

**SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED,
ITS SUBSIDIARIES**

AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2018
(UNAUDITED/ REVIEWED ONLY)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED

I was engaged to audit the accompanying consolidated and separate financial statements of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED, AND ITS SUBSIDIARIES (the Group), and of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED (the "Company") as at 30 June 2018, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the six-month periods then ended, and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of Review

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

Basis for Disclaimer of Conclusion

- 1) As stated in notes 13 to financial statements with reference to Sahaviriya Steel Industries UK's ("SSI UK") intended to discontinue its operation and the liquidator have been appointed and entered into control such subsidiary. As a result, the major lender demanded immediate payment of the outstanding balances of borrowings which was secured by SSI UK's property, plant and equipment and a guarantee by the Company. At the same time, the major lenders also called for the responsibility of the Company in being a guarantor for the outstanding debts. The Company recorded provisions under guarantees agreement for borrowings of SSI UK in full in 2015 for the amount of Baht 29,976 million. At present, such subsidiary is being proceeded the liquidation. Nevertheless, the lenders may be received the partial repayments from the liquidation in the future. Such amounts will be deducted from the previously recorded provisions under guarantees agreement.

As stated in notes 14 to financial statements, there are creditors submitted an application for receiving debt settlement. The Company has disputed with certain creditors since there are incorrectly balances, duplicate of ungrounded debts. As at the date of this report, there are 1 creditor are still pending the trial and there is no final order for the debt claiming by the Official Receiver. Total debt claiming which comprise principal and interest under rehabilitation plan amounted to Baht 1,928.7 million

Because of the uncertainties and unfinished of liabilities under the rehabilitation plan of the Company due to the abovementioned matter, resulting to the Company is unable to find the debts value to be paid in the future in accordance with the Accounting Standard. Therefore, I was unable to obtain the appropriately auditing evidences as to the valuation of liabilities under business rehabilitation. As at 30 June 2018, I am unable to express that the necessary adjustments of liabilities should be made under business rehabilitation plan and the other related accounts.

- 2) As stated in notes 4 to financial statements, the Company has two related parties trade accounts receivable which had the amount of Baht 3,580.7 million as at 30 June 2018 and had already provided allowance for doubtful accounts in 2016 in the amount of Baht 2,736.7 million. As a result, two related parties trade accounts receivable had net balance amount of Baht 844.0 million and net overdue debts in the amount of Baht 653.5 million. And on 7 July 2018, the Company made a notice for calling for the debt settlement from such two receivables and required the debts and interest settlement. So that, the Company has not considered to provide additionally allowance for doubtful accounts since the Management deems that the Company will able to collect total debts from those two receivables even though the Company will face the delay of debts collection. I am unable to obtain the appropriated accounting evidences in the adequacy review of allowance for doubtful accounts of trade accounts receivable as at 30 June 2018. I am unable to conclude about whether the necessary adjustments that should be made on allowance for doubtful accounts and other related accounts.

Disclaimer of Conclusion

Because of the matter described in the Basis of Disclaimer of Conclusion having materially, I therefore am unable to give the conclusion on the abovementioned interim financial information.

Emphasis of Matter

Operation as a going concern

As described in notes 2(e) to the financial statements, the Group and the Company incurred a net profit for the six-month periods ended 30 June 2018 in the amount of Baht 325.9 million and Baht 348.8 million respectively and as at the same date, it incurred capital deficiency in the amount of Baht 38,139.6 million and Baht 38,721.4 million respectively.

As stipulated in the Plan, the Company needs to generate sufficient cash flows to meet both its working capital requirement and for settlement the debts from operation by issuing new share capital, conversion of outstanding debt to equity, seeking new financing as well as restructuring its debts owed to creditors. The Company has explained the progress of these activities in notes 14 to financial statements.

Since the Plan has commenced at the end of 2016, the Company could comply with the Plan and has early made the partial debts settlement. However, in the Plan had been determined the debt repayments period for 12 years, therefore, the Company is unable to conclude that the compliance with the Plan will be succeeded. From the aforementioned circumstance, that indicated the material uncertainty of the Group and the Company's operations as a going concern. Thus, the realizable value of assets may materially less than carrying value of the Group and the Company be unable to continue the operations as a going concern. These consolidated and separate financial statements do not include the reclassification or any adjustments of asset and liabilities which might be necessary should the Group and the Company be unable to generate sufficiency cash flows and raise the other source of fund.

Transactions between related parties

I draw attention on Note 3 to the financial statements, in during the six-month periods ended 30 June 2018 the Group and the Company sold goods to related companies and joint venture in the normal course of business totaling Baht 2,372.0 million which represented 14.8 percent of the Group's total sales. (In 2017 Baht 2,928.4 million which represented 25.9 percent) and Baht 2,373.3 million which represented 14.8 percent of the Company total sales. (In 2017 Baht 2,928.4 million which represented 25.9 percent) and as at 30 June 2018, the Group's and the Company's outstanding trade accounts receivable from those related parties amounted to Baht 3,873.8 million which represented 88.27 percent of trade accounts receivable of the Group (as at 31 December 2017 Baht 3,719.3 million which represented 88.0 percent) and Baht 3,864.0 million which represented 89.0 per cent of trade accounts receivable of the Group (as at 31 December 2017 Baht 3,698.1 million which represented 88.3 percent)

D I A International Audit Company Limited

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

14 August 2018

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of financial position

As at 30 June 2018

		Unit: Thousand Baht			
Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited/ reviewed only)	31 December 2017 (Audited)	30 June 2018 (Unaudited/ reviewed only)	31 December 2017 (Audited)
Current asset:					
Cash and cash equivalents		891,163	1,558,770	781,875	1,472,842
Trade accounts receivable	4	1,366,882	1,205,026	1,321,144	1,169,969
Other receivables from related parties	3	272,739	270,309	301,166	305,069
Inventories	5	8,416,724	7,368,319	8,394,184	7,357,378
Other current assets		491,331	910,984	424,431	852,195
Assets held for disposal from liquidation of subsidiary	2(f)	-	-	-	-
Total current assets		11,438,839	11,313,408	11,222,800	11,157,453
Non-current assets					
Restricted deposit at financial institution		89,165	56,808	81,694	35,785
Investments in subsidiaries	6	-	-	279,000	279,000
Investments in joint venture	7	2,648,946	2,709,650	3,159,668	3,159,668
Other long-term investment	8	-	-	-	-
Property, plant and equipment	9	11,178,118	11,302,042	9,826,601	9,902,762
Intangible assets		120,943	128,555	115,502	122,571
Deferred tax assets	10	12,545	17,853	-	-
Other non-current assets		9,511	9,437	8,161	7,976
Total non-current assets		14,059,228	14,224,345	13,470,626	13,507,762
Total assets		25,498,067	25,537,753	24,693,426	24,665,215

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of financial position (Continued)

As at 30 June 2018

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	30 June	31 December	30 June	31 December
		2018	2017	2018	2017
		(Unaudited/ reviewed only)	(Audited)	(Unaudited/ reviewed only)	(Audited)
Current liability					
Short-term borrowings from financial institutions	11	57,557	72,110	-	-
Trade accounts payable	12	3,149,058	3,033,056	3,128,134	3,002,208
Other payables to related parties	3	57,128	41,722	60,301	44,819
Current portion of finance lease liabilities		16,392	15,936	-	-
Current portion of long-term borrowings from financial institutions	13	1,042,291	1,038,620	1,042,291	1,038,620
Current portion of other payables under rehabilitation plan	13	60,924	60,633	60,924	60,633
Current portion of provisions under guarantees contracts liabilities	13	504,772	498,485	504,772	498,485
Short-term borrowings from related parties	3	-	-	7,991	7,991
Provisions for onerous contracts		116,482	691	116,482	691
Income tax payable		7,456	-	-	-
Other current liabilities		823,892	513,048	765,439	463,209
Total current liabilities		5,835,952	5,274,301	5,686,334	5,116,656
Non-current liability:					
Long-term borrowings from financial institutions	13	22,041,400	23,319,835	22,041,400	23,319,835
Other payables under rehabilitation plan	13	1,817,631	1,853,026	1,817,631	1,853,026
Provisions under guarantees contracts	13	24,945,574	25,476,910	24,945,574	25,476,910
Accrued interest under rehabilitation plan	13	8,741,727	8,277,827	8,741,727	8,277,827
Finance lease liabilities		9,394	17,740	-	-
Non-current provisions for employee benefit		200,376	192,019	166,487	159,047
Deferred tax liabilities	10	44,784	61,404	14,834	31,280
Other non-current liabilities		824	824	824	824
Total non-current liabilities		57,801,710	59,199,585	57,728,477	59,118,749
Total liabilities		63,637,662	64,473,886	63,414,811	64,235,405

Notes to financial statements are integral parts of these financial statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of financial position (Continued)

As at 30 June 2018

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	30 June 2018 (Unaudited/ reviewed only)	31 December 2017 (Audited)	30 June 2018 (Unaudited/ reviewed only)	31 December 2017 (Audited)
Shareholders' equity					
Share capital	15				
Authorized share capital		11,113,018	11,113,018	11,113,018	11,113,018
Issued and paid-up share capital		11,113,018	1,113,018	11,113,018	1,113,018
Share discount on ordinary shares	16	(9,500,000)	-	(9,500,000)	-
Deficit		(40,358,143)	(40,667,235)	(40,334,403)	(40,683,208)
Equity owners of the Company		(38,745,125)	(39,554,217)	(38,721,385)	(39,570,190)
Non-controlling interests		605,530	618,084	-	-
Capital deficiency/total shareholders' equity		(38,139,595)	(38,936,133)	(38,721,385)	(39,570,190)
Total liabilities and shareholders' equity		25,498,067	25,537,753	24,693,426	24,665,215

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Income					
Revenue from sale of goods		16,009,236	11,282,847	16,009,219	11,282,328
Revenue from rendering of services		258,200	158,780	-	-
Gain on exchange rate, net		-	1,729,005	-	1,728,790
Dividend income	6, 7	-	-	53,201	30,600
Other income		33,006	21,346	41,836	24,787
Total income		16,300,442	13,191,978	16,104,256	13,066,505
Expenses					
Cost of sales		14,165,353	9,735,165	14,220,057	9,778,437
Cost of rendering of services		169,111	103,738	-	-
Distribution costs		303,736	177,344	298,707	172,777
Administrative expenses		247,207	291,769	212,617	262,245
Management benefit expenses	3	41,133	45,518	34,340	38,780
Loss on exchange rate, net		432,412	-	432,294	-
Effects from flooding, net		-	87,812	-	148,836
Loss on onerous contracts (reversal)		115,791	(18,831)	115,791	(18,831)
Finance costs		460,774	524,746	458,091	518,698
Total expenses		15,935,517	10,947,261	15,771,897	10,900,942
Share of profit (loss) by equity-accounted investe					
Joint venture	7	(38,103)	(62,396)	-	-
Profit (loss) before income tax expense		326,822	2,182,321	332,359	2,165,563
Tax (expense) income	10	(884)	24,303	16,446	30,826
Profit (loss) for the period		325,938	2,206,624	348,805	2,196,389
Profit (loss) attributable to:					
Owners of the Company		309,092	2,195,484	348,805	2,196,389
Non-controlling interests		16,846	11,140	-	-
Profit (loss) for the period		325,938	2,206,624	348,805	2,196,389
Basic earnings (loss) per share (Baht)	19	0.05	1.97	0.06	1.97

Notes to financial statements are integral parts of these financial statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of comprehensive income (Continued)

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Note	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit (loss) for the period	325,938	2,206,624	348,805	2,196,389
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	325,938	2,206,624	348,805	2,196,389
Total comprehensive income attributable to:				
Owners of the Company	309,092	2,195,484	348,805	2,196,389
Non-controlling interests	16,846	11,140	-	-
Total comprehensive income for the period	325,938	2,206,624	348,805	2,196,389

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of changes in shareholder's equity

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Unit: Thousand Baht

		Consolidated financial statements							
		Equity distribution			Retained earnings (deficit)		Equity	Non-	Total shareholders'
		Issued and	Share discount on	from repurchase	Legal	Unappropriated	attributable to	controlling	equity
		paid-up	ordinary shares	of subordinated	reserve	(deficit)	owners of	interests	
Note		share capital		convertible debentures			the Company		
	Balance as at 1 January 2017	32,166,262	(5,678,076)	366,207	530,227	(71,473,832)	(44,089,212)	649,732	(43,439,480)
	Comprehensive income for the period								
	Profit (loss)	-	-	-	-	2,195,484	2,195,484	11,140	2,206,624
	Other comprehensive income	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	2,195,484	2,195,484	11,140	2,206,624
	Dividends paid to non-controlling interests	-	-	-	-	-	-	(29,400)	(29,400)
	Balance as at 30 June 2017	32,166,262	(5,678,076)	366,207	530,227	(69,278,348)	(41,893,728)	631,472	(41,262,256)
	Balance as at 1 January 2018	1,113,018	-	-	-	(40,667,235)	(39,554,217)	618,084	(38,936,133)
	Comprehensive income for the period								
	Profit (loss)	-	-	-	-	309,092	309,092	16,846	325,938
	Other comprehensive income	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	309,092	309,092	16,846	325,938
	Share capital increase	10,000,000	(9,500,000)	-	-	-	500,000	-	500,000
	Dividends paid to non-controlling interests	-	-	-	-	-	-	(29,400)	(29,400)
	Balance as at 30 June 2018	11,113,018	(9,500,000)	-	-	(40,358,143)	(38,745,125)	605,530	(38,139,595)

Notes to financial statements are integral parts of these financial statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of changes in shareholder's equity

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Unit: Thousand Baht

		Separate financial statements					
		Equity distribution			Retained earnings (deficit)		
		from shareholders					
		from repurchase					
		of subordinated					
		convertible debentures					
Note	Issued and paid-up share capital	Share discount on ordinary shares	Equity distribution from repurchase of subordinated convertible debentures	Legal reserve	Unappropriated (deficit)	Total shareholders' equity	
	Balance as at 1 January 2017	32,166,262	(5,678,076)	366,207	530,227	(71,430,535)	(44,045,915)
	Comprehensive income for the period						
	Profit (loss)	-	-	-	-	2,196,389	2,196,389
	Other comprehensive income	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	2,196,389	2,196,389
	Balance as at 30 June 2017	32,166,262	(5,678,076)	366,207	530,227	(69,234,146)	(41,849,526)
	Balance as at 1 January 2018	1,113,018	-	-	-	(40,683,208)	(39,570,190)
	Comprehensive income for the period						
	Profit (loss)	-	-	-	-	348,805	348,805
	Other comprehensive income	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	348,805	348,805
	Share capital increase	10,000,000	(9,500,000)				500,000
	Balance as at 30 June 2018	11,113,018	(9,500,000)	-	-	(40,334,403)	(38,721,385)

Notes to financial statements are integral parts of these financial statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) for the period	325,938	2,206,624	348,805	2,196,389
Adjustments for				
Depreciation and amortization	373,954	257,603	320,206	203,622
Bad debts and doubtful accounts	-	8,032	-	8,032
Loss on devaluation of inventories, decrease	100,550	193,829	100,550	174,999
Unrealized loss (gain) on exchange rate	526,698	(1,680,290)	526,159	(1,680,451)
Amortized income tax deducted at source	973	-	973	-
Write off equipment	5,304	-	5,304	-
Employee benefit provisions	9,822	10,273	8,349	8,349
Loss on onerous contracts (reversal)	115,791	(18,831)	115,791	(18,831)
Loss (gain) on disposal of equipment	-	41,915	-	12,975
Share of loss of joint venture (net of income tax)	38,103	62,396	-	-
Finance costs	460,774	524,746	458,091	518,698
Dividend income	-	-	(53,201)	(30,600)
Tax expense (income)	884	(24,303)	(16,446)	(30,826)
Profit (loss) from operating activities before changes in operating assets and liabilities	1,958,791	1,581,994	1,814,581	1,362,356
Changes in operating assets and liabilities				
Trade accounts receivable	(162,102)	(98,830)	(151,211)	(105,190)
Other receivables from related parties	(2,431)	(823)	3,903	(11,698)
Inventories	(1,148,955)	(833,974)	(1,137,356)	(809,931)
Other current assets	407,098	(102,802)	415,976	(14,356)
Other non-current assets	(73)	(409)	(186)	(160)
Trade accounts payable	27,318	450,498	37,571	456,561
Other payables to related parties	15,406	(700)	15,481	4,456
Other current liabilities	282,870	155,174	274,255	120,096
Cash provided from operating activities	1,377,922	1,150,128	1,273,014	1,002,134
Employee benefit obligations paid	(1,465)	(2,587)	(909)	(1,438)
Income tax paid	(4,740)	(18,626)	(767)	(583)
Income tax received	11,582	-	11,582	-
Net cash provided by operating activities	1,383,299	1,128,915	1,282,920	1,000,113

Notes to financial statements are integral parts of these financial statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of cash flows (Continued)

For the six-month periods ended 30 June 2018

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
(Increase) Decrease in restricted deposit at financial institution	(32,357)	(608)	(45,909)	-
Acquire of property, plant and equipment	(244,771)	(160,737)	(239,597)	(132,505)
Acquire of intangible assets	(979)	(382)	(709)	(269)
Sales of property, plant and equipment	-	1	-	-
Dividend received	22,601	-	53,201	30,600
Net cash used in investing activities	<u>(255,506)</u>	<u>(161,726)</u>	<u>(233,014)</u>	<u>(102,174)</u>
Cash flows from financing activities				
Finance cost paid	(45,535)	(51,820)	(42,851)	(45,216)
Increase (Decrease) in short-term borrowings from financial institution	(14,553)	11,666	-	-
Payments for long-term borrowings from financial institution	(1,266,955)	(506,810)	(1,266,955)	(506,810)
Debt settlement to other creditors under rehabilitation plan	(35,104)	(37,593)	(35,104)	(37,593)
Payments for liabilities under guarantees and other agreement	(395,963)	(227,773)	(395,963)	(227,773)
Payments for hire purchase and finance lease liabilities	(7,890)	(33,992)	-	(581)
Dividend paid	(29,400)	(29,400)	-	-
Net cash used in financing activities	<u>(1,795,400)</u>	<u>(875,722)</u>	<u>(1,740,873)</u>	<u>(817,973)</u>
Net increase (decrease) in cash and cash equivalents	(667,607)	91,467	(690,967)	79,966
Cash and cash equivalents at as 1 January	1,558,770	425,056	1,472,842	356,536
Cash and cash equivalents at as 30 June	<u>891,163</u>	<u>516,523</u>	<u>781,875</u>	<u>436,502</u>
Significant non-cash transactions				
Other payables for property, plant and equipment acquisition	1,971	4,628	1,971	4,628
Increase share capital by debts conversion	500,000	-	500,000	-

Sahaviriya Steel Industries Public Company Limited and its Subsidiaries
Condensed notes to financial statements
For the six -month periods ended 30 June 2018
(Unaudited/ Reviewed only)

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Sahaviriya Steel Industries Public Company Limited and its Subsidiaries
Condensed notes to financial statements
For the six -month periods ended 30 June 2018
(Unaudited/ Reviewed only)

1 General information

Sahaviriya Steel Industries Public Company Limited (the “Company”), is incorporated in Thailand and has its registered office at 28/1 Prapawit Building, 2nd-3rd Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok, Thailand and its plant located at 9, Moo 7, Tambon Mae Rumphueng, Amphur Bang Saphan, Prachuabkirikhan, Thailand. The Company, its subsidiaries and its joint venture are hereinafter collectively referred to as “the Group”.

The Company was listed on the Stock Exchange of Thailand in September 1994.

The major shareholders are Krung Thai Bank Public Company held at 40.49%, Siam Commercial Bank Public Company Limited held at 40.22% and Tisco Bank public Company Limited held at 7.87% of share capital.

The principal businesses of the Company are manufacturing and distributing of hot rolled coils. Details of the Company’s subsidiaries and joint venture are given in Note 6 and 7.

2 Basis for interim financial statements preparation

(a) Basis of adoption

The interim financial statements are prepared on a condensed basis and in accordance with Thai Accounting Standard No. 34 (Revised 2017) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and subsidiaries for the year ended 31 December 2017.

(b) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of interim financial statements, the management made significantly judgments in conformity with the accounting policy of the Group and the uncertainty in estimates as the same of the preparation of the financial statements for the year ended 31 December 2017.

(d) New financial reporting standards

Issued and revised financial reporting standards adoption during the periods

During the period, the Company has adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the period beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for the financial statements for the period beginning on or after 1 January 2019. The Company has not applied this financial reporting standard in the preparation of interim financial statements before effective date.

TFRS 15 Revenue from Contracts with Customers establishes for the entity to use in accounting for revenue arising from contracts with customers, the core principle is that the entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled. This standard introduces a five-step model to revenue recognition and requires the exercise of judgment for taking into consideration of the principle in each step of model applying. TFRS 15 supersedes TAS 11 (revised 2017) Construction Contracts, TAS 18 (revised 2017) Revenue, and the related interpretations.

At present, the Management of the Group is being assessed the impacts of this standard on the financial statements in the year in which it is initially applied.

(e) Going concern

For the six-month periods ended 30 June 2018, the Group incurred a net profit amount of Baht 325.9 million **(2017: net profit amount of Baht 2,206.6 million)** and as at the same date, the Group had cumulative deficit of amount of Baht 38,139.6 million **(31 December 2017: amount of Baht 38,936.1 million)**.

For the six-month-periods ended 30 June 2018, the Company incurred a net profit amount of Baht 348.9 million **(2017: net profit amount of Baht 2,196.4 million)** and as at the same date, the Company had cumulative deficit amount of Baht 38,721.4 million **(31 December 2017: amount of Baht 39,570.2 million)**.

In 2015, the Board of directors allowed the Company to file the petition for rehabilitation its business to the Central Bankruptcy Court on 1 October 2015. The Central Bankruptcy Court ordered to approve with the rehabilitation plan on 15 December 2016. The Plan is determined the Company to be a planner

The consolidated and separate financial statements have been prepared by management on the going concern basis on the assumption that the business rehabilitation will be achieved and such further capital and credit facilities will be secured to the extent that the Group's and the Company's operations require. However, the validity of this assumption is dependent on the success of the business rehabilitation plan as well as the measures taken to improve profitability and cash flows, the success of capital restructuring, the ability to repay debts on schedule over the periods and the availability of financing from other sources to meet funding requirements.

The consolidated and separate financial statements do not include any adjustments to the reclassification or carrying value of assets and liabilities that necessary should if the Group and the Company be unable to continue their operations as going concerns. If the Group and the Company were unable to continue as going concerns, the realizable value of assets may be significantly less than their current carrying value and additional liabilities may be incurred.

(f) Liquidation and Deconsolidation of SSI UK and Financial statements of SSI UK

Sahaviriya Steel Industries UK Limited (“SSI UK”) is an integrated iron and steel slab producer, from the results of operating loss and continuously reducing of the world steel price, as a result, In 2015, SSI UK has stopped its steel slab manufacturing and the liquidator was appointed and become control. The Company has no a power to control the business or operation of SSI UK Limited anymore. With this cause, assets and liabilities of SSI UK were eliminated from the consolidated financial statements and instead of the recognition of investment in SSI UK which were amortized in full by net realizable value during the 2015.

Net interests and carrying value of investments in SSI UK has been transferred to assets held for disposal in the separate financial statements as at 30 June 2018 and 31 December 2017. Details are as follows:

Unit : Thousand Baht

	Ownership interest (%)	Cost method	Impairment	At cost - net
Investments in Sahaviriya Steel Industries UK Limited	100	27,481,792	27,481,792	-

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

Related parties may be individuals or other entities.

Name of entities	Country of incorporation/ nationality	Nature of relationships
Prachuap Port Co., Ltd.	Thailand	Subsidiary, shareholding in the proportion of 51.00% Common director
West Coast Engineering Co., Ltd.	Thailand	Subsidiary, shareholding in the proportion of 99.99% Common director
Thai Cold Rolled Steel Sheet Public Company Limited	Thailand	Joint venture, shareholding in the proportion of 35.19% Common director
Sahaviriya Group Corporation Limited	Thailand	Major shareholder, 13.18% shareholding and direct and indirect shareholding by the Company's director(s)
Vanomet Holding AG	Switzerland	Major shareholder, 16.56% shareholding and common director with a subsidiary
Sahaviriya Inter Steel Holdings Co., Ltd.	Thailand	Major shareholder, 4.86% shareholding and common directors and direct and indirect shareholding by the Company's director(s)
Thai Coated Steel Sheet Co., Ltd.	Thailand	Shareholding by the Company and common directors
Bangsaphan Barmill Public Company Limited	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
B.S. Metal Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Plate Mill Public Company Limited	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prapawit Building Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Western Housing Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Sahaviriya Management Co.,Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
C.A.R. Services Co., Ltd.	Thailand	The direct and indirect shareholding by the Company's director(s)
Sahaviriya Panich Corporation Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Line Transport Co., Ltd.	Thailand	Common directors with the subsidiary and direct and indirect shareholding by the Company's director(s)
Saha Special Steel Co., Ltd.	Thailand	Direct and indirect shareholding by the Company director(s)
Bangpakong Lighter Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangpakong Port Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
ABC Trading Co., Ltd.	Thailand	Indirect shareholding by the Company director(s)
Sahaviriya Steel Corporation Co.,Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Thai Steel Sales Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prachuap Pattana Development Co.,Ltd	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SVL Corporation Co., Ltd	Thailand	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Shipping Limited	Hong Kong	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Vanomet AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet Finance AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet International AG	Switzerland	Common shareholder and common director with a subsidiary
Atlantic Steel AG	Switzerland	Common shareholder and common director with a subsidiary

Name of entities	Country of incorporation/ nationality	Nature of relationships
Bangpakong Shape Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Steel Process Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Capital Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangna 26 Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Praram 3 Thasai Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
KP Capital Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Pichai Agriculture & Land Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Long Steel Holding Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Credit Foncier Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Sahaviriya Orchid Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Surasak Muang-Chol Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangsaphan Steel Trading Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
C B S Consultant Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Bangpakong Steel Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Tong Real Estate Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Krisna Residence Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Growth Water Woods Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Chonglom Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Chumphontanee Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Soi Hiland Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Larn Pharam 3 Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prachuap Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Pomprachul Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Bangplakod Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Panich holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SSP Asset Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SV Nittan Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Phrapradaeng Shape Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Amarin Steel Co, Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Kim Heng Seng Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Saha Land Property Holding Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
SCJ & Associates Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
T C H Asset Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Thanarom Property Sale Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Thipayasombat Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Key management personnel	Thailand	Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies with subsidiary companies and joint venture	Pricing policies with related companies
Sale of goods	Third party pricing used, dependent on volume and relevant market considerations.	The pricing policies for particular types of transactions are explained further below:
Rendering of port services	Port services rendered are charged based on Ministry of Transportation determined rates, dependent on service volume and relevant market considerations.	Port services rendered are charged based on Ministry of Transportation determined rates, dependent on service volume and relevant market considerations.
Rendering of other services	Charges for rendering of services and maintenance-related services are based on agreements and common credit term.	Charges for rendering of services and maintenance-related services are based on agreements and common credit term.
Dividend income	Right to receive dividends	Right to receive dividends.
Other income	Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to subsidiaries and joint venture are based on agreements.	Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to related parties are based on agreements.
Purchase of goods	Purchases of goods for production are based on third party prices under terms and conditions normally applicable to similar transactions. Certain purchases of steel slab between the company and subsidiaries are based on the agreed price formula. Purchases of rolls are charged on agreed prices.	Purchases of raw material for production are based on market price.
Receiving of other services	Maintenance-related services are charged based on long-term maintenance service agreements. The term of the agreement can be modified according to business circumstances.	Transportation charges are based on agreements, dependent on cargo weight and distance. Warehouse rental is charged based on rental agreements. Cut sheet services are charged based on agreements.
Receiving of port services	Port services rendered are charged based on Ministry of Transportation determined rates, dependent on service volume and relevant market considerations.	
Distribution costs and administrative expense	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.	Domestic transportation services are charged based on agreements, dependent on cargo weight and distance. Office rental is charged based on rental agreements. Commission expense is charged based on agreements.
Interest and financial charges		Interest and financial charges are based on agreed rate, which approximates a market rate.

Significant transactions for the six-month periods ended 30 June 2018 and 2017 with related parties are summarized as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Subsidiaries				
Sales of goods	-	-	1,297	-
Purchases of goods and receiving of services	-	-	204,953	235,979
Dividend income	-	-	30,600	30,600
Other income	-	-	13,545	7,281
Distribution costs and administrative expenses	-	-	2,197	-
Joint venture				
Sales of goods	1,080,402	1,328,624	1,080,402	1,328,624
Rendering of services	57,604	45,235	-	-
Dividend income	22,601	-	22,601	-
Purchases of goods and receiving of services	102	3,062	-	3,062
Other income	6,679	5,212	6,679	5,212
Distribution costs and administrative expenses	83	315	83	314
Other related parties				
Sales of goods	1,291,584	1,599,786	1,291,584	1,599,785
Rendering of services	5,922	6,545	-	-
Purchases of goods and receiving of services (including other related expenses)	37,952	61,233	35,634	60,534
Other income	40,954	3,091	39,817	1,971
Distribution costs and administrative expenses	123,788	190,976	122,257	189,265

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Key management				
Key management personnel remuneration				
Short-term benefits	39,772	44,157	32,980	37,419
Statutory severance pay	1,322	1,322	1,321	1,322
Other long-term benefits	39	39	39	39
Total key management personnel remuneration	41,133	45,518	34,340	38,780

Balances as at 30 June 2018 and 31 December 2017 with related parties were as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Trade accounts receivable from related parties				
Joint venture				
Thai Cold Rolled Steel Sheet				
Public Company Limited	291,638	41,954	283,315	22,266
Other related parties				
B.S. Metal Co., Ltd.	1,885,942	1,838,312	1,885,942	1,838,312
Sahaviriya Panich Corporation Co., Ltd.	1,694,748	1,837,557	1,694,748	1,837,558
Others	1,543	1,425	-	-
Total	3,873,871	3,719,248	3,864,005	3,698,136
Less Allowance for doubtful accounts	(2,736,667)	(2,736,667)	(2,736,667)	(2,736,667)
Net	1,137,204	982,581	1,127,338	961,469

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Other receivables from related parties				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	28,454	36,904
Prachuap Port Co., Ltd.	-	-	161	-
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	3	1,731	3	23
Other related parties				
Vanomet AG (an advance payment for purchase of goods)	267,190	267,190	267,190	267,190
Sahaviriya Plate Mill Public Company Limited (net of allowance for doubtful accounts amount of Baht 48 million)	1,402	-	1,402	-
Line Transport Co., Ltd.	124	-	-	-
B.S. Metal Co., Ltd (net of allowance for doubtful accounts amount of Baht 13 million)	3,716	-	3,716	-
Others	304	1,388	240	952
Total	272,739	270,309	301,166	305,069

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Accrued income				
Subsidiary				
West Coast Engineering Co., Ltd.	-	-	576	459
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	1,048	290	221	290
Other related parties				
Thai Coated Steel Sheet Co., Ltd.	4,596	4,625	4,596	4,625
Bangsaphan Barmill Public Company Limited	4,936	5,036	4,936	5,036
B.S. Metal Co., Ltd.	220	136	220	136
Total	10,800	10,087	10,549	10,546

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Trade accounts payable to related parties				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	22,187	9,210
Prachuap Port Co., Ltd.	-	-	6,278	11,849
Other related parties				
B.S. Metal Co., Ltd.	1,255	37	1,138	37
Western Security Guard Co., Ltd.	222	217	-	-
SVL Corporation Co., Ltd.	8,240	43,410	8,222	43,392
Others	119	73	40	40
Total	9,836	43,737	37,865	64,528

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Other payables to related parties				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	216	2,209
West Coast Engineering Co., Ltd.	-	-	2,965	1,601
Other related parties				
Prapawit Building Property Co., Ltd.	1,679	335	1,679	335
SVL Corporation Co., Ltd.	49,763	35,289	49,755	35,281
Sahaviriya Plate Mill Public Company Limited	-	4,300	-	4,300
Others	5,686	1,798	5,686	1,093
Total	57,128	41,722	60,301	44,819

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Other current liabilities-prepayment for goods				
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	107,199	-	105,966	-
Other related parties				
Thai Steel Sales Co., Ltd.	2,836	-	2,836	-
Total	110,035	-	108,802	-

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Short-term borrowings from related parties				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	7,991	7,991
Total	-	-	7,991	7,991

Movements during the period on short-term borrowings from related parties were as follows:

	Unit : Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Subsidiaries		
At 1 January 2018	-	7,991
Decrease	-	-
At 30 June 2018	-	7,991

Significant agreements with related parties

Consortium agreement

On 20 January 2015 a subsidiary has entered into a consortium agreement with a local company in order to jointly-operate for projects from the State Railway of Thailand. As at 30 June 2018, the consortium has not operated the commercial operations.

4 Trade accounts receivable

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Related parties	3,873,871	3,719,248	3,864,004	3,698,136
Other parties	514,543	507,323	477,616	492,309
Total	4,388,414	4,226,571	4,341,620	4,190,445
Less Allowance for doubtful accounts	(3,021,532)	(3,021,545)	(3,020,476)	(3,020,476)
Net	<u>1,366,882</u>	<u>1,205,026</u>	<u>1,321,144</u>	<u>1,169,969</u>

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Related parties				
Within credit terms	481,826	234,491	473,787	216,546
Overdue:				
Less than 3 months	573,485	519,390	571,657	516,233
3-6 months	600,346	1,433,105	600,346	1,433,095
6-12 months	1,895,837	1,532,262	1,895,837	1,532,262
Over 12 months	322,377	-	322,377	-
	<u>3,873,871</u>	<u>3,719,248</u>	<u>3,864,004</u>	<u>3,698,136</u>
Less Allowance for doubtful accounts	(2,736,667)	(2,736,667)	(2,736,667)	(2,736,667)
	<u>1,137,204</u>	<u>982,581</u>	<u>1,127,337</u>	<u>961,469</u>

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Other parties				
Within credit terms	227,538	185,166	193,807	176,263
Overdue:				
Less than 3 months	1,872	2,157	-	-
3-6 months	-	32,237	-	32,237
6-12 months	-	2,617	-	-
Over 12 months	285,133	285,146	283,809	283,809
	514,543	507,323	477,616	492,309
Less Allowance for doubtful accounts	(284,865)	(284,878)	(283,809)	(283,809)
	229,678	222,445	193,807	208,500
Net	1,366,882	1,205,026	1,321,144	1,169,969

The normal credit terms granted by the Group ranges from 5 to 90 days.

As at 30 June 2018, the Management of the Company has not considered to provide additionally allowance for doubtful accounts since the Management expected to receive the payment from overdue related parties. At present, the Company still has goods selling to related parties with the payment conditions as stipulated in the Plan.

5 Inventories

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Finished goods	2,269,693	2,189,583	2,269,694	2,189,583
Work in process	37,669	6,876	-	-
Raw materials	2,511,052	2,541,168	2,526,180	2,537,102
Spare parts and factory supplies	782,669	752,806	782,669	752,806
Inventories under collateral management agreement (Note 12)	1,342,253	982,316	1,342,253	982,316
Goods in transit	1,988,290	1,309,923	1,988,290	1,309,924
	8,931,626	7,782,672	8,909,086	7,771,731
Less Allowance for decline in value	(514,902)	(414,353)	(514,902)	(414,353)
Total	8,416,724	7,368,319	8,394,184	7,357,378

6 Investments in subsidiaries

Investments in subsidiaries as at 30 June 2018 and 31 December 2017 were as follows:

Unit : Thousand Baht

Name of entity	Type of business	Separate financial statements										Dividend income for the six-month periods ended	
		Ownership proportion		Paid-up capital		Cost method		Impairment		At cost - net		30 June 2018	30 June 2017
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017
		(%)	(%)										
Prachuap Port Co., Ltd.	Deep-sea port and marine shipping services	51.00	51.00	400,000	400,000	204,000	204,000	-	-	204,000	204,000	30,600	30,600
West Coast Engineering Co., Ltd.	Maintenance services	99.99	99.99	75,000	75,000	75,000	75,000	-	-	75,000	75,000	-	-
Total						<u>279,000</u>	<u>279,000</u>	<u>-</u>	<u>-</u>	<u>279,000</u>	<u>279,000</u>	<u>30,600</u>	<u>30,600</u>

7 Investments in joint venture

Investments in joint venture as 30 June 2018 and 31 December 2017 were as follows:

Unit : Thousand Baht

Name of entity	Type of business	Consolidated financial statements											
		Ownership proportion		Paid-up capital		Cost method		Equity method		Share of profit for the six-month periods		Dividend income for the six-month periods ended	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		(%)	(%)										
Thai Cold Rolled Steel Sheet Public Company Limited	Production and distribution of cold rolled coils	35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	2,648,946	2,709,650	(38,103)	(62,396)	-	-
Total						3,817,962	3,817,962	2,648,946	2,709,650	(38,103)	(62,396)	-	-

The Group and the Company has pledged 150,176,007 common shares in a joint-venture, Thai Cold Rolled Steel Sheet Public Company Limited to Marubeni-Itochu Steel Inc. for a trading facility for the latter extended to Sahaviriya Steel Industries UK Limited. And the Company set-up a provision for loss on common shares in a joint-venture, Thai Cold Rolled Steel Sheet Public Company Limited pledged as collateral to Marubeni-Itochu Steel Inc. in the amount of Baht 513 million.

Unit : Thousand Baht

		Separate financial statements										Dividend income	
Name of entity	Type of business	Ownership proportion		Paid-up capital		Cost method		Impairment		At cost - net		for the six-month periods ended	
		30 June 2018 (%)	31 December 2017 (%)	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017
Thai Cold Rolled Steel Sheet Production and Public Company Limited	distribution of cold rolled coils	35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	22,601	-
Total						3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	22,601	-

Contingent liabilities and commitments relating to the joint venture:

	<u>30 June 2018</u>	<u>31 December 2017</u>
Contingent liabilities directly incurred by the Group		
Group's share of the joint venture's contingent liabilities	Baht 9 million	Baht 9 million
Capital commitments in relation to interest in joint venture		
Group's share of the joint venture according to		
- from capital expenditure	Baht 60 million, USD 0.39 million, JPY 275 million and Euro 0.07 million	Baht 87 million, USD 0.18 million, JPY 0.25 million, GBP 0.11 million and Euro 0.11 million
- from non-cancellable operating lease commitments	Baht 7 million	Baht 7 million
- from raw materials and chemical purchases	Baht 19 million, and USD 18.86 million	Baht 103 million, and USD 13.51 million
- from other contracts	Baht 13 million and JPY 5 million	Baht 11 million and JPY 11 million

8 Other long-term investment

Other long-term investment as at 30 June 2018 and 31 December 2017 were as follows:

Unit : Thousand Baht

Consolidated and Separate financial statements													
Name of entity	Type of business	Ownership proportion		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the six-month periods ended	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017
		(%)	(%)										
Thai Coated Steel Sheet Co., Ltd.	Manufacturing and distribution of Electro Galvanized Steel Sheet	3.70	3.70	2,206,990	2,206,990	294,000	294,000	294,000	294,000	-	-	-	-
Total						294,000	294,000	294,000	294,000	-	-	-	-

9 Property, plant and equipment

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value At 1 January 2018	11,302,042	9,902,762
Additions during the period – Cost method	246,743	241,569
Depreciation charge for the period	(365,363)	(312,426)
Disposals	(5,304)	(5,304)
Net book value At 30 June 2018	<u>11,178,118</u>	<u>9,826,601</u>

As at 30 June 2018, the Group and the Company has mortgaged/ pledged assets amounting to approximately Baht 9,279 million and Baht 8,978 million, respectively (**31 December 2017: Baht 9,428 million and Baht 9,113 million respectively**), as collateral against bank overdrafts, short-term borrowings and long-term borrowings from financial institutions, and letter of guarantee for electricity, port and goods warehouse, as described in Note 11, 13 and 20.

10 Deferred tax

Deferred tax assets and liabilities as at 30 June 2018 and 31 December 2017 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Assets		Liabilities	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Total	23,834	29,405	(56,074)	(72,955)
Tax offsetting	(11,289)	(11,552)	11,290	11,551
Net deferred tax assets (liabilities)	<u>12,545</u>	<u>17,853</u>	<u>(44,784)</u>	<u>(61,404)</u>

Unit : Thousand Baht

Separate financial statements

	Assets		Liabilities	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Deferred tax liabilities	-	-	(14,834)	(31,280)

Movements of deferred tax assets and liabilities during the period were as follows:

Unit : Thousand Baht

Consolidated financial statements

	As at 1 January 2018	(Charged)/Credited to:		As at 30 June 2018
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	214	(3)	-	211
Property, plant and equipment	10,164	(1,372)	-	8,792
Non-current provisions for employee benefit	6,595	183	-	6,778
Taxable loss carry forward	12,432	(4,379)	-	8,053
Total	29,405	(5,571)	-	23,834
Deferred tax liabilities				
Other current assets	(257)	(137)	-	(394)
Property, plant and equipment	(64,637)	16,663	-	(47,974)
Non-current provisions for employee benefit	(2,744)	-	-	(2,744)
Finance lease liabilities	(5,317)	355	-	(4,962)
Total	(72,955)	16,881	-	(56,074)

Unit : Thousand Baht

	Separate financial statements			As at 30 June 2018
	As at 1 January 2018	(Charged)/ Credited to:		
		Profit or loss	Other comprehensive income	
Deferred tax liabilities				
Property, plant and equipment	(28,536)	16,446	-	(12,090)
Non-current provisions for employee benefit	(2,744)	-	-	(2,744)
Total	(31,280)	16,446	-	(14,834)

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements as at 30 June 2018 and 31 December 2017 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Deferred tax assets				
- Deductible temporary differences	7,720,215	7,673,301	7,720,215	7,673,301
- Tax losses	318,881	561,592	318,881	561,592
Net	8,039,096	8,234,893	8,039,096	8,234,893

Tax losses of the companies in Thailand will expire in 2018 - 2023. Temporary differences do not expire under current tax legislation. The Group has not recognized deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom or temporary differences will be reversed in the future.

11 Short term borrowings from financial institution

As at 30 June 2018, the Group had unutilized credit facilities total amount of Baht 110.2 million and the Company had no credit facilities (at 31 December 2017: Baht 102.9 million for the Group only and no credit facilities for the Company).

Short-term borrowings from PPC, a subsidiary are guaranteed by mortgaging land with its construction structured thereon and / in the future of the subsidiary. Bank overdrafts and short-term borrowings of WCE, a subsidiary are guaranteed by mortgaging land with its construction and transferring the privileges derived from assets insurance of such subsidiary as stated in Note 9 to financial statements, and fixed deposit of subsidiary.

12 Trade accounts payable

	Unit: Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Related parties	9,836	43,737	37,864	64,528
Other parties	3,139,222	2,989,319	3,090,270	2,937,680
Total	<u>3,149,058</u>	<u>3,033,056</u>	<u>3,128,134</u>	<u>3,002,208</u>

Inventory under collateral management agreement

The Company entered into the collateral management agreements with two companies which are incorporated in Singapore and Japan. Under the terms of the agreements, the Company has to pay a partial deposit and the remainder when withdrawing inventory from the representative company. The Company retains all or a significant portion of the risks and rewards relating to the collateralized inventory. Inventory is stored in the warehouse facilities for which that counter party appoints a representative to act as the collateral manager. These transactions are treated as inventory under collateral management agreements and trade payable under collateral management agreements within the statement of financial position.

13 Liabilities under Rehabilitation Plan

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	30 June 2018	31 December 2017
Current portion		
Long-term borrowings from financial institution	1,042,291	1,038,620
Other payables	60,924	60,633
Provisions under guarantee contract	504,772	498,485
	<u>1,607,987</u>	<u>1,597,738</u>
Non-current portion		
Long-term borrowings from financial institution	22,041,400	23,319,835
Other payables	1,817,631	1,853,026
Provisions under guarantee contract	24,945,574	25,476,910
	<u>48,804,605</u>	<u>50,649,771</u>
	<u>50,412,592</u>	<u>52,247,509</u>
Accrued interest expenses	8,741,727	8,277,827
Total liabilities under business rehabilitation plan	<u><u>59,154,319</u></u>	<u><u>60,525,336</u></u>

Movement of liabilities under business rehabilitation plan for the six-month periods ended 30 June 2018 were as follows:

	Unit: Thousand Baht
	Consolidated and Separate financial statements
At 1 January 2018	52,247,509
Repayments	(1,698,022)
Conversion debt to equity (Note 14 and 15)	(500,000)
Unrealized loss on exchange rate	363,105
At 30 June 2018	<u><u>50,412,592</u></u>

Liabilities under business rehabilitation of secured portion, detailed of security, land building and equipment as stated in Note 9 to financial statements.

Liabilities under rehabilitation plan as at 30 June 2018 and 31 December 2017 classified by currency as follows:

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	30 June 2018	31 December 2017
Baht	25,364,101	26,731,984
USD	25,048,491	25,515,525
Total	<u>50,412,592</u>	<u>52,247,509</u>

14 Business rehabilitation plan

On 1 October 2015, the Board of directors the Company approved to file the petition for business rehabilitation to the Central Bankruptcy Court. Subsequent on 10 March 2016, the Central Bankruptcy Court has ordered the Company to rehabilitate the business and appointed the Company to be a planner (“the Planner”) which announced in the Royal Gazette on 26 April 2016.

As at 15 September 2016, the Official Receiver arranged the creditors meeting for considering the plan and the creditors’ meeting passed the special resolution to accept the rehabilitation plan (the Plan) and appointed three creditors to be the Board of creditors, consist of Siam Commercial Bank Public Company Limited, Krung Thai Bank Public Company Limited and Tisco Bank Public Company Limited.

As at 15 December 2016, the Central Bankruptcy Court has ordered to approve with the Plan which determined the Company to be a planner.

On 14 February 2017, a creditor filed to the Appeal and Specialized Court for appeal the order to approve with the plan for which the Appeal and Specialized Court ordered to dismiss a complaint. Such creditor applied a complaint to the Supreme Court on 14 August 2018. The case is still pending the Supreme Court’s trial, the ultimate outcome has not been known.

Progress of implementation of the Plan

Capital restructuring

The Company has converted debts to equity No.1 as determined in the Plan to the creditors by issuing new 10,000,000,000 ordinary shares at par value of Baht 1 each to four intended creditors in the value of Baht 0.05 per share, amounting to Baht 500 million and the Company has applied to amend the memorandum of association on 28 March 2018.

Application of debt repayment of creditors

As at 14 August 2018, there is pending application for repayment of debts, filed by a creditor, to be verified by the Official Receiver. The total claim of Baht 1,928.7 million (comprise principal and interest in Thai Baht 1,907.7 million and Baht 21.0 million respectively) for which the Company has not recorded liabilities for the debt claims from this creditor (Creditor Class 12) and is still pending the inspection of the Official Receiver since the Management deems that there are uncertainties and it is not probably to make such debts settlement by the Company.

The Company has made debt settlement to the creditors under rehabilitation plan for the six-month periods ended 30 June 2018 for total principal amount of Baht 2,198.0 million (included debts conversion to equity amount of Baht 500 million) and total interest amount of Baht 41.5 million, totally Baht 2,239.5 million.

15 Share capital

Movement of share capital for the six-month periods ended 30 June 2018 and 2017 as follows:

	Par value per share (in Baht)	2018		2017	
		Number	Amounts	Number	Amounts
		Thousand shares	Thousand Baht	Thousand shares	Thousand Baht
Authorized					
Ordinary shares					
As at 1 January	1	11,113,018	11,113,018	50,263,663	50,263,663
- Share capital decrease	1	-	-	(18,097,401)	(18,097,401)
As at 30 June	1	<u>11,113,018</u>	<u>11,113,018</u>	<u>32,166,262</u>	<u>32,166,262</u>
Issued and paid-up					
Ordinary shares					
As at 1 January		1,113,018	1,113,018	32,166,262	32,166,262
- Share capital increase	1	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
As at 30 June	1	<u>11,113,018</u>	<u>11,113,018</u>	<u>32,166,262</u>	<u>32,166,262</u>

Increase share capital

On 28 March 2018, as stated in Note 14 to financial statements, the Company has converted debts to equity No.1 as determined in the Plan to the creditors by issuing new 10,000,000,000 ordinary shares at par value of Baht 1 each to four intended creditors in the value of Baht 0.05 per share, amounting to Baht 500 million and the Company has applied to amend the memorandum of association.

16 Share discount on ordinary shares

	Unit : Thousand Baht
As at 1 January 2018	-
Increase	<u>(9,500,000)</u>
As at 30 June 2018	<u>(9,500,000)</u>

17 Financial information by segment

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment

Segment 1	Manufacture of hot rolled coils
Segment 2	Maintenance services
Segment 3	Deep-sea port services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

Information about segment income and profit for the six-month periods ended 30 June 2018 and 2017 are as follows:

Unit : Million Baht

	Manufacture of hot rolled coils		Maintenance services		Deep-sea port services		Elimination		Total segment	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	External revenue	16,009,219	11,282,328	152,139	71,204	106,078	88,095	-	-	16,267,436
Inter-segment revenue	-	-	168,506	209,606	36,944	28,044	(205,450)	(237,650)	-	-
Segment profit (loss) before income tax	332,359	2,165,563	27,575	80,598	54,397	34,558	(87,509)	(98,398)	326,822	2,182,321
Reportable segment assets as at 30 June	24,693,427	23,831,461	340,156	429,023	1,377,983	1,414,091	(913,499)	(932,563)	25,498,067	24,742,012

18 Income tax

Income tax recognition depends on the best estimates of the management in respect of the weighted average of tax rate for the year which expected for the period, using revenues before interim income tax, effective rate of the Group. The Company has the effects from these factors as following:

- Taxable losses and temporary different incurred during the period which deferred tax assets were not recorded since the management deems that there is no direction to utilize the future taxable profit.
- Certain net profit of the Group incurred from the promoted business activities that net profit of such activities were exempted from income tax.
- Losses of some subsidiaries of the Group cannot be netted with profit of other subsidiaries in income tax calculation.

19 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the period were based on the profit (loss) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period

For the six-month periods ended 30 June 2017, basic earnings (loss) per share are recalculated by the weighted average number of the decreasing ordinary shares which the potential that the decrease of ordinary shares incurred since the beginning date of the first period of reports.

For the six-month periods ended 30 June 2018 and 2017 as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit (Loss) for the period attributable to ordinary shareholders of the Company (Thousand Baht)	<u>309,092</u>	<u>2,195,484</u>	<u>348,805</u>	<u>2,196,389</u>
Number of common shares issued as at 1 January	1,113,018	1,113,018	1,113,018	1,113,018
Effects from share issued during the period	<u>5,222,222</u>	<u>-</u>	<u>5,222,222</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic) (Thousand shares)	<u>6,335,240</u>	<u>1,113,018</u>	<u>6,335,240</u>	<u>1,113,018</u>
Earnings (Loss) per share basic (in Baht)	<u>0.05</u>	<u>1.97</u>	<u>0.06</u>	<u>1.97</u>

20 Commitments and Contingent Liabilities

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Capital expenditures commitment				
Contracted but not provided for				
Machinery and equipment	69	76	65	75
Total	69	76	65	75

As at 30 June 2018, the Group had capital expenditures amount of Baht 29.6 million, USD 0.2 million and EUR 0.8 million (**31 December 2017: Baht 28.8 million, USD 0.1 million and EUR 1.1 million**) in relation to the acquisition and installation of machinery and equipment.

As at 30 June 2018, the Company had capital expenditures amount of Baht 25.9 million, USD 0.2 million and EUR 0.8 million (**31 December 2017: Baht 27.6 million, USD 0.1 million and EUR 1.1 million**) in relation to the acquisition and installation of machinery and equipment.

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Non-cancellable operating lease commitments				
Within one year	12	9	8	8
After one year but within five years	9	9	4	8
Total	21	18	12	16
Other commitments				
Raw materials purchases	3,734	3,247	3,734	3,247
letter of credit	-	10	-	-
Other agreements	521	481	512	453
Total	4,255	3,738	4,246	3,700

As at 30 June 2018, the Group had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 284 million, USD 3.7 million, EUR 3.0 million and JPY 3.3 million **(31 December 2017: Baht 170 million, USD 4.8 million, EUR 3.7 million and JPY 11.3 million)**.

As at 30 June 2018, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 268 million, USD 3.7 million, EUR 3.0 million and JPY 3.3 million **(31 December 2017: Baht 170 million, USD 4.8 million, EUR 3.7 million and JPY 11.3 million)**.

Contingent liabilities

- a) As at 30 June 2018 and 31 December 2017, the Group was liable to banks in respect to the following guarantees:

	(Unit: million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Electricity supply	107	107	104	104
Performance guarantees	44	42	-	-
Others	16	16	5	5
Total	<u>167</u>	<u>165</u>	<u>109</u>	<u>109</u>

As at 30 June 2018, the Group had outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of the business. These included letters of guarantee for:

- To the Customs Department in respect of the establishment of a wharf and go-downs amounting to Baht 16 million **(31 December 2017: amount of Baht 16 million)**,
 - The contractual performance amounting to Baht 44 million **(31 December 2017: amount of Baht 42 million)**,
 - Electricity usage amount of Baht 107 million **(31 December 2017: amount of Baht 107 million)**.
- b) As at 30 June 2018, the Company has contingent liabilities from guarantee contracts and damages under agreement in the amount of USD 31 million with the condition that the environment damages incurred and conformed to the environment responsibility condition under the trading of integrated still mill and steel trading agreement dated 24 February 2013.

Dispute

Land in Prachuabkirikhan

- a) On 9 July 2010, the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch (“the Land Office”) ordered the Company and a subsidiary to submit the Certificates of Utilization (Nor. Sor. 3 Kor) (“the Certificates”) for various plots of land, with an aggregate value of Baht 123.1 million for the Company and Baht 187.6 million for the subsidiary, for cancellation. Later, the Land Office announced that it was issuing replacement certificates for the Certificates (Nor. Sor. 3 Kor). The Company and the subsidiary filed a lawsuit against the officers of the Land Office with the Central Administrative Court “CAC”, petitioning the CAC to order the cancellation of the announcement of the Company and the subsidiary. The Company and the subsidiary also petitioned the CAC to identify measures to provide them with temporary relief. The Court accepted the lawsuit for consideration.

On 1 September 2010, the Company and the subsidiary filed a lawsuit against the Director-General of the Department of Lands and the Deputy Permanent Secretary of the Ministry of Interior with the CAC, petitioning the court to order the revocation of the order of the Director-General of the Department of Lands issued on 5 January 2010, which ordered the revocation and rewriting of the area under the Certificates, and the withdrawal of the appeal decision of the Deputy Permanent Secretary of the Ministry of Interior. Also, the Company and the subsidiary requested the Court to suspend the execution of a sentence of the CAC. Presently, the Court is in a process of submitting the deposition of the defendant to the Company and the subsidiary. In addition, the court ordered to combine this case with the charge that the Company and the subsidiary filed a lawsuit against the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch, as discussed above. However, in the preparation of financial statements, the Company and subsidiaries have recorded provision for impairment of land and assets structured thereon in full since 2007 and 2008, respectively.

On 29 August 2017, the Central Administrative Court has dismissed the case, subsequent on 27 September 2017, the Company and subsidiary filed the appeal to protest the judgment to the Administrative Supreme Court.

- b) On 20 December 2010, the Bangsaphan Sheriff, as the official responsible for the oversight and care of the National Forest, Klong Mae-Rumphueng forest, Prachuabkirikhan province (“the Forest”), issued a written order for the Company and the subsidiary to vacate the land for which the Director-General of the Department of Lands ordered revocation of the Certificates and for which the Land Office issued replacement certificates for the Certificates within 30 January 2011.

On 30 March 2011, the Company and the subsidiary filed a lawsuit petitioning the CAC to order the cancellation of written order of the Bangsaphan Sheriff on 20 December 2010, for the Company and the subsidiary to vacate from the Forest and to undertake no activities on that land.

On 20 February 2018, the Central Administrative Court has judged to dismiss the aforementioned lawsuit, subsequent on 19 March 2018, the Company and subsidiary filed the appeal to dispute the judgment to the Central Administrative Court which is currently considered by the Central Administrative Court.

On 6 August 2013, the Central Administrative Court ordered to stay the execution ordering the Company and its subsidiary to vacate from the National Forest and to undertake no activities on that land. Subsequent on 23 December 2014, the CAC reversed the ordering to relieve the execution which ordered the Company and its subsidiary to vacate from the National Forest. However, the Company and subsidiary deems that the ultimate outcome will not be affected to the future operation of the Company and subsidiary.

21 Approval of interim financial statements

These interim financial statements were approved and authorized for issue by the Company's Board of directors on 14 August 2018.