

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

AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2019
(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 reviewed 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 2019, 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 on this reviewed interim financial information.

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. 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. And as stated in notes 15 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 on 25 March 2019, there is the order of the Official Receiver to dismiss the application for receiving debt settlement of such creditor. At present, such creditor is being filed extends the time request for the disputation of which Central Bankruptcy Court allow for extend the time for the disputation up to 19 August 2019, 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 2019, 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 3,624.7 million as at 30 June 2019 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 888.0 million and net overdue debts in the amount of Baht 888.0 million. 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 2019. 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 2019 in the amount of Baht 1,261.4 million and Baht 1,207.0 million respectively and as at the same date, they incurred capital deficiency in the amount of Baht 39,222.0 million and Baht 39,170.2 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 15 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 to notes 3 to the financial statements, in during the six-month periods ended 30 June 2019 the Group and the Company sold goods to related companies and joint venture in the normal course of business totaling Baht 1,990.7 million which represented 13.6 percent of the Group's total sales (in 2018: Baht 2,372.0 million which represented 14.8 percent) and Baht 1,990.7 million which represented 13.6 percent of the Company total sales (in 2018: Baht 2,373.3 million which represented 14.8 percent) and as at 30 June 2019, the Group's and the Company's outstanding trade accounts receivable from those related parties amounted to Baht 903.5 million which represented 82.5 percent of trade accounts receivable of the Group (as at 31 December 2018: Baht 1,035.2 million which represented 89.8 percent) and Baht 888.0 million which represented 85.3 per cent of trade accounts receivable of the Group (as at 31 December 2018: Baht 1,026.3 million which represented 96.2 percent).

D I A International Audit Company Limited

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

14 August 2019

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of financial position

As at 30 June 2019

Unit: Thousand Baht

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)	30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)
Current assets					
Cash and cash equivalents		603,090	755,831	514,015	691,251
Trade accounts receivable	4	1,095,207	1,153,094	1,041,596	1,067,078
Other receivables from related parties	3	231,524	307,528	269,699	350,805
Inventories	5	8,670,436	9,672,926	8,653,890	9,659,959
Other current assets		215,826	242,628	158,441	142,507
Assets held for disposal from liquidation of subsidiary	2(f)	-	-	-	-
Total current assets		10,816,083	12,132,007	10,637,641	11,911,600
Non-current assets					
Restricted deposit at financial institution		204,597	98,331	200,369	92,039
Investments in subsidiaries	6	-	-	279,000	279,000
Investments in joint venture	7	2,621,241	2,598,112	3,159,668	3,159,668
Other long-term investment	8	-	-	-	-
Property, plant and equipment	9	10,960,697	11,048,411	9,700,259	9,740,471
Intangible assets		13,978	13,294	8,767	7,588
Deferred tax assets	10	3,839	8,351	-	-
Other non-current assets		10,894	10,364	9,590	8,981
Total non-current assets		13,815,246	13,776,863	13,357,653	13,287,747
Total assets		24,631,329	25,908,870	23,995,294	25,199,347

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 2019

Unit: Thousand Baht

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)	30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)
Current liabilities					
Short-term borrowings from financial institutions	11	28,644	30,000	-	-
Trade accounts payable	12	5,063,907	5,795,983	5,029,799	5,734,700
Other payables to related parties	3	71,893	143,340	150,527	148,082
Current portion of finance lease liabilities		10,401	17,402	625	625
Current portion of long-term borrowings from financial institutions	13	1,072,311	1,045,962	1,072,311	1,045,962
Current portion of other payables under rehabilitation plan	13	63,826	61,279	63,826	61,279
Current portion of provisions under guarantees contracts liabilities	13	556,185	511,059	556,185	511,059
Short-term borrowings from related parties	3	-	-	7,991	7,991
Provisions for onerous contracts		-	1,073	-	1,073
Income tax payable		3,629	4,307	-	-
Other current liabilities		426,006	345,595	356,321	268,379
Total current liabilities		7,296,802	7,956,000	7,237,585	7,779,150
Non-current liabilities					
Finance lease liabilities		2,323	4,131	1,000	1,324
Long-term borrowings from financial institutions	13	20,508,418	21,057,748	20,508,418	21,057,748
Other payables under rehabilitation plan	13	1,750,889	1,784,075	1,750,889	1,784,075
Provisions under guarantees contracts	13	22,507,774	24,087,184	22,507,774	24,087,184
Accrued interest under rehabilitation plan	13	9,266,412	9,073,957	9,266,412	9,073,957
Non-current provisions for employee benefit	14	311,031	200,358	264,574	165,353
Deferred tax liabilities	10	43,835	43,350	14,970	13,896
Other non-current liabilities		824	824	824	824
Total non-current liabilities		54,391,506	56,251,627	54,314,861	56,184,361
Total liabilities		61,688,308	64,207,627	61,552,446	63,963,511

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 2019

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)	30 June 2019 (Unaudited/ reviewed only)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
<i>Shareholders' equity</i>					
Share capital	16				
Authorized share capital					
11,113,018,280 common shares of Baht 1 each		11,113,018	11,113,018	11,113,018	11,113,018
Issued and paid-up share capital					
11,113,018,280 common shares of Baht 1 each		11,113,018	11,113,018	11,113,018	11,113,018
Share discount on ordinary shares		(9,500,000)	(9,500,000)	(9,500,000)	(9,500,000)
Deficit		(39,222,007)	(40,474,693)	(39,170,170)	(40,377,182)
Equity owners of the Company		(37,608,989)	(38,861,675)	(37,557,152)	(38,764,164)
Non-controlling interests		552,010	562,918	-	-
Capital deficiency/total shareholders' equity		(37,056,979)	(38,298,757)	(37,557,152)	(38,764,164)
Total liabilities and shareholders' equity		24,631,329	25,908,870	23,995,294	25,199,347

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Income					
Revenue from sale of goods		14,605,315	16,009,236	14,605,161	16,009,219
Revenue from rendering of services		289,512	258,200	234	-
Gain on exchange rate, net		1,619,280	-	1,619,116	-
Dividend income	6, 7	-	-	20,400	53,201
Other income		44,897	33,006	42,142	41,836
Total income		16,559,004	16,300,442	16,287,053	16,104,256
Expenses					
Cost of sales		13,990,305	14,165,353	14,043,375	14,220,057
Cost of rendering of services		213,200	169,111	-	-
Distribution costs		301,481	303,736	295,181	298,707
Administrative expenses		307,545	247,207	253,261	212,617
Management benefit expenses	3	49,474	41,133	43,935	34,340
Loss on exchange rate, net		-	432,412	-	432,294
Loss on onerous contracts (reversal)		(1,073)	115,791	(1,073)	115,791
Finance costs		400,367	460,774	399,081	458,091
Total expenses		15,261,299	15,935,517	15,033,760	15,771,897
Share of profit (loss) by equity-accounted investees					
Joint venture	7	23,129	(38,103)	-	-
Profit (loss) before income tax expense		1,320,834	326,822	1,253,293	332,359
Tax (expense) income	10	(16,688)	(884)	(3,818)	16,446
Profit (loss) for the period		1,304,146	325,938	1,249,475	348,805
Profit (loss) attributable to:					
Owners of the Company		1,295,835	309,092	1,249,475	348,805
Non-controlling interests		8,311	16,846	-	-
Profit (loss) for the period		1,304,146	325,938	1,249,475	348,805
Basic earnings (loss) per share (Baht)	19	0.12	0.05	0.11	0.06

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 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit (loss) for the period		<u>1,304,146</u>	<u>325,938</u>	<u>1,249,475</u>	<u>348,805</u>
Other comprehensive income					
Item that will not be reclassified to profit or loss :					
Components of other comprehensive income					
Actuarial losses	14	(45,589)	-	(45,207)	-
Less Taxable effects		<u>2,821</u>	<u>-</u>	<u>2,744</u>	<u>-</u>
Other comprehensive for the period - net of tax		<u>(42,768)</u>	<u>-</u>	<u>(42,463)</u>	<u>-</u>
Total comprehensive income for the period		<u>1,261,378</u>	<u>325,938</u>	<u>1,207,012</u>	<u>348,805</u>
Total comprehensive income attributable to:					
Owners of the Company		1,252,686	309,092	1,207,012	348,805
Non-controlling interests		<u>8,692</u>	<u>16,846</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>1,261,378</u>	<u>325,938</u>	<u>1,207,012</u>	<u>348,805</u>

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

Statements of changes in shareholder's equity

For the six-month periods ended 30 June 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

		Consolidated financial statements							
				Retained earnings (deficit)					
				Equity distribution from shareholders			Equity attributable to	Non-	
		Issued and paid-up share capital	Share discount on ordinary shares	from repurchase of subordinated convertible debentures	Legal reserve	Unappropriated (deficit)	owners of the Company	controlling interests	Total shareholders' equity
<i>Note</i>									
	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)
	Balance as at 1 January 2019	11,113,018	(9,500,000)	-	-	(40,474,693)	(38,861,675)	562,918	(38,298,757)
	Comprehensive income for the period								
	Profit (loss)	-	-	-	-	1,295,835	1,295,835	8,311	1,304,146
	Other comprehensive income	-	-	-	-	(43,149)	(43,149)	381	(42,768)
	Total comprehensive income for the period	-	-	-	-	1,252,686	1,252,686	8,692	1,261,378
	Dividends paid to non-controlling interests	-	-	-	-	-	-	(19,600)	(19,600)
	Balance as at 30 June 2019	11,113,018	(9,500,000)	-	-	(39,222,007)	(37,608,989)	552,010	(37,056,979)

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 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

		Separate financial statements				
		Issued and paid-up share capital	Share discount on ordinary shares	Retained earnings (deficit)		Total shareholders' equity
<i>Note</i>	Legal reserve			Unappropriated (deficit)		
	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)
	Balance as at 1 January 2019	11,113,018	(9,500,000)	-	(40,377,182)	(38,764,164)
	Comprehensive income for the period					
	Profit (loss)	-	-	-	1,249,475	1,249,475
	Other comprehensive income	-	-	-	(42,463)	(42,463)
	Total comprehensive income for the period	-	-	-	1,207,012	1,207,012
	Balance as at 30 June 2019	11,113,018	(9,500,000)	-	(39,170,170)	(37,557,152)

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 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	1,304,146	325,938	1,249,475	348,805
<i>Adjustments for</i>				
Depreciation and amortization	356,124	373,954	303,426	320,206
Loss on devaluation of inventories, decrease (reversal)	(310,596)	100,550	(310,596)	100,550
Unrealized loss (gain) on exchange rate	(1,450,157)	526,698	(1,450,500)	526,159
Amortized income tax deducted at source	-	973	-	973
Write off equipment	130	5,304	130	5,304
Employee benefit provisions	66,246	9,822	54,820	8,349
Loss on onerous contracts (reversal)	(1,073)	115,791	(1,073)	115,791
Loss (gain) on disposal of plant, property and equipment	(352)	-	(281)	-
Share of loss of joint venture (net of income tax)	(23,129)	38,103	-	-
Finance costs	400,367	460,774	399,081	458,091
Dividend income	-	-	(20,400)	(53,201)
Tax expense (income)	16,688	884	3,818	(16,446)
Corporate income tax accrued (reversal)	(1,584)	-	-	-
<i>Profit (loss) from operating activities before changes in operating assets and liabilities :</i>				
	356,810	1,958,791	227,900	1,814,581
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	57,527	(162,102)	25,482	(151,211)
Other receivables from related parties	75,839	(2,431)	80,941	3,903
Inventories	1,313,086	(1,148,955)	1,316,665	(1,137,356)
Other current assets	14,657	407,098	(14,998)	415,976
Other non-current assets	(530)	(73)	(608)	(186)
Trade accounts payable	(694,424)	27,318	(667,269)	37,571
Other payables to related parties	(71,447)	15,406	2,445	15,481
Other current liabilities	48,481	282,870	56,437	274,255
<i>Cash provided from operating activities</i>				
	1,099,999	1,377,922	1,026,995	1,273,014
Employee benefit obligations paid	(1,161)	(1,465)	(806)	(909)
Income tax paid	(16,401)	(4,740)	(936)	(767)
Income tax received	23,152	11,582	-	11,582
Net cash provided by operating activities	1,105,589	1,383,299	1,025,253	1,282,920

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 2019

(Unaudited/ Reviewed only)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Cash flows from investing activities</i>				
(Increase) Decrease in restricted deposit at financial institution	(106,266)	(32,357)	(108,330)	(45,909)
Acquire of property, plant and equipment	(266,394)	(244,771)	(259,906)	(239,597)
Sales of property, plant and equipment	374	-	281	-
Acquire of intangible assets	(2,979)	(979)	(2,596)	(709)
Dividend received	-	22,601	20,400	53,201
Net cash used in investing activities	(375,265)	(255,506)	(350,151)	(233,014)
<i>Cash flows from financing activities</i>				
Finance cost paid	(37,039)	(45,535)	(35,753)	(42,851)
Increase (Decrease) in short-term borrowings from financial institutio	(1,356)	(14,553)	-	-
Payments for long-term borrowings from financial institution	(522,981)	(1,266,955)	(522,981)	(1,266,955)
Debt settlement to other creditors under rehabilitation plan	(30,639)	(35,104)	(30,639)	(35,104)
Payments for liabilities under guarantees and other agreement	(262,641)	(395,963)	(262,641)	(395,963)
Payments for hire purchase and finance lease liabilities	(8,809)	(7,890)	(324)	-
Dividend paid	(19,600)	(29,400)	-	-
Net cash used in financing activities	(883,065)	(1,795,400)	(852,338)	(1,740,873)
Net increase (decrease) in cash and cash equivalents	(152,741)	(667,607)	(177,236)	(690,967)
Cash and cash equivalents at as 1 January	755,831	1,558,770	691,251	1,472,842
Cash and cash equivalents at as 30 June	603,090	891,163	514,015	781,875
Significant non-cash transactions				
Other payables for property, plant and equipment acquisition	15,138	1,971	14,453	1,971
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 2019
(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 2019
(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 2018) 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 2018. 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 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company.

(b) Basis of measurements

These financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

(c) 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.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with TFRS requires management to make judgments, 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 uncertainly in estimates as the same of the preparation of the financial statements for the year ended 31 December 2018.

(e) Going concern

For the six-month periods ended 30 June 2019, the Group incurred a comprehensive income amount of Baht 1,261.4 million (2018: net profit amount of Baht 325.9 million) and as at the same date, the Group had cumulative deficit of amount of Baht 39,222.0 million (31 December 2018: amount of Baht 40,474.7 million). Negative shareholders amounted to Baht 37,057.0 million (31 December 2018 : amount of Baht 38,298.8 million)

For the six-month-periods ended 30 June 2019, the Company incurred a net profit amount of Baht 1,207.0 million (2018: net profit amount of Baht 348.8 million) and as at the same date, the Company had cumulative deficit amount of Baht 39,170.2 million (31 December 2018: amount of Baht 40,377.2 million). Negative shareholders amounted to Baht 37,557.2 million (31 December 2018 : amount of Baht 38,764.2 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 2019 and 31 December 2018. Details are as follows:

Unit : Thousand Baht

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

(g) NEW FINANCIAL REPORTING STANDARDS

1) Issued and revised financial reporting standards adoption during the period

During the period, the Company has adopted a number of revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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. However the new standard involves changes to key principles, which are summarized below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standards:

TAS 11 (Revised 2017) Construction contracts

TAS 18 (Revised 2017) Revenue

Thai Standing Interpretations Committee:

TSIC 31 (Revised 2017) Revenue - Barter Transactions Involving Advertising Services

Thai Financial Reporting Interpretations Committee:

TFRIC 13 (Revised 2017) Customer Loyalty Programmes

TFRIC 15 (Revised 2017) Agreements for the Construction of Real Estate

TFRIC 18 (Revised 2017) Transfers of Assets from Customers

The Group and the Company Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company adopted TFRS 15 that have no significantly impacts on the financial statements of the Company.

2) *Financial reporting standards that will become effective in the future*

Financial reporting standards that will be effective for the financial statements that have accounting periods beginning on or after January 1, 2020. The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarized below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Interpretations Committee

TFRIC 16	Hedges of a Net Investments in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements.

Thai Financial Reporting Standards No. 16 Leases

TFRS 16 Leases set out the principals of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

TFRS 16 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standards:

TAS 17 (Revised 2018) Leases

Thai Standing Interpretations Committee:

TSIC 15 (Revised 2018) Operating Leases - Incentives

TSIC 27 (Revised 2018) Evaluating The Substance of Transactions Involving the Legal Form
of a Lease

Thai Financial Reporting Interpretations Committee:

TFRIC 4 (Revised 2018) Determining whether an Arrangement contain a Lease

At present, the Management of the Company is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

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, shareholding and direct and indirect shareholding by the Company's director(s)
Vanomet Holding AG	Switzerland	Major shareholder, shareholding and common director with a subsidiary
Sahaviriya Inter Steel Holdings Co., Ltd.	Thailand	Major shareholder, 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)
Western Security Guard 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.

Significant transactions for the six-month periods ended 30 June 2019 and 2018 with related parties are summarized as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Subsidiaries				
Sales of goods	-	-	-	1,297
Purchases of goods and receiving of services	-	-	208,130	204,953
Dividend income	-	-	20,400	30,600
Other income	-	-	10,696	13,545
Distribution costs and administrative expenses	-	-	8	2,197
Joint venture				
Sales of goods	589,741	1,080,402	589,741	1,080,402
Rendering of services	63,680	57,604	-	-
Purchases of goods and receiving of services	56	102	-	-
Dividend income	-	22,601	-	22,601
Other income	7,480	6,679	7,480	6,679
Distribution costs and administrative expenses	13,485	83	13,485	83
Other related parties				
Sales of goods	1,400,975	1,291,584	1,400,975	1,291,584
Rendering of services	8,966	5,922	-	-
Purchases of goods and receiving of services (including other related expenses)	30,715	37,952	29,583	35,634
Other income	21,833	40,954	20,507	39,817
Distribution costs and administrative expenses	164,131	123,788	159,264	122,257

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Key management				
Key management personnel remuneration				
Short-term benefits	47,176	39,772	41,637	32,980
Statutory severance pay	2,226	1,322	2,226	1,321
Other long-term benefits	72	39	72	39
Total key management personnel remuneration	49,474	41,133	43,935	34,340

Balances as at 30 June 2019 and 31 December 2018 with related parties were as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade accounts receivable from related parties				
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	12,521	70,558	-	64,036
Other related parties				
B.S. Metal Co., Ltd.	1,837,056	1,876,515	1,837,056	1,876,500
Sahaviriya Panich Corporation Co., Ltd.	1,787,646	1,822,424	1,787,646	1,822,424
Others	2,941	2,356	-	-
Total	3,640,164	3,771,853	3,624,702	3,762,960
<i>Less</i> Allowance for doubtful accounts	(2,736,667)	(2,736,667)	(2,736,667)	(2,736,667)
Net	903,497	1,035,186	888,035	1,026,293

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<i>Other receivables from related parties</i>				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	39,038	43,404
Prachuap Port Co., Ltd.	-	-	53	53
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	30	3	30	3
Other related parties				
Vanomet AG (an advance payment for purchase of goods)	228,528	262,512	228,528	262,512
Vanomet International AG (an advance payment for purchase of goods)	-	43,850	-	43,850
Sahaviriya Plate Mill Public Company Limited (net of allowance for doubtful accounts amount of Baht 48 million)	405	-	405	-
Line Transport Co., Ltd.	249	104	-	-
B.S. Metal Co., Ltd (net of allowance for doubtful accounts amount of Baht 17 million)	1,412	-	1,412	-
Others	900	1,059	233	983
Total	231,524	307,528	269,699	350,805

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Accrued income				
Subsidiary				
West Coast Engineering Co., Ltd.	-	-	451	549
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	5,198	5,462	180	174
Other related parties				
Thai Coated Steel Sheet Co., Ltd.	4,818	4,966	4,818	4,966
Bangsaphan Barmill Public Company Limited	4,903	4,652	4,903	4,652
B.S. Metal Co., Ltd.	157	139	157	139
Total	15,076	15,219	10,509	10,480

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Trade accounts payable to related parties				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	14,258	16,177
Prachuap Port Co., Ltd.	-	-	10,686	3,108
Other related parties				
B.S. Metal Co., Ltd.	1,144	530	994	530
Western Security Guard Co., Ltd.	223	266	-	-
SVL Corporation Co., Ltd.	17,259	13,293	17,249	13,283
Others	294	79	42	41
Total	18,920	14,168	43,229	33,139

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<i>Other payables to related parties</i>				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	-	-
West Coast Engineering Co., Ltd.	-	-	79,283	5,299
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	-	98,235	-	98,235
Other related parties				
Prapawit Building Property Co., Ltd.	2,029	219	2,029	219
Thai Steel Sales Co., Ltd.	2,814	2,687	2,334	2,327
SVL Corporation Co., Ltd.	30,245	22,247	30,245	22,247
B.S. Metal Co., Ltd.	23,071	13,866	23,071	13,866
Others	13,734	6,086	13,565	5,889
Total	71,893	143,340	150,527	148,082

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<i>Short-term borrowings from related parties</i>				
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	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Subsidiaries				
At 1 January 2019	-	-	7,991	7,991
Unchangeable	-	-	-	-
At 30 June 2019	-	-	7,991	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 2019, the consortium has not operated the commercial operations.

4 Trade accounts receivable

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Related parties (Note 3)	3,640,164	3,771,853	3,624,702	3,762,960
Other parties	476,472	402,726	437,370	324,594
Total	4,116,636	4,174,579	4,062,072	4,087,554
<i>Less</i> Allowance for doubtful accounts	(3,021,429)	(3,021,485)	(3,020,476)	(3,020,476)
Net	1,095,207	1,153,094	1,041,596	1,067,078

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Related parties				
Within credit terms	7,714	71,438	-	64,036
Overdue:				
Less than 3 months	7,748	165,981	-	164,490
3-6 months	-	1,042,429	-	1,042,429
6-12 months	1,132,697	1,172,003	1,132,697	1,172,003
Over 12 months	2,492,005	1,320,002	2,492,005	1,320,002
	3,640,164	3,771,853	3,624,702	3,762,960
<i>Less</i> Allowance for doubtful accounts	(2,736,667)	(2,736,667)	(2,736,667)	(2,736,667)
	<u>903,497</u>	<u>1,035,186</u>	<u>888,035</u>	<u>1,026,293</u>

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Other parties				
Within credit terms	187,418	82,328	151,710	19,167
Overdue:				
Less than 3 months	3,532	34,242	1,851	21,409
3-6 months	-	209	-	209
6-12 months	-	761	-	-
Over 12 months	285,522	285,186	283,809	283,809
	476,472	402,726	437,370	324,594
<i>Less</i> Allowance for doubtful accounts	(284,762)	(284,818)	(283,809)	(283,809)
	191,710	117,908	153,561	40,785
Net	<u>1,095,207</u>	<u>1,153,094</u>	<u>1,041,596</u>	<u>1,067,078</u>

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

As at 30 June 2019, 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
	2019	2018	2019	2018
Finished goods	2,317,177	2,846,780	2,328,048	2,859,875
Work in process	18,798	24,103	618	-
Raw materials	1,399,274	1,711,265	1,393,372	1,709,306
Spare parts and factory supplies	771,333	787,549	767,998	787,549
Inventories under collateral management agreement (<i>Note 12</i>)	1,309,545	2,556,226	1,309,545	2,556,226
Goods in transit	3,390,037	2,593,327	3,390,037	2,593,327
	9,206,164	10,519,250	9,185,618	10,506,283
<i>Less</i> Allowance for decline in value	(535,728)	(846,324)	(535,728)	(846,324)
Total	8,670,436	9,672,926	8,653,890	9,659,959

6 Investments in subsidiaries

Investments in subsidiaries as at 30 June 2019 and 31 December 2018 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	30
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	June 2019	June 2018
		(%)	(%)										
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	20,400	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						279,000	279,000	-	-	279,000	279,000	20,400	30,600

7 Investments in joint venture

Investments in joint venture as 30 June 2019 and 31 December 2018 were as follows:

Unit : Thousand Baht

		Consolidated financial statements											
Name of entity	Type of business	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 2019 (%)	31 December 2018 (%)	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
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	2,621,241	2,598,112	23,129	(38,103)	-	-
Total						<u>3,817,962</u>	<u>3,817,962</u>	<u>2,621,241</u>	<u>2,598,112</u>	<u>23,129</u>	<u>(38,103)</u>	<u>-</u>	<u>-</u>

Thai Cold Rolled Steel Sheet Public Company Limited has operated its business

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

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 2019 (%)	31 December 2018 (%)	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
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:

	30 June 2019	31 December 2018
<i>Contingent liabilities directly incurred by the Group</i>		
Group's share of the joint venture's contingent liabilities	Baht 9 million	Baht 9 million
 <i>Capital commitments in relation to interest in joint venture</i>		
Group's share of the joint venture according to		
- from capital expenditure	Baht 34 million, USD 0.46 million, JPY 49.23 million and Euro 0.14 million	Baht 60 million, USD 0.39 million, JPY 179 million,
- from non-cancellable operating lease commitments	Baht 5.28 million	Baht 7 million
- from raw materials and chemical purchases	Baht 12.32 million, and USD 12 million	Baht 6.62 million, and USD 3.59 million
- from other contracts	Baht 15 million and JPY 5.28 million	Baht 13 million and JPY 11 million
- from guarantees	Baht 9.29 million	Baht 9.29 million
- from other commitments	-	Baht 28.40 million

8 Other long-term investment

Other long-term investment as at 30 June 2019 and 31 December 2018 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 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(%)	(%)										
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 2019	11,048,411	9,740,471
Additions during the period – Cost method	266,267	261,927
Depreciation charge for the period	(353,829)	(302,009)
Disposals	(152)	(130)
Net book value At 30 June 2019	10,960,697	9,700,259

As at 30 June 2019, the Group and the Company has mortgaged/ pledged assets amounting to approximately Baht 9,046 million and Baht 8,755 million, respectively (*31 December 2018: Baht 9,141 million and Baht 8,845 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 2019 and 31 December 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements			
	Assets		Liabilities	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Total	15,509	19,542	(55,505)	(54,541)
Tax offsetting	(11,670)	(11,191)	11,670	11,191
Net deferred tax assets (liabilities)	3,839	8,351	(43,835)	(43,350)

Unit : Thousand Baht

Separate financial statements

Assets		Liabilities	
30 June 2019	31 December 2018	30 June 2019	31 December 2018
Deferred tax liabilities	-	(14,970)	(13,896)

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

Unit : Thousand Baht

Consolidated financial statements

	(Charged)/ Credited to:			As at 30 June 2019
	As at 1 January 2019	Profit or loss	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	202	(11)	-	191
Property, plant and equipment	7,398	(1,371)	-	6,027
Non-current provisions for employee benefit	7,001	2,214	76	9,291
Taxable loss carry forward	4,941	(4,941)	-	-
Total	19,542	(4,109)	76	15,509
Deferred tax liabilities				
Other current assets	(229)	(275)	-	(504)
Property, plant and equipment	(46,814)	(3,602)	-	(50,416)
Non-current provisions for employee benefit	(2,744)	-	2,744	-
Finance lease liabilities	(4,753)	168	-	(4,585)
Total	(54,540)	(3,709)	2,744	(55,505)

Unit : Thousand Baht

	Separate financial statements			As at 30 June 2019
	(Charged)/Credited to:			
	As at 1 January 2019	Profit or loss	Other comprehensive income	
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(11,152)	(3,818)	-	(14,970)
Non-current provisions for employee benefit	(2,744)	-	2,744	-
Total	(13,896)	(3,818)	2,744	(14,970)

Tax expense for the six-month periods ended 30 June 2019 and 2018 are summarized as follow :

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax recognized in profit or loss				
Income tax for the period	(8,870)	(17,765)	-	-
Deferred tax				
Changes in temporary differences	(7,818)	16,881	(3,818)	16,446
Total tax (expense) income	(16,688)	(884)	(3,818)	16,446
Tax (income) relating to actuarial losses credited to other comprehensive income	2,725	-	2,744	-
Total	(13,963)	(884)	(1,074)	16,446

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements as at 30 June 2019 and 31 December 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2018	31 December 2018
<i>Deferred tax assets</i>				
- Deductible temporary differences	7,744,741	7,782,660	7,744,741	7,782,660
- Tax losses	303,722	497,730	303,722	497,730
Net	8,048,463	8,280,390	8,048,463	8,280,390

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 2019, the Group had unutilized credit facilities total amount of Baht 122.5 million and the Company had no credit facilities (at 31 December 2018: Baht 122.5 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, 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
	2019	2018	2019	2018
Related parties (Note 3)	18,920	14,168	43,229	33,139
Other parties	5,044,987	5,781,815	4,986,570	5,701,561
Total	5,063,907	5,795,983	5,029,799	5,734,700

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		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<i>Current portion</i>				
Short-term borrowings from related parties	-	-	7,991	7,991
Long-term borrowings from financial institution	1,072,311	1,045,962	1,072,311	1,045,962
Other payables	63,826	61,279	63,826	61,279
Provisions under guarantee contract	556,185	511,059	556,185	511,059
	1,692,322	1,618,300	1,700,313	1,626,291
<i>Non-current portion</i>				
Long-term borrowings from financial institution	20,508,418	21,057,748	20,508,418	21,057,748
Other payables	1,750,889	1,784,075	1,750,889	1,784,075
Provisions under guarantee contract	22,507,774	24,087,184	22,507,774	24,087,184
	44,767,081	46,929,007	44,767,081	46,929,007
Total liabilities under rehabilitation plan	46,459,403	48,547,307	46,467,394	48,555,298
Accrued interest expenses	9,266,412	9,073,957	9,266,412	9,073,957
Total liabilities under business rehabilitation plan	55,725,815	57,621,264	55,733,806	57,629,255

Movement of liabilities under business rehabilitation plan for the six-month periods ended 30 June 2019 and 2018 were as follows:

Unit: Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
At 1 January 2019	48,547,307	52,247,507	48,555,298	52,255,498
Repayments	(816,261)	(3,027,477)	(816,261)	(3,027,477)
Conversion debt to equity	-	(500,000)	-	(500,000)
Unrealized loss on exchange rate	(1,271,643)	(172,723)	(1,271,643)	(172,723)
At 30 June 2019	46,459,403	48,547,307	46,467,394	48,555,298

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 2019 and 31 December 2018 classified by currency as follows:

	Unit : Thousand Baht			
	Consolidated and Separate		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Baht	23,732,936	24,307,213	23,740,927	24,315,204
USD	22,726,467	24,240,094	22,726,467	24,240,094
Total	46,459,403	48,547,307	46,467,394	48,555,298

14 Non-current Provisions for employee benefit

The movement in the present value of the defined benefit obligations for the six-month periods ended 30 June 2019 were shown in the table below

	Unit : Thousand Baht	
	Consolidated	Separate
	financial	financial
	statements	statements
	2019	2019
Defined benefit obligations at 1 January	200,358	165,353
Recognized in profit or loss:		
Current service costs and interest	66,246	54,820
Others		
Benefits paid by the plan	(1,161)	(806)
Actuarial losses recognized in other comprehensive income		
during the period	45,588	45,207
Defined benefit obligations at 30 June	311,031	264,574

Expenses related to long-term employee benefits for the six-month periods ended 30 June 2019 recognized in statement of comprehensive income as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
	2019	2019
Cost of sales	43,477	38,968
Distribution costs	2,402	2,333
Administrative expenses	20,367	13,519
Total	<u>66,246</u>	<u>54,820</u>

On 5 April 2019, new Labour Protection Act was published in the Royal Gazette which will become effective after 30 days from the date of its publication in the Royal Gazette onwards which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. The Group and The Company has recorded the effects in additionally providing non-current provisions for employee benefits amount of Baht 49.7 million and 40.7 million respectively in accordance with new Labour Protection Act in this period.

15 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 26 February 2019. The case is still pending the Supreme Court’s trial, the ultimate outcome has not been known.

Progress of implementation of the Plan

Application of debt repayment of creditors

As from a creditor in Group 12th filed the application for receiving the debt settlement under the rehabilitation plan that the official Receiver has ordered to dismiss the application of this creditor on 25 March 2019 and subsequent, such creditor requested to ended the period to file the disputation the office Receiver’s order to the Central Bankruptcy Court of which permitted to extend the period to 19 August 2019 with the amount for receiving debt settlement for the principal and interest total amount of Baht 1,928.7 million. The application for receiving of debt settlement will becomes to an end if this creditor dose not file the application but if done, the application will be taken into the further process of the Court.

The Company has made debt settlement to the creditors under rehabilitation plan for the six-month periods ended 30 June 2019 for total principal amount of Baht 816.2 million and total interest amount of Baht 36.7 million, totally Baht 852.9 million.

16 Share capital

No Movement of share capital for the six-month periods ended 30 June 2019.

17 Segment information.

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 business

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 2019 and 2018 are as follows:

Unit : Thousand Baht

	Manufacture		Maintenance services		Deep-sea port services		Elimination		Total segment	
	of hot rolled coils									
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	<u>14,605,395</u>	<u>16,009,219</u>	<u>194,862</u>	<u>152,139</u>	<u>94,570</u>	<u>106,078</u>	<u>-</u>	<u>-</u>	<u>14,894,827</u>	<u>16,267,436</u>
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>178,678</u>	<u>168,506</u>	<u>30,158</u>	<u>36,944</u>	<u>(208,836)</u>	<u>(205,450)</u>	<u>-</u>	<u>-</u>
Segment profit (loss) before income tax	<u>1,253,293</u>	<u>332,359</u>	<u>32,033</u>	<u>27,575</u>	<u>25,745</u>	<u>54,397</u>	<u>9,763</u>	<u>(87,509)</u>	<u>1,320,834</u>	<u>326,822</u>
Reportable segment assets as at 30 June	<u>23,995,294</u>	<u>24,693,427</u>	<u>373,146</u>	<u>340,156</u>	<u>1,274,424</u>	<u>1,377,983</u>	<u>(1,011,535)</u>	<u>(913,499)</u>	<u>24,631,329</u>	<u>25,498,067</u>

Geographical segments

- Segment 1 - is managed and operates manufacturing facilities and sales offices in Thailand
- Segment 2 and 3 - operate principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Income				
Domestic	14,887,557	16,219,939	14,605,395	16,009,219
Overseas	7,270	47,497	-	-
Total	14,894,827	16,267,436	14,605,395	16,009,219

Major customer

Revenues from 3 customers of the Group's segment 1 represent approximately Baht 6,490 million (2018: 3 customers Baht 6,066 million)

Revenues from 3 customers of the Company's segment 1 represent approximately Baht 6,490 million (2018: 3 customers Baht 6,066 million)

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 2019 and 2018 as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Profit (Loss) for the period attributable to ordinary shareholders of the Company (Thousand Baht)	1,295,835	309,092	1,249,475	348,805
Number of ordinary shares issued as at 1 January	11,113,018	1,113,018	11,113,018	1,113,018
Effects from share issued during the period	-	5,222,222	-	5,222,222
Weighted average number of ordinary shares outstanding (basic) (Thousand shares)	11,113,018	6,335,240	11,113,018	6,335,240
Earnings (Loss) per share basic (in Baht)	0.12	0.05	0.11	0.06

20 Commitments and Contingent Liabilities

Unit: Million Baht

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Capital expenditures commitment				
<i>Contracted but not provided for</i>				
Machinery and equipment	153	57	171	109
Total	153	57	171	109

As at 30 June 2019, the Group had capital expenditures amount of Baht 63 million, USD 0.4 million and EUR 2.2 million (31 December 2018: Baht 40.1 million, USD 0.4 million and EUR 0.3 million) in relation to the acquisition and installation of machinery and equipment.

As at 30 June 2019, the Company had capital expenditures amount of Baht 82 million, USD 0.4 million and EUR 2.2 million (31 December 2018: Baht 93 million, USD 0.1 million and EUR 0.4 million) in relation to the acquisition and installation of machinery and equipment.

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Non-cancellable operating lease commitments				
Within one year	11	13	8	9
After one year but within five years	6	5	2	1
Total	17	18	10	10
Other commitments				
Raw materials purchases	1,860	2,722	1,860	2,722
Letter of credit	-	10	-	-
Other agreements	857	720	836	689
Total	2,717	3,452	2,696	3,411

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 390 million, USD 5.6 million, EUR 6.3 million and JPY 4.1 million and GBP 0.3 million (31 December 2018: Baht 347 million, USD 3.1 million, EUR 4.8 million and JPY 5.8 million and GBP 0.3 million).

As at 30 June 2019, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 427 million, USD 5.6 million, EUR 6.3 million and JPY 4.1 million (31 December 2018: Baht 145 million, USD 3.1 million, EUR 4.8 million and JPY 5.8 million).

The Company has forward contract lines from a financial institution for the amount of USD 90.03 million. The exchange rate of 31.05 - 31.98 Baht per USD. As at June 30, 2019, the Company entered into forward contract with a commercial which maturity date is less than three months.

Contingent liabilities

- a) As at 30 June 2019 and 31 December 2018, 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
	2019	2018	2019	2018
Electricity supply	107	107	104	104
Performance guarantees	31	79	-	-
Others	11	16	-	5
Total	149	202	104	109

As at 30 June 2019, 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 11 million (31 December 2018: amount of Baht 16 million),
- The contractual performance amounting to Baht 31 million (31 December 2018: amount of Baht 79 million),
- Electricity usage amount of Baht 107 million (31 December 2018: amount of Baht 107 million).

- b) As at 30 June 2019, 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 2011.

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 recharting 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. 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.

In addition, the Court ordered to try this case together with the case in which the Company and subsidiary filed a lawsuit against the abovementioned officer of Land Department. Prachuap Kiri Khan Province, Bang Saphan Branch.

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.

Which is still pending the Court’s trial

- 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 still pending the Court’s trial

However, the Management of the Company and subsidiaries believes that the results of trial will not be affected to the future operation of the Company and subsidiaries. In the preparation of financial statement, the Company and subsidiaries have fully recorded provision for impairment of land and asset structured on such land in the year 2007 and 2008 respectively.

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 2019.