)
<b>Ending Carrying Amount</b>	<b>501,918,574.38</b>	<b>573,475,918.58</b>
<b>As at 31 December 2017</b>		
Cost	501,918,574.38	602,488,991.47
<u>Less</u> Accumulate Depreciation	-	(29,013,072.89)
<b>Carrying Amount</b>	<b>501,918,574.38</b>	<b>573,475,918.58</b>
<b>Transactions during the year ended 31 December 2018</b>		
Disposal of Assets	(462,948,293.90)	(462,948,293.90)
Depreciation for the year	-	(1,307,407.34)
<b>Ending Carrying Amount</b>	<b>38,970,280.48</b>	<b>109,220,217.34</b>
<b>As at 31 December 2018</b>		
Cost	38,970,280.48	139,540,697.57
<u>Less</u> Accumulate Depreciation	-	(30,320,480.23)
<b>Carrying Amount</b>	<b>38,970,280.48</b>	<b>109,220,217.34</b>

On 28 May 2018, the Company has entered into a sales and purchase agreement with a Company. According to the resolution of the Board of Directors Meeting of the Company No.3/2018, held on 14 May 2018, the Company was approved to selling unused land, has total area 283 Rai 3 Ngan 45.2 Square wa, with the total amount of Baht 1,646.41 million. On the contract date, the buyer paid in advance for land total amount of Baht 330.66 million and the remaining amount of Baht 1,315.75 million paid on the transfer date. Hereby, on 26 July 2018, the Company has transferred land's and received the payments in full and the Company has recognized the gain on sales of land,

net of selling expenses in the consolidated and separate financial statement of comprehensive income amount of Baht 1,087.82 million.

On 16 February 2017, the Company has sold 1 plot of land with area of 8 rai 69.70 square wah to a related company for the purpose of construction of a plant for the production and distribution system operators (Busduct system). The land has the comparable market price of Baht 59.67 million. The Company has gain on sale of the land in the amount of Baht 46.50 million.

As at 31 December 2018 and 2017, in the consolidated financial statement, Investment property some parts is the lands. Its appraisal valuation in amount of Baht 90.15 million and Baht 2,085.51 million respectively, and the separate financial statement in amount of Baht 68.12 million and Baht 2,063.47 million respectively. Such Lands are appraised by an independent appraiser as the data of level 3 input.

As at 31 December 2018 and 2017, in the consolidated and separate financial statements, a part of its land area of 2-1-3.8 Rai, with the value in amount of Baht 5.49 million equally for both years. The land get servitude for the passage, electric utilities, water supply, as well as other infrastructure of a related company.

As at 31 December 2018 and 2017, in the consolidated and separate financial statements, the Company's all investment properties are mortgaged with financial institutions as collateral for bank loans and credit facilities from financial institutions as in Note 24.



## Consolidated Financial Statements

## As at 31 December 2017

	Land	Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture and equipment	Vehicles	Utilities system	Asset in progress	Total
Cost	668,735,989.82	69,772,536.23	2,021,155,867.90	5,815,574,871.90	39,692,053.64	41,124,153.78	834,138,584.09	552,141,275.72	10,042,335,333.08
Surplus on Assets Revaluation	462,658,309.74	-	-	-	-	-	-	-	462,658,309.74
Less Accumulated Depreciation	-	(23,654,336.46)	(323,001,994.78)	(948,360,623.26)	(27,816,713.56)	(12,943,279.21)	(133,154,877.85)	-	(1,468,931,825.12)
<b>Carrying Amount</b>	<b>1,131,394,299.56</b>	<b>46,118,199.77</b>	<b>1,698,153,873.12</b>	<b>4,867,214,248.64</b>	<b>11,875,340.08</b>	<b>28,180,874.57</b>	<b>700,983,706.24</b>	<b>552,141,275.72</b>	<b>9,036,061,817.70</b>

## Transactions during the year ended 31 December 2018

Derived from Purchase of Business (as in Note 5)	177,667,941.18	-	26,348,645.40	1,173,702,141.30	120,364.63	-	-	-	1,377,839,092.51
Purchase of Assets	-	-	1,152,422.12	28,469,872.49	4,650,285.42	16,407,655.26	2,925,350.00	363,310,491.27	416,916,076.56
Transfer in (Transfer out)	-	-	2,809,262.70	64,383,144.92	1,293,691.31	889,000.00	14,800,863.94	(57,245,313.78)	26,930,649.09
Disposal of Assets - Cost	-	-	-	(4,037,913.33)	(145,055.20)	(344,207.38)	-	(5,050,811.92)	(9,577,987.83)
- Accumulated Depreciation	-	-	-	4,037,911.33	145,046.20	185,671.32	-	-	4,368,628.85
Written-off of assets - Cost	-	-	-	(5,611,927.88)	(4,373,287.65)	(1,050,985.22)	(292,449.19)	-	(11,328,649.94)
- Accumulated Depreciation	-	-	-	5,491,932.02	4,200,854.65	1,050,983.22	292,446.19	-	11,036,216.08
Depreciation for the year	-	(3,598,264.29)	(32,740,494.74)	(272,270,036.55)	(3,176,523.83)	(5,998,774.21)	(29,988,233.94)	-	(347,772,327.56)
<b>Ending Carrying Amount</b>	<b>1,309,062,240.74</b>	<b>42,519,935.48</b>	<b>1,695,723,708.60</b>	<b>5,861,379,372.94</b>	<b>14,590,715.61</b>	<b>39,320,217.56</b>	<b>688,721,683.24</b>	<b>853,155,641.29</b>	<b>10,504,473,515.46</b>

## As at 31 December 2018

Cost	846,403,931.00	69,772,536.23	2,051,466,198.12	7,072,480,189.40	41,238,052.15	57,025,616.44	851,572,348.84	853,155,641.29	11,843,114,513.47
Surplus on Assets Revaluation	462,658,309.74	-	-	-	-	-	-	-	462,658,309.74
Less Accumulated Depreciation	-	(27,252,600.75)	(355,742,489.52)	(1,211,100,816.46)	(26,647,336.54)	(17,705,398.88)	(162,850,665.60)	-	(1,801,299,307.75)
<b>Carrying Amount</b>	<b>1,309,062,240.74</b>	<b>42,519,935.48</b>	<b>1,695,723,708.60</b>	<b>5,861,379,372.94</b>	<b>14,590,715.61</b>	<b>39,320,217.56</b>	<b>688,721,683.24</b>	<b>853,155,641.29</b>	<b>10,504,473,515.46</b>



## Separate Financial Statements

## As at 1 January 2017

	Land	Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture and equipment	Vehicles	Utilities system	Asset in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Cost	160,147,595.44	54,862,096.28	125,418,036.54	1,169,745,135.14	25,268,629.49	4,874,327.10	59,905,701.76	218,363,117.49	1,818,584,639.24
Surplus on Assets Revaluation	204,732,833.49	-	-	-	-	-	-	-	204,732,833.49
Less Accumulated Depreciation	-	(23,065,468.02)	(36,057,963.98)	(168,152,510.30)	(21,398,145.18)	(3,266,873.16)	(16,118,959.32)	-	(268,059,919.96)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>31,796,628.26</b>	<b>89,360,072.56</b>	<b>1,001,592,624.84</b>	<b>3,870,484.31</b>	<b>1,607,453.94</b>	<b>43,786,742.44</b>	<b>218,363,117.49</b>	<b>1,755,257,552.77</b>

## Transactions during the year ended 31 December 2017

Purchase of Assets	-	-	544,500.00	2,221,981.19	2,401,695.00	2,766,355.14	15,999.99	102,038,542.66	109,989,073.98
Transfer in (Transfer out)	-	15,677,005.40	-	268,902,713.43	35,423.40	-	6,671,127.51	(291,557,164.72)	(270,894.98)
Disposal of Assets	-	-	-	-	-	-	-	(5,186,935.49)	(5,186,935.49)
Written-off of assets - Cost	-	-	(143,588.63)	(10,824,637.09)	(1,712,598.85)	-	-	-	(12,680,824.57)
- Accumulated Depreciation	-	-	72,835.74	10,822,075.65	1,704,982.44	-	-	-	12,599,893.83
Depreciation for the year	-	(2,252,922.76)	(2,106,048.53)	(44,582,747.86)	(1,410,288.72)	(517,049.26)	(6,972,595.21)	-	(57,841,652.34)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>45,220,710.90</b>	<b>87,727,771.14</b>	<b>1,228,132,010.16</b>	<b>4,889,697.58</b>	<b>3,856,759.82</b>	<b>43,501,274.73</b>	<b>23,657,559.94</b>	<b>1,801,866,213.20</b>

## As at 31 December 2017

Cost	160,147,595.44	70,539,101.68	125,818,947.91	1,430,045,192.67	28,245,302.01	7,640,682.24	66,592,829.26	23,657,559.94	1,910,435,058.18
Surplus on Assets Revaluation	204,732,833.49	-	-	-	-	-	-	-	204,732,833.49
Less Accumulated Depreciation	-	(25,318,390.78)	(38,091,176.77)	(201,913,182.51)	(21,103,451.46)	(3,783,922.42)	(23,091,554.53)	-	(313,301,678.47)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>45,220,710.90</b>	<b>87,727,771.14</b>	<b>1,228,132,010.16</b>	<b>4,889,697.58</b>	<b>3,856,759.82</b>	<b>43,501,274.73</b>	<b>23,657,559.94</b>	<b>1,801,866,213.20</b>

## Separate Financial Statements

## As at 31 December 2017

	Land	Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture and equipment	Vehicles	Utilities system	Asset in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Cost	160,147,595.44	70,539,101.68	125,818,947.91	1,430,045,192.67	28,245,302.01	7,640,682.24	66,592,829.26	23,657,559.94	1,910,435,058.18
Surplus on Assets Revaluation	204,732,833.49	-	-	-	-	-	-	-	204,732,833.49
Less Accumulated Depreciation	-	(25,318,390.78)	(38,091,176.77)	(201,913,182.51)	(21,103,451.46)	(3,783,922.42)	(23,091,554.53)	-	(313,301,678.47)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>45,220,710.90</b>	<b>87,727,771.14</b>	<b>1,228,132,010.16</b>	<b>4,889,697.58</b>	<b>3,856,759.82</b>	<b>43,501,274.73</b>	<b>23,657,559.94</b>	<b>1,801,866,213.20</b>
<b>Transactions during the year ended 31 December 2018</b>									
Purchase of Assets	-	-	656,113.00	6,342,533.34	3,036,078.35	5,180,548.15	2,600,000.00	63,395,555.64	81,210,828.48
Transfer in (Transfer out)	-	-	-	55,418,106.97	542,601.59	889,000.00	2,151,160.23	(51,456,772.54)	7,544,096.25
Disposal of Assets - Cost	-	-	-	-	(69,000.00)	-	-	(5,050,811.92)	(5,119,811.92)
- Accumulated Depreciation	-	-	-	-	68,999.00	-	-	-	68,999.00
Written-off of assets - Cost	-	-	-	(2,061,500.00)	(1,257,526.97)	(1,030,000.00)	-	-	(4,349,026.97)
- Accumulated Depreciation	-	-	-	2,060,044.00	1,182,027.87	1,029,999.00	-	-	4,272,070.87
Depreciation for the year	-	(3,502,264.49)	(2,142,618.23)	(57,726,146.76)	(1,797,312.56)	(1,664,301.97)	(7,768,427.55)	-	(74,601,071.56)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>41,718,446.41</b>	<b>86,241,265.91</b>	<b>1,232,165,047.71</b>	<b>6,595,564.86</b>	<b>8,262,005.00</b>	<b>40,484,007.41</b>	<b>30,545,531.12</b>	<b>1,810,892,297.35</b>
<b>As at 31 December 2018</b>									
Cost	160,147,595.44	70,539,101.68	126,475,060.91	1,489,744,332.98	28,145,302.01	12,680,230.39	71,343,989.49	30,545,531.12	1,989,721,144.02
Surplus on Assets Revaluation	204,732,833.49	-	-	-	-	-	-	-	204,732,833.49
Less Accumulated Depreciation	-	(28,820,655.27)	(40,233,795.00)	(257,579,285.27)	(21,649,737.15)	(4,418,225.39)	(30,859,982.08)	-	(383,561,680.16)
<b>Carrying Amount</b>	<b>364,880,428.93</b>	<b>41,718,446.41</b>	<b>86,241,265.91</b>	<b>1,232,165,047.71</b>	<b>6,595,564.86</b>	<b>8,262,005.00</b>	<b>40,484,007.41</b>	<b>30,545,531.12</b>	<b>1,810,892,297.35</b>

As at 31 December 2018 and 2017, the Group have leased assets included above where the Group and Company are a lessee under a finance lease, comprise vehicles has the carrying amount in the consolidated financial statements in amount of Baht 35.55 million and Baht 14.92 million respectively, and in the separate financial statements in amount of Baht 15.18 million and Baht 2.69 million respectively.

As at 31 December 2018 and 2017, the Group has mortgaged of the land and buildings and a part of machinery the carrying amount of Baht 8,273.25 million and Baht 6,141.36 million respectively to financial institutions as collateral for overdrafts, long-term loans and working capital facilities from financial institutions.

In 2015, the Group constitute land appraisal by independent appraiser which by analyzing the value market approach in accordance with the report on dated 1 December 2015 and 16 December 2015 as the data of level 3 inputs.

The quantitative data regarding the data that cannot observed and significant which is using to measure the fair value of the land as follows;

- The expected sale of land is brought to compare which is using to appraise the fair value of land, the price is between 5,500 – 16,000 Baht / square wah.

## 21. Goodwill

For the year ended 31 December 2018 and 2017, the movements of transactions were as follows:

	Consolidated Financial Statements	
	For the year ended	
	31 December 2018	31 December 2017
	Baht	Baht
<b>As at 1 January 2018</b>		
Cost	333,598,106.17	333,598,106.17
Accumulated Impairment Loss	-	-
<b>Carrying Amount</b>	<b>333,598,106.17</b>	<b>333,598,106.17</b>
<b>Transactions during the year</b>		
Derived from Purchase of Business (as in Note 5)	1,573,871,926.32	-
<b>Carrying Amount</b>	<b>1,907,470,032.49</b>	<b>333,598,106.17</b>
<b>As at 31 December 2018</b>		
Cost	1,907,470,032.49	333,598,106.17
Accumulated Impairment Loss	-	-
<b>Carrying Amount</b>	<b>1,907,470,032.49</b>	<b>333,598,106.17</b>

## 22. Other Intangible Assets

Consist of:

	Consolidated Financial Statements				
	Computer Software	Customer Relationship	New Product Development Fee	Computer Software Under Development	Total
	Baht	Baht	Baht	Baht	Baht
<b>As at 1 January 2017</b>					
Cost	9,380,320.00	39,922,000.00	47,657,414.00	3,840,000.00	100,799,734.00
<u>Less</u> Accumulated Impairment Loss	-	-	(16,384,556.00)	-	(16,384,556.00)
Accumulated Amortization	(3,186,332.20)	(39,922,000.00)	(28,992,852.54)	-	(72,101,184.74)
<b>Carrying Amount</b>	<b>6,193,987.80</b>	<b>-</b>	<b>2,280,005.46</b>	<b>3,840,000.00</b>	<b>12,313,993.26</b>
<b>Transactions during the year ended 31 December 2017</b>					
Purchase of Assets	270,895.00	-	-	-	270,895.00
Written-off of assets - Cost	-	-	-	(3,840,000.00)	(3,840,000.00)
Amortization for the year	(862,653.36)	-	(793,355.20)	-	(1,656,008.56)
<b>Ending Carrying Amount</b>	<b>5,602,229.44</b>	<b>-</b>	<b>1,486,650.26</b>	<b>-</b>	<b>7,088,879.70</b>
<b>As at 31 December 2017</b>					
Cost	9,651,215.00	39,922,000.00	47,657,414.00	-	97,230,629.00
<u>Less</u> Accumulated Impairment Loss	-	-	(16,384,556.00)	-	(16,384,556.00)
Accumulated Amortization	(4,048,985.56)	(39,922,000.00)	(29,786,207.74)	-	(73,757,193.30)
<b>Carrying Amount</b>	<b>5,602,229.44</b>	<b>-</b>	<b>1,486,650.26</b>	<b>-</b>	<b>7,088,879.70</b>
<b>Transactions during the year ended 31 December 2018</b>					
Purchase of Assets	159,800.00	-	-	17,446,299.53	17,606,099.53
Transfer in (Transfer out)	-	-	-	12,093,333.00	12,093,333.00
Disposal of Assets - Cost	(269,000.00)	-	-	-	(269,000.00)
- Accumulated Amortization	268,998.00	-	-	-	268,998.00
Amortization for the year	(937,951.08)	-	(793,355.20)	-	(1,731,306.28)
<b>Ending Carrying Amount</b>	<b>4,824,076.36</b>	<b>-</b>	<b>693,295.06</b>	<b>29,539,632.53</b>	<b>35,057,003.95</b>
<b>As at 31 December 2018</b>					
Cost	9,542,015.00	39,922,000.00	47,657,414.00	29,539,632.53	126,661,061.53
<u>Less</u> Accumulated Impairment Loss	-	-	(16,384,556.00)	-	(16,384,556.00)
Accumulated Amortization	(4,717,938.64)	(39,922,000.00)	(30,579,562.94)	-	(75,219,501.58)
<b>Carrying Amount</b>	<b>4,824,076.36</b>	<b>-</b>	<b>693,295.06</b>	<b>29,539,632.53</b>	<b>35,057,003.95</b>



	Separate Financial Statements		
	Computer Software	Computer Software	Total
	Baht	Under Development Baht	Baht
<b>As at 1 January 2017</b>			
Cost	9,280,320.00	-	9,280,320.00
<u>Less</u> Accumulated Amortization	(3,171,339.22)	-	(3,171,339.22)
<b>Carrying Amount</b>	<b>6,108,980.78</b>	<b>-</b>	<b>6,108,980.78</b>
<b>Transactions during the year ended 31 December 2017</b>			
Purchase of Assets	270,895.00	-	270,895.00
Amortization for the year	(852,653.43)	-	(852,653.43)
<b>Ending Carrying Amount</b>	<b>5,527,222.35</b>	<b>-</b>	<b>5,527,222.35</b>
<b>As at 31 December 2017</b>			
Cost	9,551,215.00	-	9,551,215.00
<u>Less</u> Accumulated Amortization	(4,023,992.65)	-	(4,023,992.65)
<b>Carrying Amount</b>	<b>5,527,222.35</b>	<b>-</b>	<b>5,527,222.35</b>
<b>Transactions during the year ended 31 December 2018</b>			
Purchase of Assets	114,300.00	17,446,299.53	17,560,599.53
Transfer in (Transfer out)	-	12,093,333.00	12,093,333.00
Disposal of Assets - Cost	(269,000.00)	-	(269,000.00)
- Accumulated Amortization	268,998.00	-	268,998.00
Amortization for the year	(925,030.49)	-	(925,030.49)
<b>Ending Carrying Amount</b>	<b>4,716,489.86</b>	<b>29,539,632.53</b>	<b>34,256,122.39</b>
<b>As at 31 December 2018</b>			
Cost	9,396,515.00	29,539,632.53	29,539,632.53
<u>Less</u> Accumulated Amortization	(4,680,025.14)	-	(4,680,025.14)
<b>Carrying Amount</b>	<b>4,716,489.86</b>	<b>29,539,632.53</b>	<b>34,256,122.39</b>

## 23. Right to Generate and Sell Electricity

For the year ended 31 December 2018, the movement of transactions were as follows:

	Consolidated Financial Statements Baht
<b>As at 1 January 2018</b>	
Cost	-
Accumulated Amortization	-
<b>Carrying Amount</b>	-
<b>Transactions during the year ended 31 December 2018</b>	
Derived from Purchase of Business (as in Note 5)	1,008,090,162.00
Amortization for the Period	(23,174,486.48)
<b>Carrying Amount</b>	<b>984,915,675.52</b>
<b>As at 31 December 2018</b>	
Cost	1,008,090,162.00
Accumulated Amortization	(23,174,486.48)
<b>Carrying Amount</b>	<b>984,915,675.52</b>

## 24. Bank overdrafts and Short-term loans from financial institutions

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
Bank Overdrafts	541,802.14	-	-	-
Short-term Borrowings - Promissory Note	6,319,648,589.03	5,966,251,303.99	3,167,753,140.01	3,190,446,000.00
Short-term Borrowings –				
Trust Receipt/Letter of Credit	2,122,585,432.92	984,418,966.98	1,305,900,884.56	676,186,946.11
Short-term Borrowings - Discounted Bills	685,428,208.61	-	685,428,208.61	-
Total Short-term Borrowings from				
Financial Institutions	9,128,204,032.70	6,950,670,270.97	5,159,082,233.18	3,866,632,946.11
Less Prepaid Interest on Promissory Notes	(24,965,981.44)	(34,580,912.19)	(8,427,080.27)	(26,615,703.67)
Less Prepaid Interest on Discounted Bills	(5,839,125.75)	-	(5,839,125.75)	-
Total	9,097,398,925.51	6,916,089,358.78	5,144,816,027.16	3,840,017,242.44
Plus Reclassified from Long-term				
Borrowings (as in Note 26)	1,493,581,833.89	328,356,872.18	-	-
Net	10,590,980,759.40	7,244,446,230.96	5,144,816,027.16	3,840,017,242.44

### Short-term Borrowings from Financial Institutions of the Company

As at 31 December 2018 and 2017, short-term borrowings from promissory note and from trust receipt of bear interests at the rate of 4.50% – 5.525% per annum and rate of 2.00% – 6.00% per annum respectively. The loans are secured by land, buildings, machinery and asset of the company's director and the company's director.

### Short-term Borrowings from Financial Institutions of a Subsidiary

As at 31 December 2018 and 2017, short-term borrowings from promissory note and from trust receipt of bear interests at the rate MLR decrease as agreed per annum. The loans are secured by land, buildings, machinery, fixed deposits at financial institutions and the Company's director.

Movements of short-term loans from financial institutions for the year ended 31 December

2018 and 2017, comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	6,950,670,270.96	8,612,947,745.65	3,866,632,946.11	4,889,312,493.91
Increased for the year	41,193,333,862.56	33,673,830,347.46	27,028,248,813.24	21,425,285,453.03
Repayment for the year	(39,007,940,604.24)	(35,331,199,898.21)	(25,732,335,390.63)	(22,441,346,653.42)
Unrealized (Gain) Losses on				
Exchange Rate	(7,859,496.58)	(4,907,923.94)	(3,464,135.54)	(6,618,347.41)
Ending Carrying Amount	9,128,204,032.70	6,950,670,270.96	5,159,082,233.18	3,866,632,946.11
<u>Plus</u> Reclassified from Long-term				
Borrowings	1,493,581,833.89	328,356,872.18	-	-
<u>Less</u> Prepaid Interest on Promissory Notes	(24,965,981.44)	(34,580,912.19)	(8,427,080.27)	(26,615,703.67)
<u>Less</u> Prepaid Interest on Discounted Bills	(5,839,125.75)	-	(5,839,125.75)	-
Net	10,590,980,759.40	7,244,446,230.95	5,144,816,027.16	3,840,017,242.44

## 25. Trade and Other Current 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
Trade Payables	1,698,383,790.84	577,960,612.64	1,174,825,532.32	147,817,820.89
Other Payables	1,257,721,258.99	1,843,798,145.04	399,247,118.59	2,057,746,684.04
Total	2,956,105,049.83	2,421,758,757.68	1,574,072,650.91	2,205,564,504.93

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
Note Payables (Avals)	640,000,000.00	1,485,173,550.00	-	999,000,000.00
Accrued Expenses	166,782,375.82	100,314,640.48	76,617,586.63	72,154,697.16
Advance Received Income	2,307,952.54	1,022,663.02	-	970,969,788.81
Accrued Interest Expenses	8,141,713.00	3,236,436.27	2,619,080.08	1,613,421.17
Other Payable	45,683,803.01	15,856,587.40	7,661,132.34	6,748,677.47
Payable for Shares (as in Note 5)	305,500,000.00	-	305,500,000.00	-
Others	89,305,414.62	238,194,267.87	6,849,319.54	7,260,099.43
<b>Total</b>	<b>1,257,721,258.99</b>	<b>1,843,798,145.04</b>	<b>399,247,118.59</b>	<b>2,057,746,684.04</b>

## 26. Long-term Borrowings

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
Long-term Borrowings from				
Financial Institutions	4,656,551,249.20	2,261,256,872.18	397,583,041.77	497,500,000.00
<u>Less</u> Reclassification to Short-term				
Borrowings (as in Note 24)	(1,493,581,833.89)	(328,356,872.18)	-	-
<u>Less</u> Current Portion of				
Long-Term Borrowings	(355,093,527.77)	(118,800,000.00)	(100,093,527.77)	(100,800,000.00)
<b>Net</b>	<b>2,807,875,887.54</b>	<b>1,814,100,000.00</b>	<b>297,489,514.00</b>	<b>396,700,000.00</b>



Movements of long-term borrowings from financial institutions for the year ended 31 December 2018 and 2017, comprise the follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	2,261,256,872.18	629,823,189.79	497,500,000.00	-
Derived from Purchase of Business (as in Note 5)	2,722,057,149.98	-	-	-
Increased for the year	167,679,423.56	1,932,900,000.00	-	497,500,000.00
Repayment for the year	(493,985,697.80)	(301,466,317.61)	(100,800,000.00)	-
Cost of Front-end Fee	2,543,501.28	-	883,041.77	-
Ending Carrying Amount	4,656,551,249.20	2,261,256,872.18	397,583,041.77	497,500,000.00
Reclassified to Short-term Borrowings	(1,493,581,833.89)	(328,356,872.18)	-	-
Current Portion of Long-Term Borrowings	(355,093,527.77)	(118,800,000.00)	(100,093,527.77)	(100,800,000.00)
Net	2,807,875,887.54	1,814,100,000.00	297,489,514.00	396,700,000.00

As at 31 December 2018 and 2017, the long-term borrowings was obtained from a local financial institution, bearing interest MLR decrease as agreed per annum. These borrowings guaranteed by land, buildings, machinery, finish goods, and share certificate which the parent company invested in the subsidiary, the Company's director and the parent company. According to these loan agreements, the Company and its subsidiary has to comply with the requirement specified in the agreement such as compliance with debt covenants, etc.

As at 31 December 2018 the subsidiary that acquisition has long-term borrowings was obtained from a local financial institution, bearing interest as agreed per annum. These borrowings have due for repayment commencing from June 2018 to August 2037 and guaranteed by land, machinery, share certificate which the parent company invested in the subsidiary, the Company's director.

In the separate financial statements, the Company noted that some of the financial ratios were not complied with the financial covenants specified in the long-term borrowings agreements. However, on 1 October 2018, the financial institution creditor issued a letter relaxing the said condition, therefor it is still shown as long-term loan.

In the consolidated financial statements, the subsidiary noted that some of the financial ratios were not complied with the financial covenants specified in the long-term borrowings agreements. Therefore, the whole amounts long-term borrowings from financial institutions were

reclassified to short-term borrowings. However, if the subsidiary would be able to maintain the financial ratios according to the long-term borrowings agreements, such borrowings would be reclassified back to long-term borrowings.

## 27. Liabilities under Finance Lease Agreements

Consist of:

	Consolidated Financial Statements					
	Minimum Lease Payments		Deferred Interest		Present Value of Minimum Lease Payments	
	As at	As at	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht	Baht	Baht
Current						
Within 1 year	20,137,759.71	4,916,640.00	(3,027,149.17)	(343,512.45)	17,110,610.54	4,573,127.55
Total Current	20,137,759.71	4,916,640.00	(3,027,149.17)	(343,512.45)	17,110,610.54	4,573,127.55
Non-current						
Over 1 year						
but Not Over 5 years	46,010,058.66	9,754,480.00	(2,653,343.43)	(318,155.90)	43,356,715.23	9,436,324.10
Total Non-current	46,010,058.66	9,754,480.00	(2,653,343.43)	(318,155.90)	43,356,715.23	9,436,324.10
Total	66,147,818.37	14,671,120.00	(5,680,492.60)	(661,668.35)	60,467,325.77	14,009,451.65
	Separate Financial Statements					
	Minimum Lease Payments		Deferred Interest		Present Value of Minimum Lease Payments	
	As at	As at	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht	Baht	Baht
Current						
Within 1 year	12,838,507.08	603,840.00	(1,902,607.32)	(74,353.65)	10,935,899.76	529,486.35
Total Current	12,838,507.08	603,840.00	(1,902,607.32)	(74,353.65)	10,935,899.76	529,486.35
Non-current						
Over 1 year						
but Not Over 5 years	32,143,805.29	1,710,880.00	(1,755,927.10)	(93,856.87)	30,387,878.19	1,617,023.13
Total Non-current	32,143,805.29	1,710,880.00	(1,755,927.10)	(93,856.87)	30,387,878.19	1,617,023.13
Total	44,982,312.37	2,314,720.00	(3,658,534.42)	(168,210.52)	41,323,777.95	2,146,509.48

## 28. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences, using the liability for applying a principal tax rate of 10% and tax rate of 20% for both years. the deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Company are summarized below:

	Consolidated Financial Statements			
	As at 31 December 2017	Recognized in the Profit (Loss) for the period	Recognized in the Other Comprehensive Profit (Loss)	As at 31 December 2018
	Baht	Baht	Baht	Baht
<b>Deferred Tax Liabilities</b>				
Gain on Derivative Financial Instruments	935,439.17	(935,439.17)	-	-
Revaluation Surplus from Land	92,531,661.94	-	-	92,531,661.94
Fair Value at Date of Purchase	116,185,988.86	214,073,519.59	-	330,259,508.45
Total	209,653,089.97	213,138,080.42	-	422,791,170.39

	As at 31 December 2016	Recognized in the Profit (Loss) for the period	Recognized in the Other Comprehensive Profit (Loss)	As at 31 December 2017
	Baht	Baht	Baht	Baht
<b>Deferred Tax Liabilities</b>				
Gain on Derivative Financial Instruments	12,761,934.20	(11,826,495.03)	-	935,439.17
Revaluation Surplus from Land	92,531,661.94	-	-	92,531,661.94
Fair Value at Date of Purchase	120,094,881.83	(3,908,892.97)	-	116,185,988.86
Total	225,388,477.97	(15,735,388.00)	-	209,653,089.97

	Separate Financial Statements			
	As at	Recognized	Recognized	As at
	31 December 2017	in the Profit	in the Other	31 December 2018
		(Loss)	Comprehensive	
		for the period	Profit (Loss)	
	Baht	Baht	Baht	Baht
<b>Deferred Tax Liabilities</b>				
Gain on Derivative Financial Instruments	916,109.85	(916,109.85)	-	-
Revaluation Surplus from Land	40,946,566.70	-	-	40,946,566.70
Total	41,862,676.55	(916,109.85)	-	40,946,566.70

	Separate Financial Statements			
	As at	Recognized	Recognized	As at
	31 December 2016	in the Profit	in the Other	31 December 2017
		(Loss)	Comprehensive	
		for the period	Profit (Loss)	
	Baht	Baht	Baht	Baht
<b>Deferred Tax Liabilities</b>				
Gain on Derivative Financial Instruments	665,493.50	250,616.35	-	916,109.85
Revaluation Surplus from Land	40,946,566.70	-	-	40,946,566.70
Total	41,612,060.20	250,616.35	-	41,862,676.55

## 29. Non-Current Provisions for Employee Benefit

For the year ended 31 December 2018 and 2017 the movements in the retirement benefit obligations is the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Balance as at Beginning	38,332,121.10	33,641,241.00	19,765,538.74	16,700,037.00
Retirement Benefit Expenses	5,754,519.42	5,664,805.00	2,543,659.11	2,500,411.00
Actuarial (Gain) Loss	2,411,257.24	592,165.11	1,917,005.87	1,837,553.74
Benefit Payment to Employee during the year	(1,986,576.00)	(1,566,090.00)	(1,533,276.00)	(1,272,463.00)
Balance as at Ending	44,511,321.76	38,332,121.11	22,692,927.72	19,765,538.74

For the year ended 31 December 2018 and 2017, the amounts recognized in the profit and loss are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Current Service Cost	4,832,569.34	4,771,658.00	2,103,197.09	2,043,721.00
Interest Cost	921,950.08	893,147.00	440,462.02	456,690.00
Total	<u>5,754,519.42</u>	<u>5,664,805.00</u>	<u>2,543,659.11</u>	<u>2,500,411.00</u>

For the year ended 31 December 2018 and 2017, (Gain) loss on remeasurements of defined benefit plans is actuarial (gain) loss arising from the changes as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Demographic Assumptions	377,004.68	(8,931,623.38)	-	(5,273,654.57)
Financial Assumptions	2,258,545.15	(2,286,934.03)	1,549,194.98	(205,142.83)
Experience Adjustment	(224,292.59)	11,810,722.52	367,810.89	7,316,351.14
Total	<u>2,411,257.24</u>	<u>592,165.11</u>	<u>1,917,005.87</u>	<u>1,837,553.74</u>

In the consolidated financial statements as at 31 December 2018 and 2017, the maturity profile of the defined benefit obligations have the weighted average duration about 8 – 12 years and about 10 – 13 years respectively, and in the separate financial statements about 12 years equally for both years.

The principal actuarial assumptions used were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Discount Rate	2.47% - 2.80%	2.65% - 2.81%	2.80%	2.72%
Increasing Rate of Expected Salary	4.00% - 6.00%	3.00% - 6.00%	6.00%	5.00%
Turnover Rate	1.91% - 45.84%	1.91% - 45.84%	2.87% - 34.38%	2.87% - 34.38%
Retirement Age	60 years old	60 years old	60 years old	60 years old



### Sensitivity Analysis

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

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Discount Rate				
Rate Increase 1.00%	(3,741,620.07)	(2,995,030.00)	(2,028,920.99)	(1,545,305.00)
Rate Decrease 1.00%	4,276,549.62	3,428,967.00	2,327,307.82	1,782,655.00
Average Salary Increase Rate				
Rate Increase 1.00%	3,856,908.21	3,095,957.00	2,113,040.44	1,631,358.00
Rate Decrease 1.00%	(3,449,089.67)	(2,761,940.00)	(1,883,876.47)	(1,445,098.00)
Employee Turnover Rate				
Rate Increase 20.00%	(3,694,829.57)	(3,038,375.00)	(2,293,543.51)	(1,814,248.00)
Rate Decrease 20.00%	4,607,121.20	3,843,999.00	2,974,992.23	2,405,619.00
Mortality Rate				
Rate Increase 20.00%	(502,150.62)	(403,304.00)	(241,685.54)	(187,668.00)
Rate Decrease 20.00%	508,871.72	408,879.00	244,858.39	190,301.00

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

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period is estimated to increase by an amount of approximately Baht 52.00 million and Baht 27.50 million respectively.

### 30. Warrant

Consist of:

Warrant	Warrant Issue Date	Exercise Price (Baht/Share)	Exercise Ratio (Warrant /Share)	No. of Shares Derived from Exercised Warrants Cumulative (Share)	No. of Reserved Shares for Exercise (Share)	Maturity Date
MILL-W3	22 December 2014	2.813	1:1.067	10	669,569,888	21 December 2019
MILL-W4	12 July 2017	2.063	1:1.067	-	433,869,941	11 July 2022
MILL-W5	11 July 2018	1.80	1:1	80	905,058,004	10 July 2020

### 31. Share Capital

For the year ended 31 December 2018 and 2017, the movement of authorized share capital and issued and paid-up share capital are as follows:

		For the year ended 31 December 2018		For the year ended 31 December 2017	
	Par Value Baht	Number of Share Shares	Amount Baht	Number of Share Shares	Amount Baht
<b>Authorized Share Capital</b>					
Beginning Preferred Shares	0.40	192,118,286	76,847,290.40	192,118,286	76,847,290.40
Ending Preferred Shares	0.40	192,118,286	76,847,290.40	192,118,286	76,847,290.40
Beginning Ordinary Shares	0.40	5,093,492,577	2,037,397,030.80	5,449,012,608	2,179,605,043.20
<u>Less</u> Capital Reduction	0.40	-	-	(960,966,747)	(384,386,698.80)
<u>Add</u> Capital Increment	0.40	1,377,359,238	550,943,695.20	605,446,716	242,178,686.40
Stock Dividend	0.40	270,818,290	108,327,316.00	-	-
Ending Ordinary Shares	0.40	6,741,670,105	2,696,668,042.00	5,093,492,577	2,037,397,030.80

	For the year ended			For the year ended	
	31 December 2018			31 December 2017	
	Par	Number of	Amount	Number of	Amount
	Value Baht	Share Shares	Baht	Share Shares	Baht
<b>Issued and Paid-up Share Capital</b>					
Beginning Preferred Shares	0.40	192,118,226	76,847,290.40	192,118,226	76,847,290.40
Ending Preferred Shares	0.40	192,118,226	76,847,290.40	192,118,226	76,847,290.40
Beginning Ordinary Shares	0.40	3,862,348,930	1,544,939,572.00	3,862,348,930	1,544,939,572.00
Issue of Ordinary Shares	0.40	200,000,000	80,000,000.00	-	-
Issue of Ordinary Shares to the Warrant	0.40	80	32.00	-	-
Issue of Stock Dividend	0.40	270,818,290	108,327,316.00	-	-
Ending Ordinary Shares	0.40	4,333,167,300	1,733,266,920.00	3,862,348,930	1,544,939,572.00

According in the Board of Directors Meeting of the Company No.2/2018 on 14 March 2018, it has approved the increase of the capital the amount of 200,000,000 capital increase ordinary shares at the par value of Baht 0.40 at not less than 90% of the weighted average market value per share for the Company's ordinary shares. The market value is calculated from the weighted average closed value of the Company's share for not less than 7 – 15 consecutive business days prior to the determination date. The offer price is determined at Baht 1.50 per share, aggregating to Baht 300.00 million with Baht 217.03 million of paid-in capital in excess of par value - ordinary shares (net by expense for ordinary share issuance). At present, the Company has already received the payment for the shares in full.

According in the Annual General Meeting of Shareholders No.1/2018 on 27 April 2018, it has approved increase of the Company's registered capital as follows:

- 1) Approved the issuance and offering of the warrants to purchase the Company's ordinary shares No.5 in the number of not exceeding 905,058,084 units to the Company's existing shareholders (both the ordinary shares and the preferred shares) as its proportion without charge at the ratio of 5 existing shares per 1 unit of warrants, whereby 1 unit of warrants

- can be exercised to purchase 1 ordinary share of the Company at an exercise price of Baht 1.80 per share.
- 2) Approved the increase of the Company's registered capital in amount of Baht 659,271,011.20 by issuing newly ordinary shares in amount of 1,648,177,528 shares at the par value of Baht 0.40 the registered capital will be changed from Baht 2,114,244,321.20 to Baht 2,773,515,332.40.
- Increasing of the Company's registered capital under General Mandate in amount of Baht 160,000,000, divided into the new ordinary shares in number of 400,000,000 shares at a par value of Baht 0.40 or 9.87% of paid-up capital to be offered under a Private Placement scheme for sale to the Private Placement Investors.
  - Specifying the purpose of utilizing in amount of Baht 362,023,233.60 divided into the new ordinary shares in number of 905,058,084 shares at a par value of Baht 0.40 to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No.5 to be offered to the existing shareholders of the Company.
  - Increasing of the company's registered capital in amount of Baht 108,329,304.80, divided into the new ordinary shares in number of 270,823,262 shares for support stock dividend payment to ordinary shareholders.
  - Increasing of the company's registered capital in amount of Baht 17,549,182.80, divided into the new ordinary shares in number of 43,872,957 shares for support adjustment of exercise price and ratio of MILL-W3.
  - Increasing of the Company's registered capital in amount of Baht 11,369,290.00, divided into the new ordinary shares in number of 28,423,525 shares for support adjustment of exercise price and ratio of MILL-W4.
- 3) Unanimously approved the allocation of the Company's newly issued ordinary shares, details of allocations as follows:
- Apportion of new ordinary shares not exceeding 400,000,000 shares to be offered on a private placement basis to specific persons as defined in the notification of the Capital Market Supervisory Board No. Tor Chor. 28/ 2551 regarding the request and the permission to propose to sell newly issued share in the share price of not less than 90% of market price as defined in the Securities and Exchange Commission and the

offering price 7 -15 working day prior to determine offer price day, the objective of shares is for support new Company's working capital and/or to payment debt.

- Allotment of new ordinary shares not exceeding 905,058,084 shares at the par value of Baht 0.40 for the reservation of the exercise of right under the warrants to purchase the Company's ordinary shares No.5.
- Allotment of new ordinary shares not exceeding 270,823,262 shares for support stock dividend payment to ordinary shareholders.
- Allotment of new ordinary shares not exceeding 43,872,957 shares for support adjustment of exercise price and ratio of MILL-W3.
- Allotment of new ordinary shares not exceeding 28,423,225 shares for support adjustment of exercise price and ratio of MILL-W4.

According in the Annual General Meeting of Shareholders No.1/2017 on 28 April 2017, it has approved increase of the Company's registered capital as follows:

- 1) Approved the decrease of the Company's registered capital reduction in amount of Baht 384,386,690.80 by cancelling the Company's unissued ordinary shares in amount of 960,966,747 shares at the par value of Baht 0.40 from Baht 2,256,452,333.60 to Baht 1,872,065,634.80
  - The amount of 200,000,000 capital increase ordinary shares at the par value of Baht 0.40 which issued by the Annual General Shareholders Meeting 1/2016 held on 29 April 2016.
  - Share accommodating exercise right under issued convertible denture in the amount of 80,854,563 shares.
  - Share accommodating exercise right under warrant to purchase the ordinary shares in the amount of 680,112,184 shares allocated to the shareholders on a pro-rata basis (MILL-W2). MILL-W2 warrants were expired and no any of them were exercised.
- 2) Approved the increase of the Company's registered capital in amount of Baht 242,178,686.40 by issuing newly ordinary shares in amount of 605,446,716 shares at the par value of Baht 0.40. The registered capital will be changed from Baht 1,872,065,634.80 to Baht 2,114,244,321.20.
  - Increasing of the company's registered capital under General Mandate in the amount of Baht 80,000,000 divided into the new ordinary shares in the number of 200,000,000

shares at a par value of Baht 0.40 or 4.93% paid-up capital to be offered under a Private Placement scheme for sale to the Private Placement Investors.

- Specifying the purpose of utilizing in the amount of Baht 162,178,406.86, divided into the new ordinary shares in the number of 405,446,716 shares at a par value of Baht 0.40 to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No.4 . to be offered to the existing shareholders of the Company.

On 5 June 2017, the Company change registered its authorized share capital of the Company at the Department of Business Development. from the former Baht 2,179.61 million to Baht 2,037.40 million, from the former thousand shares of 5,449,013 to be the new thousand shares of 5,093,493 respectively.

### 32. Dividend Payment

According in the Annual General Meeting of Shareholders No.1/2018 on 27 April 2018, it has approved to allocate the profit for legal reserve and dividend payment by to allocate the profit for legal reserve are equal to 5% of operating profit of year 2017 after less deficit in amount of Baht 48,286,311.60, the dividend payment as cash to preferred shareholder group C and ordinary shareholder, the details are as follows:

- Preferred Stock Group C, Cash payment of Baht 0.1015 per share from 192,118,226 preferred shares of Class C. However, the Company has dividend payable for the year 2016 to Class C preferred shareholders in amount of Baht 19,499,999.94 and dividend for the year 2017 in amount of Baht 19,499,999.94, totalling not more than Baht 38,999,999.88.
- Ordinary shares, the Company paid dividend ordinary share to ordinary shareholders not exceeding 270,823,262 shares at the par value of Baht 0.40, representing a dividend payment of Baht 0.0267 per share to existing shareholders in rate of 15 ordinary shares per 1 ordinary sharedividend, total value Baht 108,329,304.80, In the event that the ordinary shares resulting from the dividend payment are calculated as a fraction of shares, the Company will deduct such fraction and the dividend payment as cash at rate of Baht 0.0267 per share and the dividend payment as cash of not exceeding Baht 13,541,163.10 at rate of Baht 0.0033 per share, totaling Baht 0.03 per



share. Nevertheless, the Company registered the increment of 270,818,290 shares to the Department of Business Development, Ministry of Commerce and paid the entire Baht 13,406,062.64 of dividend in cash.

### 33. Treasury Shares

On 16 July 2018, the Board of Directors Meeting of the Company No. 4/ 2018, has approved a share repurchase program for the purpose of financial management and to manage the Company's excess liquidity. The details are as follows:

- 1) The maximum amount available for repurchasing the shares is Baht 625 million.
- 2) A maximum of 452 million shares with par value of Baht 0.40 per share are available for repurchase, equivalent to 10% of the total paid-up capital as at 13 July 2018.
- 3) These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115% of the weighted average closing price over the five trading days before each repurchase is made.
- 4) The repurchase period is from 31 July 2018 to 30 January 2019.
- 5) Any shares bought back are to be resold on the Stock Exchange of Thailand, after 6 months but no later than 3 years after the completion date of the share repurchase scheme. The Board of director will consider the resale after the completion date of share repurchase and will inform the shareholders later. Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 % of the weighted average closing price over the five trading days before each resale is made.
- 6) The treasury shares carry no rights to receive dividend.

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	As at	As at
	31 December 2018	31 December 2017
Number of Shares (Shares)	184,904,000	-
Average Price Per Share (Baht)	1.72	-

As at 31 December 2018, the Company's treasury shares, amounting to Baht 317.71 million, were presented as a deduction item in shareholders' equity. This amount is presented under the cost method. The market price of the treasury shares, which is based on the closing price quoted on the Stock Exchange of Thailand on the last day of year, was approximately Baht 284.75 million.

The Company has to set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account, with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 December 2018, the Company had reserved Baht 317.71 million of its retained earnings; an amount equal to the cost of the treasury shares. Such reserve has been presented as "Appropriated retained earnings - reserve for treasury shares" in the statements of financial position.

#### **34. Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, decrease share capital, or issue new shares.

As at 31 December 2018 and 2017 debt to equity ratio in the consolidated financial statements are 3.41:1 and 2.29:1, respectively.

As at 31 December 2018 and 2017 debt to equity ratio in the financial separate statements are 1.30:1 and 1.16:1, respectively.

### 35. Expenses by Nature

The following expenditure items, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Change in Finished Goods and				
Semi-finished Goods	446,518,782.77	(314,669,553.32)	(181,795,715.67)	(375,072,392.17)
Raw materials and supplies used	17,700,454,328.97	11,000,527,998.44	11,247,427,610.01	7,925,314,468.69
Purchases of Finished Goods and				
Raw Material	7,938,231,759.72	6,071,684,524.39	2,255,756,036.32	2,677,286,349.49
Losses on Declining Value of Inventory	180,090,111.34	(365,363.39)	77,844,112.29	551,444.48
Losses from Difference in Finished Goods	516,269,092.12	-	516,269,092.12	-
Employees Expenses	427,684,002.73	392,157,365.01	250,755,322.26	220,923,695.25
Depreciation	347,772,327.56	285,458,871.35	75,908,478.90	59,158,582.30
Utilities Expenses	686,469,572.33	664,533,617.74	151,331,689.85	141,397,734.31
Oil/Gas	280,938,900.95	265,536,666.23	206,635,958.07	194,729,374.43
Cost of Shutdown	56,846,076.43	78,127,599.88	7,650,779.08	7,821,765.38

### 36. Income Tax (Expense) Revenue

36.1 Income tax is recognized in the profit (loss) for the year consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year		For the year	
	ended 31 December		ended 31 December	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Current Tax (Expense) Income	(25,264,156.63)	(6,383,938.45)	(22,630,359.35)	(1,650,683.91)
Prior year Tax Expense				
(Expenses) Revenues Deferred Income Tax	8,913,884.58	15,735,388.00	916,109.85	(250,616.35)
(Expense) Revenues Income Tax is Recognized				
in the Profit (Loss) for the period	<u>(16,350,272.05)</u>	<u>9,351,449.55</u>	<u>(21,714,249.50)</u>	<u>(1,901,300.26)</u>

The difference between (expenses) revenue tax calculated from accounting profit at the tax rate for the year ended 31 December 2018 and 2017 at the rate of 10% and 20%, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Profit (Losses) Before Income Tax	<u>(394,987,029.72)</u>	<u>113,733,457.39</u>	<u>(147,156,254.07)</u>	<u>1,326,429,915.36</u>
(Expenses) Revenues Tax Calculated at the Tax				
Rate of 10%	(768,850.43)	(530,815.33)	(768,850.43)	(115,549,318.07)
(Expenses) Revenues Tax Calculated at the Tax				
Rate of 20%	80,535,106.81	(21,685,060.82)	30,968,951.68	(33,035,223.41)
Impact of Profit in Foreign Entities	(11,166,670.57)	(1,811,148.19)	-	-
The Impact of Tax Rate in International				
Headquarters	(312,151.23)	(47,925.67)	-	-
The Impact of Income Between Related Company	(7,881,551.12)	824,515.45	-	-
Profit Sharing from Equity Accounted Investment	(38,114,015.45)	(17,846,298.88)	-	-
Effect of Income that is Exempt from Taxation	169,633,645.11	125,304,247.69	1,303,505.98	123,533,065.54
(Expenses) Revenues not Deductible for Income Tax	(229,038,682.60)	(115,085,565.45)	(53,217,856.73)	(5,130,121.42)
Tax Losses in the year that are Not Recognized as				
Deferred Tax Assets	(4,460,638.10)	(1,096,671.31)	-	28,280,297.10
Tax Losses in Prior year that are Not				
Recognized as Deferred Tax Assets	<u>25,223,535.53</u>	<u>41,326,172.06</u>	<u>-</u>	<u>-</u>
(Expenses) Revenues Income Tax is Recognized				
in the Profit (Losses) for the year	<u>(16,350,272.05)</u>	<u>9,351,449.55</u>	<u>(21,714,249.50)</u>	<u>(1,901,300.26)</u>

36.2 Income tax is recognized in the other comprehensive profit (loss) consist of:

	Consolidated Financial Statements		
	Amount Before Tax Baht	Income Taxes Revenues (Expenses) Baht	Amount Net of Tax Baht
<b>For the year ended 31 December 2018</b>			
Gain (loss) on Remeasurement of Defined Benefit Plans	(2,411,257.27)	-	(2,411,257.27)
<b>For the year ended 31 December 2017</b>			
Gain (loss) on Remeasurement of Defined Benefit Plans	(592,165.10)	-	(592,165.10)

	Separate Financial Statements		
	Amount	Income Taxes	Amount
	Before Tax	Revenues (Expenses)	Net of Tax
	Baht	Baht	Baht
<b>For the year ended 31 December 2018</b>			
Gain (loss) on Remeasurement of Defined Benefit Plans	(1,917,005.87)	-	(1,917,005.87)

<b>For the year ended 31 December 2017</b>			
Gain (loss) on Remeasurement of Defined Benefit Plans	(1,837,553.74)	-	(1,837,553.74)

36.3 Deferred tax assets are not recognized in the financial statement 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
Allowance for Doubtful Debts	101,138,505.09	423,829,375.63	62,614,916.41	404,620,496.71
Allowance for Net Realizable				
Value of Inventories	185,528,447.21	5,420,286.69	81,143,404.15	3,839,823.15
Allowance for Difference in				
Finished Goods	516,269,092.12	-	516,269,092.12	-
Payable Buying and Selling Foreign				
Currency Forward Contracts	12,417,819.84	-	6,226,205.28	-
Retirement Benefit Obligations	44,511,321.78	38,332,121.10	22,692,927.72	19,765,538.74
Tax Losses	1,238,600,372.81	1,317,155,125.96	-	-
Total	<u>2,098,465,558.85</u>	<u>1,784,736,909.38</u>	<u>688,946,545.68</u>	<u>428,225,858.60</u>

For the year ended 31 December 2018 and 2017, the whole amount of deferred tax assets for tax losses was derived from accumulated tax losses which were classified by expiring year of tax benefits as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Baht	Baht	Baht	Baht
Expiring year of Tax Benefits				
Year 2017	-	584,815.30	-	-
Year 2018	-	503,750,865.57	-	-
Year 2019	570,271,002.64	570,951,988.64	-	-
Year 2020	200,135,150.20	233,930,245.89	-	-
Year 2021	468,194,219.97	7,937,210.56	-	-
Total	<u>1,238,600,372.81</u>	<u>1,317,155,125.96</u>	<u>-</u>	<u>-</u>

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

### 37. Earnings (loss) per share

Basic earnings (loss) per share and diluted earnings (loss) per share for the year ended 31 December 2018 and 2017 are as follows:

1) Basic earnings ( loss) per share is calculated by dividing the profit for the year attributable to shareholders after deduction of cash dividend of preference shares by the weighted average number of ordinary shares in issue during the year are as follows:



For the year ended December 31,	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Basic Earnings (Loss) per Share				
Profit (Loss) Attributable to Owners of the Parent (Baht)	(396,903,172.55)	126,942,358.14	(168,870,503.57)	1,324,528,615.10
<u>Less</u> Dividend of Preference Shares (Baht)	<u>(19,499,999.94)</u>	<u>(19,499,999.94)</u>	<u>(19,499,999.94)</u>	<u>(19,499,999.94)</u>
Profit (Loss) Attributable to Ordinary Shareholders (Baht)	<u>(416,403,172.49)</u>	<u>107,442,358.20</u>	<u>(188,370,503.51)</u>	<u>1,305,028,615.16</u>
Restated Weighted Average Number of Ordinary Shares (Share)				
Weighted Average Number of Ordinary Shares in				
Issue (Share)	4,253,263,166	3,862,348,930	4,253,263,166	3,862,348,930
Effect of stock dividend after the period				
Stock dividend on 4 May 2018	-	257,484,957	-	257,484,957
Total	<u>4,253,263,166</u>	<u>4,119,833,887</u>	<u>4,253,263,166</u>	<u>4,119,833,887</u>
Basic Earnings (Loss) per Share (Baht)	(0.10)	0.03	(0.04)	0.32

2) The diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible preferred shares and warrants. The convertible preferred shares are assumed to have been converted into ordinary shares, ordinary shares are actually paid. for the warrant, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual by using daily market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (loss).

For the year ended December 31,	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Diluted Earnings (Loss) per Share				
Profit (Loss) Attributable to Owners of the Parent (Baht)	(416,403,172.49)	107,442,358.20	(188,370,503.51)	1,305,028,615.16
<u>Add</u> Dividend of Preference Shares (Baht)	<u>19,499,999.94</u>	<u>19,499,999.94</u>	<u>19,499,999.94</u>	<u>19,499,999.94</u>
Profit (Loss) Attributable to Owners of the Parent (Baht)	<u>(396,903,172.55)</u>	<u>126,942,358.14</u>	<u>(168,870,503.57)</u>	<u>1,324,528,615.10</u>
Restated Weighted Average Number of Ordinary Shares (Share)				
Weighted Average Number of Ordinary Shares in Issue (Share)	4,253,263,166	3,862,348,930	4,253,263,166	3,862,348,930
Effect of stock dividend after the period				
Stock dividend on 4 May 2018	<u>-</u>	<u>257,484,957</u>	<u>-</u>	<u>257,484,957</u>
Total	<u>4,253,263,166</u>	<u>4,119,833,887</u>	<u>4,253,263,166</u>	<u>4,119,833,887</u>
Adjustment for				
- Conversion of Preferred Shares (Shares)	<u>192,118,226</u>	<u>192,118,226</u>	<u>192,118,226</u>	<u>192,118,226</u>
Weighted Average Number of Ordinary Shares in Diluted Earnings (Loss) per Share (Shares)	<u>4,445,381,392</u>	<u>4,311,952,113</u>	<u>4,445,381,392</u>	<u>4,311,952,113</u>
Diluted Earnings (Loss) per Share (Baht)	(0.09)	0.03	(0.04)	0.31

### 38. Segment Information

#### 38.1 General Information About Segment

The Group is principally engaged in manufacturing and trading steel products, both in Thailand and overseas, classified by type of segment production and segment trading and sale of electricity alternative energy source.

#### 38.2 Information About Products and Services

In the consolidated financial statements for the year ended 31 December 2018 and 2017, information relating operating to business segments as follow:

For the year ended 31 December						
	Revenue from Sales to		Revenue from Sales to		Total	
	External Customers		Inter-Segment			
	2018	2017	2018	2017	2018	2017
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Segment Steel Production						
- In the Country	14,149,282.36	12,905,050.63	5,754,816.52	2,089,260.09	19,904,098.88	14,994,310.71
- Foreign Countries	236,115.93	1,627,766.89	-	-	236,115.93	1,627,766.89
Segment Steel Trading						
- In the Country	5,354,298.11	4,424,137.34	2,108,868.04	1,768,108.58	7,463,166.15	6,192,245.92
- Foreign Countries	402,440.12	666,805.35	389,142.22	427,457.07	791,582.34	1,094,262.42
Generation and Sale of Electricity						
Alternative Energy Source						
- In the Country	176,591.69	-	-	-	176,591.69	-
Total	<u>20,318,728.21</u>	<u>19,623,760.21</u>	<u>8,252,826.78</u>	<u>4,284,825.74</u>	<u>28,571,554.99</u>	<u>23,908,585.94</u>

#### Segment Steel Production

For the year ended 31 December 2018 and 2017, revenue from sales to external parties from the production of billet segment and scrap division are of Baht 3,005.63 million and Baht 1,725.73 million respectively, equivalent to 14.79% and to 8.79% of total revenue respectively,. The two subsidiaries have sold to many business partners. However, the goods as mentioned above are the same type of goods is that the Company and a subsidiary purchased from many business partners during the same time period or within short inter vals of Baht 3,018.95 million and Baht 1,741.91 million respectively. The Company and a subsidiary purchased the said goods to be used in the productions. The said many business partners have no relation with the Group Companies. The purchase and sale departments' execution were independent of each other and complied with the normal process of the Company and its subsidiary; the sale and purchase of the goods in the said nature are considered to be sale and purchase under the normal course of business.

### 38.3 Information About Major Customers

For the year ended 31 December 2018 and 2017, the information regarding the major customers involving the trade value of more than 10% of the revenue in the Group Companies' consolidated financial statements are 1 customers and 2 customers respectively. The revenue generated from the sales to the major customers are Baht 6,692.94 million and Baht 7,984.60 million respectively, which are domestic sales.

## 39. Financial Instruments

### 39.1 Financial Risk Factors

The Group activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

#### 39.1.1 Foreign Exchange Risk

The Group has exposure to foreign currency exchange fluctuations on purchasing /selling of goods and loans. The Group manages this risk through the financial derivatives such as forward foreign exchange contracts, and forward foreign currency and interest rate as following:

#### Forward Foreign Exchange Contracts and Foreign Exchange Option

Forward foreign exchange contracts and Foreign-exchange option to hedge certain exposures by establishing the rate at which a foreign currency asset will be realized or a foreign currency liability settled.

#### Foreign currency and interest rate forward contracts

Foreign currency and interest rate forward contracts are financial instrument to protect fluctuations of exchange rates and interest rate.

#### 39.1.2 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		
	Rate	Rate	Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% Per Annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	-	272,834,994.04	24,203,163.11	297,038,157.15	0.125-0.625
Pledged Financial Institution Deposits	-	877,037,923.48	-	877,037,923.48	0.25-1.15
<u>Financial Liabilities</u>					
Bank Overdraft and Short-term					
Borrowings from Financial Institutions	10,590,980,759.40	-	-	10,590,980,759.40	4.50-5.525
Long-term Borrowings	3,162,969,415.31	-	-	3,162,969,415.31	MLR-1
Liabilities under Finance Leases					
Agreements	-	60,467,325.77	-	60,467,325.77	4.196-14.19

## Consolidated Financial Statements

As at 31 December 2017

	Floating Interest	Fixed Interest	Non-Interest		
	Rate	Rate	Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% Per Annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	-	461,500,824.60	91,986,661.40	553,487,486.00	0.10-0.625
Pledged Financial Institution Deposits	-	749,068,790.15	-	749,068,790.15	0.25-1.15
Short-term Loans to Related Parties	-	150,700,000.00	-	150,700,000.00	5.25-10.00
<u>Financial Liabilities</u>					
Bank Overdraft and Short-term					
Borrowings from Financial Institutions	7,244,446,230.96	-	-	7,244,446,230.96	2.00-6.00
Long-term Borrowings	1,932,900,000.00	-	-	1,932,900,000.00	MLR-1
Liabilities under Finance Leases					
Agreements	-	14,009,451.65	-	14,009,451.65	4.196-7.474

## Separate Financial Statements

As at 31 December 2018

	Floating Interest	Fixed Interest	Non-Interest		
	Rate	Rate	Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% Per Annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	-	226,740,554.63	1,021,056.86	227,761,611.49	0.125-0.65
Pledged Financial Institution Deposits	-	559,518,134.01	-	559,518,134.01	1.00-1.15
<u>Financial Liabilities</u>					
Bank Overdraft and Short-term					
Borrowings from Financial Institutions	5,144,816,027.16	-	-	5,144,816,027.16	4.50-5.525
Short-term Borrowings from					
Related Party	-	-	1,018,542.43	1,018,542.43	-
Long-term Borrowings	397,583,041.57	-	-	397,583,041.57	MLR-1
Liabilities under Finance Leases					
Agreements	-	41,323,777.95	-	41,323,777.95	4.196-14.19

## Separate Financial Statements

As at 31 December 2017

	Floating Interest	Fixed Interest	Non-Interest		
	Rate	Rate	Bearing	Total	Interest Rate
	Baht	Baht	Baht	Baht	% Per Annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	-	308,588,454.14	51,484,335.22	360,072,789.36	0.10-0.625
Pledged Financial Institution Deposits	-	405,021,069.44	-	405,021,069.44	1.00-1.15
Short-term Loans to Related Parties	-	30,700,000.00	-	30,700,000.00	5.25
<u>Financial Liabilities</u>					
Bank Overdraft and Short-term					
Borrowings from Financial Institutions	3,840,017,242.44	-	-	3,840,017,242.44	2.00-6.00
Short-term Borrowings from					
Related Party	-	-	3,072,002.63	3,072,002.63	-
Long-term Borrowings	497,500,000.00	-	-	497,500,000.00	MLR-1
Liabilities under Finance Leases					
Agreements	-	2,146,509.48	-	2,146,509.48	4.196



### 39.1.3 Credit Risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies to limit the amount of credit exposure to each financial institution.

### 39.1.4 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

## 39.2 Risk Management

### Forward Foreign Exchange Contracts

Forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts receivable, loans and accounts payable denominated in foreign currencies.

### Foreign Exchange Forward Contracts

	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
US Dollar				
- Average exchange rate (Baht/USD)	32.37 – 33.29	32.46 – 32.51	32.37 – 32.88	-
- Amount in foreign (USD)	40,993,243.14	321,437.40	28,065,275.88	-
- Amount in local currency (Baht)	1,344,163,256.54	10,448,308.41	917,499,493.50	-
EUR				
- Average exchange rate (Baht/ EUR)	-	37.27 – 37.49	-	37.27 – 37.49
- Amount in foreign (EUR)	-	2,676,251.59	-	2,676,251.59
- Amount in local currency (Baht)	-	99,892,672.11	-	99,892,672.11

### 39.3 Net fair Values

The net fair values of derivative financial instruments comprise the following:

Consolidated Financial Statements				
As at 31 December 2018		As at 31 December 2017		
Contracted	Fair values	Contracted	Fair values	
Foreign	Assets	Foreign	Assets	
Currency	(Liabilities)	Currency	(Liabilities)	
	Baht		Baht	
Derivative Financial Instruments				
Assets (Current)				
- Buying and Selling Foreign Currency				
Forward Contracts				
US Dollar	5,731,139.77	353,788.41	321,437.40	96,644.10
EUR	-	-	2,676,251.59	4,580,549.27
Derivative Financial Instruments				
Liabilities (Current)				
- Buying and Selling Foreign Currency				
Forward Contracts				
US Dollar	35,262,103.37	(12,417,819.84)	-	-
Separate Financial Statements				
As at 31 December 2018		As at 31 December 2018		
Contracted	Fair values	Contracted	Fair values	
Foreign	Assets	Foreign	Assets	
Currency	(Liabilities)	Currency	(Liabilities)	
	Baht		Baht	
Derivative Financial Instruments				
Assets (Current)				
- Buying and Selling Foreign Currency				
Forward Contracts				
US Dollar	5,731,139.77	353,788.41	-	-
EUR	-	-	2,676,251.59	4,580,549.27
Derivative Financial Instruments				
Liabilities (Current)				
- Buying and Selling Foreign Currency				
Forward Contracts				
US Dollar	22,334,136.11	(6,226,205.28)	-	-

The fair value of forward foreign exchange contracts is determined by the market rate of each contract which is calculated by financial institutions dealing with the Group at the date of the statement of financial position. The information is level 2 inputs.

### 39.4 Fair value hierarchy

#### 39.4.1 Financial assets and liabilities recognized at fair value or disclosed fair value

The Company and its subsidiaries have financial assets that are recognized at fair value or disclosed fair value, classified according to the hierarchy of fair value as follows:

Consolidated Financial Statements				
As at 31 December 2018				
	Carrying Amount	Fair Value		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
		Baht	Baht	Baht
<b>Assets for which fair value are Recognized</b>				
Derivative Financial				
Instruments Assets (Current)	353,788.41	-	353,788.41	-
Land	1,368,489,975.91	-	-	1,368,489,975.91
<b>Liabilities for which fair value are Recognized</b>				
Derivative Financial				
Instruments Liabilities (Current)	(12,417,819.84)	-	(12,417,819.84)	-
<b>Assets for which fair value are Disclosed</b>				
Investments in Associates	183,297,468.40	89,942,000.00	-	-
Investment Property	33,619,535.40	-	-	68,115,250.00

## Consolidated Financial Statements

As at 31 December 2017

	Carrying Amount	Fair Value		
		Level 1 Inputs	Level 2 Inputs	Level 1 Inputs
		Baht	Baht	Baht
Assets for which fair value are Recognized				
Derivative Financial				
Instruments Assets (Current)	4,677,193.37	-	4,677,193.37	-
Land	1,190,822,034.73	-	-	1,190,822,034.73
Assets for which fair value are Disclosed				
Investment Property	496,567,829.30	-	-	2,063,472,250.00

## Separate Financial Statements

As at 31 December 2018

		Fair Value		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
		Baht	Baht	Baht
Assets for which fair value are Recognized				
Derivative Financial				
Instruments Assets (Current)	353,788.41	-	353,788.41	-
Land	364,880,428.93	-	-	364,880,428.93
Liabilities for which fair value are Recognized				
Derivative Financial				
Instruments Liabilities (Current)	(6,226,205.28)	-	(6,226,205.28)	-
Assets for which fair value are Disclosed				
Investments in Associates	190,845,306.83	89,942,000.00	-	-
Investment Property	509,751,150.17	-	68,115,250.00	-

		Separate Financial Statements		
		As at 31 December 2017		
	Carrying Amount	Fair Value		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
		Baht	Baht	Baht
<b>Assets for which fair value are Recognized</b>				
Derivative Financial				
Instruments Assets (Current)	4,580,549.27	-	4,580,549.27	-
Land	364,880,428.93	-	-	364,880,428.93
<b>Assets for which fair value are Disclosed</b>				
Investment Property	33,619,535.40	-	-	68,115,250.00

#### 39.4.2 Financial assets and liabilities not recognized by fair value

Book value of financial assets and liabilities which consists of cash and cash equivalent, trade and other current receivable, short-term loans and interest receivable to related parties, pledged financial institution deposits, deposit for stock purchase, trade and other current payable, short-term loans from other parties and liabilities under rehabilitation Plans, does not differ from their fair values since these financial assets and liabilities are matured in near term.

#### 40. Transactions with Business Alliances

According to Section 89/1 of the Securities and Exchange Act BE 2535 (including its amendments) and Clause 2 (3) of the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2008 Re: Rules on Connected Transactions, and its definition stated in the notification, the Company has numbers of significant transactions dealt with these business alliances being individuals or entities which are management's relatives or a former employee of a related party. The detail is below.

<b>Name of Business Alliances</b>	<b>Relationship</b>
- Insight Steel Co., Ltd.	- a major shareholder and the authorised director is management's relative
- Simba Inter Co., Ltd.	- a major shareholder and the authorised director is also a shareholder of the Group holding 1.49% interest of the Group (information as of April 11, 2012). The previous owner of this company became a management's relative.
- Triple O Trading Co., Ltd.	- a major shareholder and the authorised director, who was a former employee of a related party, hold 0.54% interest of the Group (information as of April 11, 2012). This entity has been receiving financial supports from one of the Group's shareholder who is a management's relative. The structure of the parties involved is indirectly linked to a management's relative.
- Jarasrunroj Co., Ltd.	- a major shareholder and the authorised director is management's relative
- Deesinchai Steel Co., Ltd.	- a major shareholder and the authorised director is close relationship with the relative of the Company's management.

The following significant transactions were carried out with business alliances:

#### 40.1 Revenue and Expenses of Intercompany

	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
<b>Revenue</b>				
Revenue from Sales	406,367,805.28	357,753,136.75	233,314,021.93	227,842,936.04
<b>Purchase of Goods and Services</b>				
Purchase of Goods	15,503,863.71	25,909,451.15	384,550.00	-

#### 40.2 Assets and Liabilities of Intercompany

	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
Cheque in hand	964,212.00	-	-	-
Trade Receivables	152,725,432.65	44,817,258.63	141,729,105.42	26,006,856.87
Trade Payables	105,985.11	626,725.54	-	-



#### 41. Related Party Transactions

A group of individual shareholders who are members of the Company's management hold 39.22 interests in the Company's share capital. The Company's remaining shares are widely held. The following significant transactions were carried out with related parties:

##### 41.1 Relationship with the Company

<u>Parties' Name</u>	<u>Relationship</u>
Millcon Burapa Company Limited	Subsidiary Company by Direct Shareholding
Millcon (HK) Limited	Subsidiary Company by Direct Shareholding
Millcon Thiha Limited	Subsidiary Company by Direct Shareholding
Quest Capital Investment Limited	Subsidiary Company by Indirect Shareholding
Millcon Mauritius Company Limited	Subsidiary Company by Power to Control
	(The Company's Dissolution on 19 January 2017)
Millcon Steel Pipe Company Limited	Subsidiary Company by Direct Shareholding
Saharum Construction Materials Company Limited	Subsidiary Company by Direct Shareholding
Suntech Metals Company Limited	Subsidiary Company by Direct Shareholding
Siam Solar Generation Company Limited	Subsidiary Company by Direct Shareholding
	(Since 6 July 2018)
World Wide Processing Company Limited	Subsidiary Company by Direct Shareholding
I-Gen Engineering Company Limited	Associated Company by Direct Shareholding
Bulk One Group Company Limited	Associated Company by Direct Shareholding
Begistics Public Company Limited	Associated Company by Direct Shareholding
Complete Transport Company Limited	Associated Company by Direct Shareholding
	(Until 29 December 2017)
Kobelco Millcon Steel Company Limited	Joint Venture by Direct Shareholding
Wisdom Tree Investment(S) Pte. Limited	Joint Venture by Direct Shareholding
Millcon Thiha GEL Limited	Subsidiary Company of
	Wisdom Tree Investment (S) Pte. Limited
Ocean Supply Company Limited	Joint Venture by Indirect Shareholding (Until 2 March 2018)
	And Since 3 March 2018 Change to Related Company
	by Indirect Shareholding
General Engineering Public Company Limited	Related Company by being the Shareholder of the Company
Million Miles Company Limited	Related Company with Co-director
R.S.P. Steel Company Limited	Related Company with Co-director
AEC Power Engineering Sole Company Limited	Related to a Director of aAssociate

<u>Parties' Name</u>	<u>Relationship</u>
	(I-GEN Engineering Company Limited)
Bulk Asia Company Limited	Related Company by Indirect Shareholding
I-Gen Powertech Company Limited	Related Company by Indirect Shareholding
I-Gen Energy Company Limited	Related Company by Indirect Shareholding
McTRIC Public Company Limited	Related Company with Director
Joint venture of Thep Mongkol Sukothai - Hi Media	Joint Venture by McTRIC Public Company Limited
Related person	Directors of the Associated Company

## 41.2 Inter-Transactions

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
Pricing Policies		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
<b>Inter-Company Transactions with Subsidiaries</b>					
(Eliminated from the consolidated financial statements)					
Sales of Goods and Services	Compared to Market Price	-	-	3,296,793,969.89	1,254,196,521.47
Dividend income	Price Approval According				
	to the Board of Director	-	-	-	1,149,639,527.36
Rental Income	Contract Price	-	-	10,316,400.00	20,332,800.00
Other Income	Mutual Agree Price	-	-	34,907,890.40	13,816,636.52
Interest Income	Rate MLR-1% per annum	-	-	12,237,230.78	12,287,499.11
Purchase of Goods and Services	Compared to Market Price	-	-	3,718,191,611.39	2,276,397,372.02
Costs of Production and Services	Mutual Agree Price	-	-	13,804,038.63	11,756,457.28
Distribution Costs and					
Administrative Expenses	Mutual Agree Price	-	-	9,430,531.38	1,456,011.74
Interest Expense	Rate MLR-1% per annum	-	-	-	213,184.93
<b>Inter-Company Transactions with Associates</b>					
Sales of Goods and Services	Compared to Market Price	2,346,657.61	54,160.00	-	-
Dividend Income	Price Approval According				
	to the Board of Director	-	2,000,010.00	-	2,000,010.00
Rental Income	Contract Price	231,600.00	277,920.00	-	-
Other Income	Mutual Agree Price	2,680,000.00	1,560,000.00	2,680,000.00	1,560,000.00
Interest Income	Rate MLR-1% per annum	388,586.31	953,989.73	388,586.31	953,989.73
Purchase of fixed assets	Compared to Market Price	2,600,000.00	2,034,800.00	2,600,000.00	-
Purchase of Goods and Services	Compared to Market Price	94,800.00	1,731,842.53	-	245,907.53
Costs of Production and Services	Mutual Agree Price	101,301,817.87	6,019,239.00	54,983,336.28	6,013,002.00
Distribution Costs and					
Administrative Expenses	Mutual Agree Price	134,957,509.87	108,448,534.13	85,412,258.95	42,628,915.07

		Consolidated Financial Statements		Separate Financial Statements	
		For the year ended		For the year ended	
Pricing Policies		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Baht	Baht	Baht	Baht
<b>Inter-Company Transactions with Joint Ventures</b>					
Sales of Goods and Services	Compared to Market Price	1,949,585,227.20	1,134,094,337.32	-	-
Other Income	Mutual Agree Price	8,141,580.00	7,580,199.56	8,041,401.30	7,460,199.56
Interest Income	Rate 10.00% per annum	3,197,260.27	4,006,575.35	-	-
Purchase of Goods and Services	Compared to Market Price	1,480,708,163.34	1,390,425,067.34	946,482,909.63	722,400,485.06
Costs of Production and Services	Mutual Agree Price	13,129,239.90	9,667,699.94	13,129,239.90	9,667,699.94
Interest Expense	Rate MLR-1%per annum	-	202,307.84	-	-
<b>Inter-Company Transactions with Related Entities</b>					
Sales of Goods and Services	Compared to Market Price	582,485,201.03	253,412,356.07	317,193,950.05	193,565,277.62
Gain (Loss) on Disposal of Investment Property	Compared to Market Price	-	46,488,704.13	-	46,488,704.13
Gain (Loss) on Disposal of Fixed Assets	Compared to Market Price	227,865.48	789,807.60	227,865.48	789,807.60
Dividend Income	Price Approval According to the Board of Director	6,999,930.00	-	-	-
Other Income	Mutual Agree Price	14,538,000.00	4,267,900.59	14,400,000.00	4,200,000.59
Interest Income	Rate MLR-1% per annum	5,742,484.27	1,733,115.07	478,100.70	1,733,115.07
Value from Asset Purchase	Compared to Market Price	-	1,965,000.00	-	-
Purchase of Goods and Services	Compared to Market Price	216,403,973.35	52,136,500.70	-	-
Production Costs and Services	Mutual Agree Price	-	2,226,000.00	-	2,226,000.00
Distribution Costs and Administrative Expenses	Mutual Agree Price	666,792.00	1,196,792.00	447,792.00	954,792.00
Doubtful debt	Business Policy	39,594,688.81	-	23,265,686.47	-
<b>Inter-transaction with related persons</b>					
Sales of Goods and Services	Compared to Market Price	1,034,073.83	1,285,568.48	-	-

### 41.3 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
<b>Assets</b>				
Trade Receivables				
Subsidiaries				
Millcon Burapa Co., Ltd.	-	-	49,420,068.76	-
Saharum Construction Materials Co., Ltd.	-	-	71,003,324.78	46,901,353.56
Suntech Metals Co., Ltd.	-	-	22,641,690.06	49,779,986.64
Millcon Thiha Limited	-	-	351,230,152.36	233,159,872.36
Associate				
I-Gen Engineering Co., Ltd.	14,980.00	27,627.20	-	-
Joint Venture				
Kobelco Millcon Steel Co., Ltd.	617,163,468.74	233,480,927.10	-	-
Related Entities				
General Engineering Public Co., Ltd.	19,882,504.20	46,968,916.58	13,739,182.66	41,994,220.13
R.S.P. Steel Co., Ltd.	7,640,260.52	7,640,260.52	7,362,098.50	7,362,098.50
Builk Asia Co., Ltd.	48,719,935.32	26,891,881.97	46,457,376.53	19,772,891.22
McTRIC Public Company Limited	127,169.54	901,621.59	-	-
Joint venture of Thep Mongkol Sukothai – Hi Media	12,812,584.87	-	-	-
Related person	397,525.22	156,506.76	-	-
Total	706,758,428.41	316,067,741.72	561,853,893.65	398,970,422.41
<u>Less Allowance for Doubtful Debt</u>	<u>(7,640,260.52)</u>	<u>-</u>	<u>(7,362,098.50)</u>	<u>-</u>
Net	<u>699,118,167.89</u>	<u>316,067,741.72</u>	<u>554,491,795.15</u>	<u>398,970,422.41</u>
<b>Short-term Loans to Related Parties</b>				
Associate				
I-Gen Engineering Co., Ltd.				
Beginning Carrying Amount	30,700,000.00	53,000,000.00	30,700,000.00	53,000,000.00
Increased for the year	-	-	-	-
Repayment for the year	(30,700,000.00)	(22,300,000.00)	(30,700,000.00)	(22,300,000.00)
Ending Carrying Amount	<u>-</u>	<u>30,700,000.00</u>	<u>-</u>	<u>30,700,000.00</u>

### 41.3 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
<b>Assets</b>				
Trade Receivables				
Subsidiaries				
Millcon Burapa Co., Ltd.	-	-	49,420,068.76	-
Saharuam Construction Materials Co., Ltd.	-	-	71,003,324.78	46,901,353.56
Suntech Metals Co., Ltd.	-	-	22,641,690.06	49,779,986.64
Millcon Thiha Limited	-	-	351,230,152.36	233,159,872.36
Associate				
I-Gen Engineering Co., Ltd.	14,980.00	27,627.20	-	-
Joint Venture				
Kobelco Millcon Steel Co., Ltd.	617,163,468.74	233,480,927.10	-	-
Related Entities				
General Engineering Public Co., Ltd.	19,882,504.20	46,968,916.58	13,739,182.66	41,994,220.13
R.S.P. Steel Co., Ltd.	7,640,260.52	7,640,260.52	7,362,098.50	7,362,098.50
Builk Asia Co., Ltd.	48,719,935.32	26,891,881.97	46,457,376.53	19,772,891.22
McTRIC Public Company Limited	127,169.54	901,621.59	-	-
Joint venture of Thep Mongkol Sukothai – Hi Media	12,812,584.87	-	-	-
Related person	397,525.22	156,506.76	-	-
Total	706,758,428.41	316,067,741.72	561,853,893.65	398,970,422.41
<u>Less</u> Allowance for Doubtful Debt	(7,640,260.52)	-	(7,362,098.50)	-
Net	699,118,167.89	316,067,741.72	554,491,795.15	398,970,422.41
<b>Short-term Loans to Related Parties</b>				
Associate				
I-Gen Engineering Co., Ltd.				
Beginning Carrying Amount	30,700,000.00	53,000,000.00	30,700,000.00	53,000,000.00
Increased for the year	-	-	-	-
Repayment for the year	(30,700,000.00)	(22,300,000.00)	(30,700,000.00)	(22,300,000.00)
Ending Carrying Amount	-	30,700,000.00	-	30,700,000.00

	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
Short-term Loans to Related Parties (Continue)				
Related Entity				
Ocean Supply Co., Ltd.	120,000,000.00	-	-	-
Beginning Carrying Amount	40,000,000.00	144,000,000.00	-	-
Increased for the year	(160,000,000.00)	(24,000,000.00)	-	-
Repayment for the year	-	120,000,000.00	-	-
Ending Carrying Amount	-	150,700,000.00	-	30,700,000.00
Total	120,000,000.00	-	-	-
Advances Payment for Inventories				
Associate				
I-Gen Engineering Co., Ltd.	89,524,947.52	-	-	-
Related Entities				
Ocean Supply Co., Ltd.	-	14,314,856.57	-	-
Millcon Thiha GEL Limited	793,876.79	9,635,054.37	-	-
Total	90,318,824.31	23,949,910.94	-	-
Advances Payments				
Subsidiaries				
Millcon Steel Pipe Co., Ltd.	-	-	100,235,788.92	-
Millcon Burapa Co., Ltd.	-	-	70,000,000.00	76,000,000.00
Suntech Metals Co., Ltd.	-	-	5,000,000.00	-
Associate				
I-Gen Engineering Co., Ltd.	-	21,116.47	-	21,116.47
Joint Ventures				
Kobelco Millcon Steel Co., Ltd.	3,169,038.00	3,169,038.00	3,169,038.00	3,169,038.00
Wisdom Tree Investment (S) Pte. Limited	1,196,013.33	-	1,196,013.33	-
Related Entities				
Ocean Supply Co., Ltd.	-	74,620.00	-	-
R.S.P. Steel Co., Ltd.	15,650,000.00	4,850,000.00	-	-
Millcon Thiha GEL Limited	870,607.73	910,629.30	469,767.41	509,788.98
General Engineering Public Co., Ltd.	-	271,755.96	-	271,755.96
Total	20,885,659.06	9,297,159.73	180,070,607.66	79,971,699.41
<u>Less</u> Allowance for Doubtful Debt	(16,520,607.73)	-	(469,767.41)	-
Net	4,365,051.33	9,297,159.73	179,600,840.25	79,971,699.41



	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
Deposit				
Associates				
I-Gen Engineering Co., Ltd.	1,190,621.07	1,190,621.07	1,190,621.07	1,190,621.07
Complete Transport Co., Ltd.	-	1,649,384.62	-	1,649,384.62
Total	<u>1,190,621.07</u>	<u>2,840,005.69</u>	<u>1,190,621.07</u>	<u>2,840,005.69</u>
Other Advances				
Subsidiary				
Millcon Thiha Limited	-	-	-	30,462,820.09
Accrued Income				
Associates				
Complete Transport Co., Ltd.	-	201,828.00	-	-
Begistics Public Co., Ltd.	23,160.00	-	-	-
Related Entities				
R.S.P. Steel Co., Ltd.	-	5,928.00	-	-
Total	<u>23,160.00</u>	<u>207,756.00</u>	<u>-</u>	<u>-</u>
Accrued Interest				
Subsidiary				
Suntech Metals Co., Ltd.	-	-	16,327,483.26	4,090,252.48
Related Entity				
Ocean Supply Co., Ltd.	-	4,006,575.35	-	-
Total	<u>-</u>	<u>4,006,575.35</u>	<u>16,327,483.26</u>	<u>4,090,252.48</u>
Other Receivables				
Subsidiaries				
Millcon Burapa Co., Ltd.	-	-	4,555,381.60	8,988,000.00
Millcon Steel Pipe Co., Ltd.	-	-	28,938,227.89	12,099,766.89
Saharuam Construction Materials Co., Ltd.	-	-	64,200.00	192,600.00
Suntech Metals Co., Ltd.	-	-	-	64,200.00
Millcon Thiha Limited	-	-	2,504,653.17	1,724,276.02
Siam Solar Generation Co., Ltd.	-	-	17,120,000.00	-
Associates				
I-Gen Engineering Co., Ltd.	1,511,575.55	321,000.00	1,511,575.55	321,000.00
Builk One Group Co., Ltd.	823,900.00	235,400.00	823,900.00	235,400.00
Begistics Public Co., Ltd.	431,674.23	-	-	-

	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
Other Receivables (Continue)				
Joint Venture				
Kobelco Millcon Steel Co., Ltd.	6,423,000.00	599,800.00	6,423,000.00	535,000.00
Related Entities				
Millcon Thiha GEL Limited	26,303,708.68	12,276,385.47	26,303,708.68	12,276,385.47
I-Gen Powertech Co., Ltd.	-	37,772,025.00	-	37,772,025.00
Ocean Supply Co., Ltd.	-	4,200.00	-	-
Total	35,493,858.46	51,208,810.47	88,244,646.89	74,208,653.38
<u>Less Allowance for Doubtful Debt</u>	<u>(15,433,820.56)</u>	<u>-</u>	<u>(15,433,820.56)</u>	<u>-</u>
Net	<u>20,060,037.90</u>	<u>51,208,810.47</u>	<u>72,810,826.33</u>	<u>74,208,653.38</u>
Long-Term Loans				
Subsidiary				
Suntech Metals Co., Ltd.				
Beginning Carrying Amount	-	-	233,090,111.00	233,090,111.00
Increased for the year	-	-	-	-
Repayment for the year	-	-	-	-
Ending Carrying Amount	<u>-</u>	<u>-</u>	<u>233,090,111.00</u>	<u>233,090,111.00</u>
Accrued Guarantee Receivable				
Joint Ventures				
Kobelco Millcon Steel Co., Ltd.	706,575.10	1,139,120.87	706,575.10	1,139,120.88
<b>Liability</b>				
Trade Payables				
Subsidiaries				
Millcon Steel Pipe Co., Ltd.	-	-	31,222.60	164,063.10
Suntech Metals Co., Ltd.	-	-	-	4,906,833.29
Saharuam Construction Materials Co., Ltd.	-	-	836,733.99	1,215.00
Associates				
I-Gen Engineering Co., Ltd.	429,230.50	2,351,062.35	332,930.50	1,506,136.85
Joint Ventures				
Kobelco Millcon Steel Co., Ltd.	144,629,882.34	81,475,882.91	102,557,989.52	57,431,971.21

	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 (Continue)				
Related Entities				
Millcon Thiha GEL Limited	1,683,575.98	-	-	-
Builk Asia Co., Ltd.		10,070,619.15	-	-
Ocean Supply Co., Ltd.	-	93,141,937.36	-	-
I-Gen Energy Co., Ltd.	1,829,700.00	-	-	-
Total	<u>148,572,388.82</u>	<u>187,039,501.77</u>	<u>103,758,876.61</u>	<u>64,010,219.45</u>
Advances from Customers for Sales of Goods				
Subsidiaries				
Millcon Steel Pipe Co., Ltd.	-	-	5,607,476.64	-
Related Entities				
General Engineering Public Co., Ltd.	-	1,493,871.84	-	1,493,871.84
Builk Asia Co., Ltd.	<u>9,874,460.70</u>	<u>-</u>	<u>9,874,460.70</u>	<u>-</u>
Total	<u>9,874,460.70</u>	<u>1,493,871.84</u>	<u>15,481,937.34</u>	<u>1,493,871.84</u>
Short-term Borrowings				
Subsidiary				
Millcon (HK) Limited				
Beginning Carrying Amount	-	-	3,072,002.63	1,190,497,458.54
Increased for the year	-	-	-	-
Repayment for the year	<u>-</u>	<u>-</u>	<u>(2,053,460.20)</u>	<u>(1,187,425,455.91)</u>
Ending Carrying Amount	<u>-</u>	<u>-</u>	<u>1,018,542.43</u>	<u>3,072,002.63</u>
Accrued Expenses				
Subsidiary				
Suntech Metals Co., Ltd.	-	-	221,979.17	213,533.98
Associates				
I-Gen Engineering Co., Ltd.	44,161,740.10	2,077,726.00	-	2,033,000.00
Complete Transport Co., Ltd.	-	4,588,653.87	-	2,838,990.85
Builk One Group Co., Ltd.	42,800.00	-	42,800.00	-
Begistics Public Co., Ltd.	48,598,179.44	-	31,028,799.35	-
Related Entities				
R.S.P. Steel Co., Ltd.	91,673.00	44,776.00	73,673.00	36,776.00
Millcon Thiha GEL Limited	-	21,881.28	-	-
Builk Asia Co., Ltd.	<u>-</u>	<u>42,800.00</u>	<u>-</u>	<u>42,800.00</u>
Total	<u>92,894,392.54</u>	<u>6,775,837.15</u>	<u>31,367,251.52</u>	<u>5,165,100.83</u>

	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 Received Income				
Subsidiary				
Millcon Burapa Co., Ltd.	-	-	-	970,969,788.81
Accrued Interest Payable				
Subsidiary				
Suntech Metals Co., Ltd.	-	-	-	165,410.95

As at 31 December 2017, the whole short-term loans to associates are in form of at call of contract with interest rate at 5.25% per annum.

As at 31 December 2017, the whole short-term loans to joint ventures are in form of at call of contract with interest rate at 10.00% per annum.

As at 31 December 2018 and 2017, the whole long-term loans to subsidiaries are in form of promissory notes, due at 28 June 2019 with interest rate at 5.25% per annum, equally for both years.

As at 31 December 2018 and 2017, the whole short-term borrowings from subsidiaries are in form of at call of contract with no interest rate, equally for both years.

#### 41.4 Key management personnel remuneration

	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 Benefits	71,947,009.01	68,272,362.56	54,424,365.20	49,516,956.71
Post-employment Benefits	1,419,775.56	1,074,846.00	1,032,726.32	960,504.00
Total	<u>73,366,784.57</u>	<u>69,347,208.56</u>	<u>55,457,091.52</u>	<u>50,477,460.71</u>

#### 41.5 Guarantees

Guarantee contracts as at 31 December 2018 and 2017, comprise the 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
Guarantee of Related Entities' Liabilities (Baht)	193,744,198.00	156,496,564.14	193,744,198.00	156,496,564.14
Guarantee of Associates' Liabilities (Baht)	31,403,549.58	10,000,000.00	31,403,549.58	10,000,000.00
Guarantee of Joint Ventures' Liabilities (Baht)	325,000,000.00	-	325,000,000.00	-
Guarantee of Joint Ventures' Liabilities (USD)	5,825,000.00	6,072,500.00	5,825,000.00	6,072,500.00

The Company has guaranteed of credit facilities include overdraft, letter of credit, trust receipt, promissory note, forward contracts, with financial institutions to two subsidiaries of the total in amount of Baht 525 million. The facility is fully guaranteed and there is land and machinery of subsidiaries, company and one of company's committee.

The Company has guaranteed of credit facilities are letter of credit, trust receipt, promissory note and letters of guarantee with financial institutions to associates of the total in amount of Baht 198.14 million. The company has collateral according to the shareholding 40%.

As at 31 December 2018 and 2017, The Company and the related company are financed by letters of guarantee of a specific bank for the total value of USD 5.83 million the total value of USD 6.07 million, respectively. The credit line of this joint venture is guaranteed by the Company's holding shares of Wisdom Tree Investment(S) PTE. Limited.

The Company has loans' guaranteed under syndicate loan agreement for a joint ventures with two financial institutions provide joint ventures in proportion at 50%.

The Company has guaranteed on credit lines in types of hire-purchase credit and loan credit to a related entities (in former, the Company's association). The Company has a written notice to such company not to use additional credit line because the Company decrease its equity interest until such company not the associates of the Company. Thus, it was suspended for use of all credit lines which the Company has guaranteed to secure such credits. If such Company need to use credits, it has to change its collaterals and the Company is in the process for release its guarantee on such credit for financial institutions.

## 42. Cash flow information

### 42.1 Non-cash flow transactions

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
Gain (losses) on actuarial	2,411,257.24	592,165.10	1,917,005.87	1,837,553.74
Transfer Inventories to Equipment	39,077,559.68	18,030,747.04	19,637,429.25	-
Transfer Equipment to Inventories	-	552,500.00	-	-
Purchase of Fixed Assets with Credit	81,045,711.40	24,290,900.86	2,088,928.00	4,228,389.00
Credit Sale of Investment Property	-	37,772,025.00	-	37,772,025.00
Purchase of Fixed Assets under Financial				
Lease Agreement	23,384,660.31	11,084,112.15	13,680,548.15	2,766,355.14
Purchase of Other Intangible Assets under				
Financial Lease Agreement	15,686,299.53	-	15,686,299.53	-
Other Current Receivable and Short-term				
Loans to Subsidiary Decreased by				
Offsetting Debt	-	-	-	11,641,375.00
Increase from Other Long-term				
Investment Paid by the Assignment				
of Claim in a Trade Receivable	182,000,000.00	-	182,000,000.00	-
Payable for Shares	305,500,000.00	-	305,500,000.00	-
Transfer Other Current Payable to				
Liabilities under Finance Leases				
Agreements	12,093,333.00	-	12,093,333.00	-
Offsetting Debt Short-term Borrowings from				
Subsidiaries with Dividend Received	-	-	-	1,173,621,061.40
Accrued Dividend Payment	3,783.53	-	3,783.53	-



## 42.2 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 Balance	Changes from	Changes from	Changes from	Other Changes	Ending Balance
	As at	Financing	Obtaining or Losing	Exchange Rate		As at
	1 January 2018	Cash Flows	Control of Subsidiaries			31 December 2018
	Baht	Baht	Baht	Baht	Baht	Baht
Bank Overdraft and Short-term Borrowings from						
Financial Institutions	7,244,446,230.96	2,185,393,258.32	-	(7,859,496.58)	1,169,000,766.70	10,590,980,759.40
Asset Payables	25,991,263.92	(25,991,263.92)	-	-	86,718,911.20	86,718,911.20
Long-term Borrowings	1,932,900,000.00	(329,306,274.24)	2,722,057,149.98	-	(1,162,681,460.43)	3,162,969,415.31
Liabilities under Finance						
Lease Agreements	14,009,451.65	(10,275,491.11)	-	-	56,733,365.23	60,467,325.77
Accrued Interest Expense	3,236,436.27	(751,302,454.28)	89,319,660.39	-	666,888,070.62	8,141,713.00
Total	9,220,583,382.80	1,068,517,774.77	2,811,376,810.37	(7,859,496.58)	816,659,653.32	13,909,278,124.68

	Consolidated Financial Statements				
	For the year ended 31 December 2017				
	Beginning Balance	Changes from	Changes from	Other Changes	Ending Balance
	As at	Financing	Exchange Rate		As at
	1 January 2017	Cash Flows			31 December 2017
	Baht	Baht	Baht	Baht	Baht
Bank Overdraft and Short-term Borrowings from					
Financial Institutions	8,569,205,128.49	(1,657,369,550.75)	(4,907,923.94)	337,518,577.16	7,244,446,230.96
Asset Payables	123,290,070.60	(123,290,070.60)	-	25,991,263.92	25,991,263.92
Long-term Borrowings	629,823,189.79	1,631,433,682.39	-	(328,356,872.18)	1,932,900,000.00
Liabilities under Finance					
Lease Agreements	5,442,104.71	(3,292,653.06)	-	11,860,000.00	14,009,451.65
Accrued Interest Expense	3,759,752.02	(544,446,910.90)	-	543,923,595.15	3,236,436.27
Total	9,331,520,245.61	(696,965,502.92)	(4,907,923.94)	590,936,564.05	9,220,583,382.80

Separate Financial Statements					
For the year ended 31 December 2018					
	Beginning Balance	Changes from	Changes from	Other Changes	Ending Balance
	As at	Financing	Exchange Rate		As at
	1 January 2018	Cash Flows			31 December 2018
	Baht	Baht	Baht	Baht	Baht
Bank Overdraft and Short-term Borrowings from					
Financial Institutions	3,840,017,242.44	1,295,913,422.61	(3,464,135.54)	12,349,497.65	5,144,816,027.16
Asset Payables	4,524,376.23	(4,524,376.23)	-	2,235,152.96	2,235,152.96
Short-term Borrowings from					
Related Party	3,072,002.63	(2,053,460.20)	-	-	1,018,542.43
Long-term Borrowings	497,500,000.00	(100,800,000.00)	-	883,041.77	397,583,041.77
Liabilities under Finance					
Lease Agreements	2,146,509.48	(5,441,786.67)	-	44,619,055.14	41,323,777.95
Accrued Interest Expense	1,613,421.17	(342,783,731.88)	-	343,789,390.79	2,619,080.08
Total	4,348,873,551.95	840,310,067.63	(3,464,135.54)	403,876,138.31	5,589,595,622.35

Separate Financial Statements					
For the year ended 31 December 2017					
	Beginning Balance	Changes from	Changes from	Other Changes	Ending Balance
	As at	Financing	Exchange Rate		As at
	1 January 2017	Cash Flows			31 December 2017
	Baht	Baht	Baht	Baht	Baht
Bank Overdraft and Short-term Borrowings from					
Financial Institutions	4,854,544,760.49	(1,016,061,200.39)	(6,618,347.41)	8,152,029.75	3,840,017,242.44
Asset Payables	144,365.00	(144,365.00)	-	4,524,376.23	4,524,376.23
Short-term Borrowings from					
Related Party	1,190,497,458.54	(2,163,019.51)	-	(1,185,262,436.40)	3,072,002.63
Long-term Borrowings	-	497,500,000.00	-	-	497,500,000.00
Liabilities under Finance					
Lease Agreements	-	(813,490.52)	-	2,960,000.00	2,146,509.48
Accrued Interest Expense	2,704,900.44	(328,782,659.37)	-	327,691,180.10	1,613,421.17
Total	6,047,891,484.47	(850,464,734.79)	(6,618,347.41)	(841,934,850.32)	4,348,873,551.95

### 43. Obligation and Contingent Liabilities

43.1 As at 31 December 2018 and 2017, the Company has commitments with financial institutions 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
Letter of Credit for Purchase of				
Goods Commitments				
- Baht (Baht)	9,619,974.10	-	-	-
- Euro (EUR)	-	8,189,600.00	-	-
- Dollar (USD)	3,385,701.57	5,334,227.70	-	3,145,650.00

### 43.2 Bank guarantee

The local bank had issued letters of guarantee on behalf of the Group as follow:

	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
In Respect of Electricity Usage(Baht)	111,242,600.00	110,805,800.00	8,311,600.00	7,874,800.00
In Respect of Purchase of Gas-petroleum(Baht)	27,000,000.00	27,000,000.00	7,000,000.00	7,000,000.00
Letter of Guarantee for Purchases of				
Goods and Services				
- Euro (EUR)	1,500,000.00	1,500,000.00	-	-
- Dollar (USD)	1,465,000.00	1,465,000.00	1,465,000.00	1,465,000.00
Guarantees the use of Untreated Water (Baht)	455,000.00	353,000.00	-	-

43.3 As at 31 December 2018 and 2017, the Company has commitments under operating lease agreements 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
<b>Commitments with Subsidiaries</b>				
Not Over 1 Year	-	-	11,012,880.00	11,012,880.00
Over 1 Year but not Over 5 years	-	-	6,424,180.00	17,437,060.00
More than 5 Years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>17,437,060.00</u>	<u>28,449,940.00</u>

	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
<b>Commitments with Other Parties</b>				
Not Over 1 Year	21,063,212.08	14,805,962.65	13,753,333.12	7,248,416.25
Over 1 Year but not Over 5 years	27,550,343.45	14,019,553.81	21,746,146.11	7,412,907.81
More than 5 Years	-	-	-	-
	<u>48,613,555.53</u>	<u>28,825,516.46</u>	<u>35,499,479.23</u>	<u>14,661,324.06</u>
Total	<u>48,613,555.53</u>	<u>28,825,516.46</u>	<u>52,936,539.23</u>	<u>43,111,264.06</u>

43.4 As at 31 December 2018 and 2017, the Company has obligations under the service contract 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
<b>Commitments with other Parties</b>				
Not Over 1 Year	29,702,854.50	25,398,422.10	4,965,780.00	24,878,222.10
Over 1 Year but not Over 5 Years	94,729,689.26	563,779.35	869,599.35	413,779.35
More than 5 Years	-	-	-	-
Total	<u>124,432,543.76</u>	<u>25,962,201.45</u>	<u>5,835,379.35</u>	<u>25,292,001.45</u>

43.5 As at 31 December 2018, the Company has USD 0.98 million and EUR 0.01 million of capital expenditures at the mutually agreed prices with other entities.

43.6 As at 31 December 2018, a subsidiary company had capital under the contract expenditure with associate company in amount of Baht 143.24 million.

43.7 As at 31 December 2018, a subsidiary has USD 0.07 million of capital expenditures at the mutually agreed prices with other entities.

43.8 As at 31 December 2018, a subsidiary has EUR 0.02 million of obligation to purchase supplies at the mutually agreed prices with other entity.

#### 44. Law suits

According to the blackcase no.Por.1628/2557, Quest Capital Investment Limited (a indirect related company) is prosecuted as the second defendant to charge revocation of compromise agreement and claim for the damages in amount of Baht 144.50 million, regarding to the case of acquisition of the assets of a Thai's company by auction for the Legal Execution Department. However, the Court has decided to dismiss the case on 14 July 2015. The plaintiff subsequently appealed and the Appeal Court has decided to dismiss the case by denying to revoke the settlement agreement. And later on 24 November 2016, the plaintiff has filed to the Supreme Court for his appeal. Presently, the Supreme Court has also decided to dismiss the case on 29 January 2019.

Siam Solar Generation Co.,Ltd. ("Company") has sued by a company as appeared in black case no.136/2018 in case of breach the operation and management contract and claimed the damages in amount of Baht 33.54 million and blackcase no. 8/2018 in case of breach the supply, procurement and construction agreement and claimed the damages in amount of Baht 100.29 million. Which is black case no.136/2018, the attorney-at-law of the plaintiff has investigated all of the plaintiff's witness and is in the process of defendant's witness investigation which will be held on 23 May 2019. While blackcase number 8/2018, the subsidiary has submitted the statement of defence and counter claim for claim the damaged in amount of Baht 510.24 million. On 30 May 2018. After that both of the claimant and the respondent has appointed the arbitral tribunal and the presiding arbitrator on 1 October 2018 and the arbitral tribunal has scheduled for the witness investigation of the respondent (the Company) on 6, 15, 20 and 22 March 2019.

#### 45. Promotional privileges

The Subsidiary received promotional privileges from the Board of Investment as follow:

Millcon Burapa Co., Ltd. ("Subsidiary") was granted the promotional certificates from the Board of Investment 1 promotional certificates on investment promotion act B.E. 2520. Under these privileges, the Company had received exemption from import duty on machinery and raw materials or necessary supplier imported from overseas for export production and exemption from corporate income tax for a period of 5-13 years from the date of commencement of earning promoted revenue, as follow:

<u>Certificate No.</u>	<u>Date</u>	<u>Promoted Activity Types</u>	<u>Commenced Date</u>	<u>Expire Date</u>
			<u>of Revenues Generated</u>	
1653/2539	26 May 2010	Section 2.15 Wire rod, Steel bar, Billet	26 March 2012	26 March 2025

#### 46. Correction of Accounting Errors for Prior Period

The Group has corrected the accounting errors for prior period that have the effects to the consolidated and separate financial statements for the year ended 31 December 2017, which are presented as comparative, due to the Company recognized of sales of goods are valued too high in the consolidated and separate financial statements and recorded gain on exchange rate was lower in the separate financial statement and recognized advance payment for inventories paid by aval to account payable in the consolidated financial statements and other receivables to high, this impact on exchange differences on translating financial statements in the consolidated financial statements and recognized revaluation surplus from land too high in the consolidated financial statements, as if such errors are corrected in the period that they occur. The cumulative effects of such correction of errors are as follows:

	Consolidated Financial Statements		
	As Previously	Adjustments	As Currently
	Reported		Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as at 1 January 2017</b>			
Trade and Other Current Receivables	2,276,742,628.05	246,196,261.68	2,522,938,889.73
Advances Payment for Inventories	592,912,871.46	796,705,057.39	1,389,617,928.85
Investments in Associates	79,384,337.72	(10,737,575.22)	68,646,762.50
Investment Property	509,751,150.17	5,350,745.08	515,101,895.25
Property, Pant and Equipment	9,188,761,870.95	(59,427,735.17)	9,129,334,135.78
Trade and Other Current Payables	1,169,711,752.12	852,247,113.46	2,021,958,865.58
Advances Received for Inventories	1,380,841,838.63	190,654,205.61	1,571,496,044.24
Deferred Tax Liabilities	236,203,876.00	(10,815,398.03)	225,388,477.97
Unappropriated Retained Earnings	93,142,122.99	23,188,732.49	116,330,855.48
Other Components of Shareholders' Equity	355,536,385.60	(76,490,001.42)	279,046,384.18
Non-Controlling Interests	34,192,869.30	(697,898.35)	33,494,970.95
<b>Statement of Financial Position as at 31 December 2017</b>			
Trade and Other Current Receivables	1,208,308,501.51	126,850,138.25	1,335,158,639.76
Inventories	3,754,579,593.70	340,700,524.64	4,095,280,118.34
Advances Payment for Inventories	914,710,048.24	1,388,012,663.55	2,302,722,711.79
Investment Property	496,567,829.30	5,350,745.08	501,918,574.38
Property, Pant and Equipment	9,095,489,552.87	(59,427,735.17)	9,036,061,817.70
Trade and Other Current Payables	936,585,207.68	1,485,173,550.00	2,421,758,757.68
Advances Received for Inventories	1,324,462,578.11	376,969,317.86	1,701,431,895.97



## Consolidated Financial Statements

	As Previously Reported Baht	Adjustments Baht	As Currently Reported Baht
<b>Statement of Financial Position as at 31 December 2017</b>			
Deferred Tax Liabilities	220,468,488.00	(10,815,398.03)	209,653,089.97
Unappropriated Retained Earnings	241,117,598.23	3,185,242.21	244,302,840.44
Other Components of Shareholders' Equity	316,178,508.49	(52,328,477.34)	263,850,031.15
Non-Controlling Interests	28,968,231.77	(697,898.35)	28,270,333.42

**Statement of Comprehensive Income****for the year ended 31 December 2017**

Sales of Goods and Services	19,982,681,652.78	(358,921,441.06)	19,623,760,211.72
Cost of Sales and Services	18,513,540,132.12	(340,700,524.64)	18,172,839,607.48
Administrative Expenses	430,867,258.02	1,782,573.86	432,649,831.88
Profit for the Year			
Owners of Parent	146,945,848.42	(20,003,490.28)	126,942,358.14
Other Comprehensive Income (Expense) for the Year			
Owners of Parent	119,325,906.91	(8,362,115.28)	110,963,791.63
Earnings per Share for Owners of Parent			
Basic Earnings per Share	0.03	0.00	0.03
Diluted Earnings per Share	0.04	(0.01)	0.03

## Separate Financial Statements

	As Previously Reported Baht	Adjustments Baht	As Currently Reported Baht
<b>Statement of Financial Position as at 1 January 2017</b>			
Trade and Other Current Receivables	1,463,611,548.05	210,280,373.83	1,673,891,921.88
Advances Payment for Inventories	543,883,577.26	280,373,831.78	824,257,409.04
Trade and Other Current Payables	582,704,221.55	300,000,000.00	882,704,221.55
Advances Received for Inventories	1,339,969,569.93	190,654,205.61	1,530,623,775.54

	Separate Financial Statements		
	As Previously	Adjustments	As Currently
	Reported		Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as at 31 December 2017</b>			
Trade and Other Current Receivables	810,995,250.19	73,589,932.87	884,585,183.06
Inventories	1,757,120,764.37	340,700,524.64	2,097,821,289.01
Advances Payment for Inventories	542,427,765.54	793,457,943.93	1,335,885,709.47
Trade and Other Current Payables	1,356,564,504.93	849,000,000.00	2,205,564,504.93
Advances Received for Inventories	553,499,894.24	376,969,317.86	930,469,212.10
Short-term Borrowings from Related Parties	27,053,536.67	(23,981,534.04)	3,072,002.63
Unappropriated Retained Earnings	963,888,678.27	5,760,617.62	969,649,295.89
<b>Statement of Comprehensive Income</b>			
<b>for the year ended 31 December 2017</b>			
Sales of Goods and Services	11,738,094,662.83	(358,921,441.06)	11,379,173,221.77
Cost of Sales and Services	10,867,918,590.56	(340,700,524.64)	10,527,218,065.92
Other Expenses	30,289,497.98	(23,981,534.04)	6,307,963.94
Profit for the Year	1,318,767,997.48	5,760,617.62	1,324,528,615.10
Other Comprehensive Income for the Year	1,316,930,443.74	5,760,617.62	1,322,691,061.36
Earnings per Share for Owners of Parent			
Basic Earnings per Share	0.34	(0.02)	0.32
Diluted Earnings per Share	0.33	(0.02)	0.31

#### 47. Reclassification

The Company has reclassified some items in the financial statements in order to comply with the classification in the current period, which does not have any effect on the profit or loss for the period or the shareholders' equity already presented, the details are as follows:

	Consolidated Financial Statements		
	As Previously	Reclassification	As Previously
	Reported		Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as at 1 January 2017</b>			
Pledged Financial Institution Deposits	608,611,949.51	8,640,760.06	617,252,709.57
Current Investments	8,640,760.06	(8,640,760.06)	-

## Consolidated Financial Statements

	As Previously Reported Baht	Reclassification Baht	As Previously Reported Baht
<b>Statement of Financial Position as at 31 December 2017</b>			
Pledged Financial Institution Deposits	746,454,678.28	2,614,111.87	749,068,790.15
Current Investments	2,614,111.87	(2,614,111.87)	-

**Statement of Comprehensive Income****for the year ended 31 December 2017**

Cost of Sales of Goods and Rendering of Services (as in Note 46)	18,172,839,607.48	738,689.86	18,173,578,297.34
Gain on Disposal of Assets	-	37,058,442.19	37,058,442.19
Other Income	151,396,366.56	(37,058,442.19)	114,337,924.37
Reversal of Doubtful Debt	-	35,145,144.77	35,145,144.77
Administrative Expense (as in Note 46)	432,649,831.88	28,515,769.94	461,165,601.82
Finance Costs	640,229,251.81	5,890,684.97	646,119,936.78

## Separate Financial Statements

	As Previously Reported Baht	Reclassification Baht	As Previously Reported Baht
<b>Statement of Financial Position as at 1 January 2017</b>			
Pledged Financial Institution Deposits	534,434,982.03	8,640,760.06	543,075,742.09
Current Investments	8,640,760.06	(8,640,760.06)	-

**Statement of Financial Position as at 31 December 2017**

Pledged Financial Institution Deposits	402,406,957.57	2,614,111.87	405,021,069.44
Current Investments	2,614,111.87	(2,614,111.87)	-

**Statement of Comprehensive Income****for the year ended 31 December 2017**

Cost of Sales of Goods and Rendering of Services (as in Note 46)	10,527,218,065.92	738,689.86	10,527,956,755.78
Gain on Disposal of Assets	-	47,278,511.95	47,278,511.95

	Separate Financial Statements		
	As Previously	Reclassification	As Previously
	Reported		Reported
	Baht	Baht	Baht
<b>Statement of Comprehensive Income</b>			
<b>for the year ended 31 December 2017</b>			
Other Income	78,816,562.18	8,974,569.82	87,791,132.00
Reversal of Doubtful Debt	-	35,145,144.77	35,145,144.77
Administrative Expenses	179,882,360.26	83,515,769.94	263,398,130.20
Other Expenses (as in Note 46)	6,307,963.94	1,253,081.77	7,561,045.71
Finance Costs	403,726,146.86	5,890,684.97	409,616,831.83

#### 48. Event after Reporting Period

On 28 February 2019, the board of director of the Company meeting No. 1/2019 had the resolution approved to Suntech Metals Co., Ltd. (“Suntech”) who is subsidiary company of the Company sell Ocean Supply Co., Ltd. (“Ocean”)’s ordinary shares in the amount of 99,999 shares or by 19.99% of the capital registered (par value per share 100 baht) total value 9,999,900 baht to Ocean International Business Co., Ltd.

On 8 March 2019, the board of director of the Company meeting No.2/2019 had the resolution approved as follows.

- 1) Approved to the shareholder meeting to consider the capital reduction in amount of Baht 160,001,988.80 by cancelling the Company’s unissued ordinary shares in amount of 400,004,972 shares at the par value of Baht 0.40 from Baht 2,773,515,332.40 to Baht 2,613,513,343.60 as following:
  - Decreasing the registered capital of Baht 160,000,000 from ordinary shares in the amount of 400,000,000 shares at the par value of Baht 0.40 issued by the resolution of the annual general meeting of shareholders No.1/2018 on 27 April 2018
  - Decreasing the registered capital of Baht 1,988.80 from the remaining stocks dividend payment to ordinary shareholders in the amount of 4,972 shares.
- 2) Approve to dividend payment for the year 2018 to preferred shareholders Type C. in the amount of Baht 19,499,999.94. The dividend payment to preferred shareholders each year is 5% of capital investment or at the rate of Baht 0.1015 per share.

Approve to the shareholders meeting to consider and approve the dividend payment to shareholders at the rate of Baht 0.03 per share, total 130,211,445.78 baht for the year end 2018 from retain earning of the Company. In this regard, the record date to specify the right to receive the dividend is on 7 May 2019 and the due date of dividend payment is on 24 May 2019.

#### **49. Approval of the Financial Statements**

The financial statements have been approved for issuance by MILLCON STEEL PUBLIC COMPANY LIMITED's board of directors on 8 March 2019.

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