### **SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARY**

### **CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**

### **for the three-month period ended 31 MARCH 2021 AND 2020 (Unaudited but reviewed)**

1. **NATURE OF OPERATIONS**

Siam Steel Service Center Public Company Limited, (“the Company”), is a company registered in Thailand and listed on the Stock Exchange of Thailand. The Company is engaged in the manufacturing of accessories made from steel, installing metal roofing and wall panels and providing steel cutting services. The registered offices of the Company are in different locations as follow:

|  |  |
| --- | --- |
| a)  Factory 1 | :51/3 Poochao - Samingprai Road, Tumbon Bangyaprak, Amphur Phrapradeang, Samutprakarn |
| b)  Factory 2 | :51/11 Poochao - Samingprai Road, Tumbon Bangyaprak, Amphur Phrapradeang, Samutprakarn |
| c)  Factory 3 | :60/6 Moo 3, Tumbon Mabyangporn, Amphur Pluakdeang, Rayong |

The major shareholders of the Company are Okaya & Co., Ltd. (31.50% shareholding) and Siam Steel International Public Company Limited (24.51% shareholding).

Detail of the Company’s subsidiary is given the Note 10.

1. **BASIS OF FINANCIAL STATEMENTS PREPARATION**
2. Basic of interim financial statements preparation

The interim financial statements for the three-month periods ended 31 March 2021 have been prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and are presented in Thai Baht currency which do not include all the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should therefore be read in conjunction with the full set of financial statements for the year ended 31 December 2020.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements into another language must conform to the Thai financial report.

These interim financial statements were approved by the Company’s directors on 14 May 2021.

1. Principles of consolidation

The interim consolidated financial statements included the financial statements of Siam Steel Service Center Public Company Limited and its subsidiary and are prepared on the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2020. There has been no significant changes in the subsidiary during the period.

1. **SIGNIFICANT ACCOUNTING POLICIES**

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Group for the year ended 31 December 2020, except for the adoption of the new and amended Thai Financial Reporting Standards, interpretations and guidance that become effective for the preparation of financial statements for the period beginning on 1 January 2021. The amendment of these Thai Financial Reporting Standards was made to comply with International Financial Reporting Standards with clearer explanation on accounting treatment and guidance for the users.

The adoption of this new and amended Thai Financial Reporting Standard has no material impact on the financial statements of the Group.

1. **ESTIMATES AND JUDGEMENT**

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenues, and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation, are based on the same basis as those applied in the preparation of annual financial statements for the year ended 31 December 2020.

1. **CASH AND CASH EQUIVALENTS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (Unit : Thousand Baht) | | | | | | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| Cash on hand | 1,228 |  | 1,165 |  | 1,000 |  | 1,000 |
| Cash at bank - Current accounts | 27,198 |  | 25,949 |  | 18,664 |  | 19,307 |
| - Savings accounts | 327,494 |  | 367,152 |  | 324,628 |  | 361,167 |
| Cheques in transit | 7,150 |  | 2,350 |  | 7,150 |  | 2,350 |
| Total | 363,070 |  | 396,616 |  | 351,442 |  | 383,824 |

1. **TRADE ACCOUNTS RECEIVABLE**

As at 31 March 2021 and 31 December 2020, trade accounts receivable classified by outstanding aging are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (Unit : Thousand Baht) | | | | | | | | | | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | |  | | | SEPARATE F/S | | | | | |
|  | 31 March 2021 |  | | | | 31 December 2020 | | | |  | | | 31 March 2021 | |  | | 31 December 2020 | |
| **Trade accounts receivable**  **- general customers - net** | | |  | | | |  | | | |  | | |  | |  | |  |
| Not yet due | 913,201 |  | | | | 782,881 | | | |  | | | 913,201 | |  | | 782,881 | |
| Overdue: |  |  | | | |  | | | |  | | |  | |  | |  | |
| Less than 3 months | 5,008 |  | | | | 20,890 | | | |  | | | 446 | |  | | 5,818 | |
| 3 - 6 months | 6,858 |  | | | | 13,750 | | | |  | | | 312 | |  | | 2,280 | |
| 6 - 12 months | 10,108 |  | | | | 3,681 | | | |  | | | 4,403 | |  | | 2,822 | |
| More than 12 months | 22,257 |  | | | | 21,163 | | | |  | | | 20,170 | |  | | 19,328 | |
| Total | 957,432 |  | | | | 842,365 | | | |  | | | 938,532 | |  | | 813,129 | |
| Less Allowance for expected credit loss | (14,370) |  | | | | (14,590) | | | |  | | | (14,370) | |  | | (14,590) | |
| Net | 943,062 |  | | | | 827,775 | | | |  | | | 924,162 | |  | | 798,539 | |
|  |  |  | |  | | | |  | | | |  | | |  | |  | |
| **Trade accounts receivable**  **- related companies** | | |  | |  | | | |  | | | |  | | |  | |  |
| Not yet due | 50,336 |  | | 41,213 | | | |  | | | | 50,336 | | |  | | 42,019 | |
| Overdue: |  |  | |  | | | |  | | | |  | | |  | |  | |
| Less than 3 months | - |  | | - | | | |  | | | | 842 | | |  | | 1,944 | |
| 3 - 6 months | - |  | | - | | | |  | | | | - | | |  | | 641 | |
| Total | 50,336 |  | | 41,213 | | | |  | | | | 51,178 | | |  | | 44,604 | |

The Company and subsidiary do not set up allowance for expected credit loss in full amount for trade accounts receivable overdue over 12 months because most of those are under installment payments and/or covered by collateralized assets to guarantee the payments. If the Company cannot collect the payments from customers, it can confiscate such assets. Based on the Company management’s assessment, the value of collateralized assets is worth more than the outstanding receivables.

During the period, the movements in allowance for expected credit loss are as follow:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  |  | CONSOLIDATED AND SEPARATE F/S |
|  |  |  |
| Balance as at 1 January 2021 |  | 14,590 |
| Less Reversal of allowance for expected credit loss |  | (220) |
| Balance as at 31 March 2021 |  | 14,370 |

1. **TRANSACTIONS WITH RELATED PARTIES**

The Company has significant business transactions with related parties. Certain portions of the Company’s assets, liabilities, sales, other income, cost of sales and selling and administrative expenses occurred with related parties. Those transactions, as included in the financial statements, are determined at prices in line with those occurred in the normal course of business based on the market prices in general or the price as stipulated in the agreement, if there is no comparable market price.

Significant related parties consist of:

| Name of subsidiaries |  | Country of incorporation |  | Type of Business |  | Relationship |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
| Siam Steel Vietnam Co., Ltd. |  | Vietnam |  | Manufacturing and sale of roof-formed steel products for automobile, construction, furniture and electronics industries |  | Subsidiary |
| Vina Okaya International Co., Ltd. |  | Vietnam |  | Trading of iron and steel, non-ferrous metal |  | Same shareholder |
| Vna Steel Center Co., Ltd. |  | Vietnam |  | Trading of iron and steel, non-ferrous metal and warehousing |  | Same shareholder |
| Okaya & Co., Ltd. |  | Japan |  | Steel brokerage, metallic machine, steel pipe, chemical and etc. |  | Company’s major shareholder |
| Siam Steel International Public Co., Ltd. |  | Thailand |  | Manufacturing and distribution of steel furniture |  | Co-Directorship and Company’s major shareholder |
| Nippon Steel Pipe (Thailand) Co., Ltd. |  | Thailand |  | Manufacturing and distribution of special steel pipe for automobile and semi manufacturing industry |  | Directorship and same shareholder |
| Union Auto Parts Manufacturing Co., Ltd. |  | Thailand |  | Manufacturing and distribution of auto parts |  | Directorship and same shareholder |
| Siam Goshi Manufacturing Co., Ltd. |  | Thailand |  | Manufacturing and distribution parts and equipment of motorcycle and engines |  | Directorship and same shareholder |
| Siam Suriya Co., Ltd. |  | Thailand |  | Trading of steel |  | Directorship and same shareholder |
| Okaya (Thailand) Co., Ltd. |  | Thailand |  | Steel brokerage, metallic machine, steel pipe, chemical and etc. |  | Directorship and same shareholder |
| Siam MTK Co., Ltd. |  | Thailand |  | Steel brokerage, metallic machine, steel pipe, chemical and etc. |  | Same shareholder |
| Siam Environmental Technology Co., Ltd. |  | Thailand |  | Providing of utilities |  | Same shareholder |
| Nippon Steel Logistics (Thailand) Co., Ltd. |  | Thailand |  | Transportation, storage and distribution of paper storage |  | Subsidiary of Siam Nippon Steel Logistics Co., Ltd. |
| Unity Service Co., Ltd. |  | Thailand |  | Providing of utilities and nursing facilities |  | Directorship |

Significant transactions with related parties for the three-month periods ended 31 March 2021 and 2020 are as follow:

|  |  |  |  | (Unit : Thousand Baht) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | CONSOLIDATED F/S | | |  | | SEPARATE F/S | | | |
|  |  |  |  | For the three-month periods ended 31 March | | | | | | | | |
|  |  | The pricing policy |  | 2021 |  | 2020 | |  | | 2021 |  | 2020 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Sales and installation services income |  | Market prices |  | 38,781 |  | 47,972 | |  | | 38,781 |  | 50,179 |
| Steel cutting services income and other income |  | Market prices |  | 4,593 |  | 3,627 | |  | | 4,593 |  | 3,627 |
| Rental income |  | Market prices |  | 1,017 |  | 1,063 | |  | | 1,017 |  | 1,063 |
| Purchase of raw materials |  | Market prices |  | 693,960 |  | 658,719 | |  | | 693,960 |  | 658,719 |
| Expenses and other purchases |  | Market prices |  | 6,532 |  | 6,208 | |  | | 6,532 |  | 6,208 |
| Purchase of assets |  | Market prices |  | 2 |  | - | |  | | 2 |  | - |
| Interest income |  | Agreed rate |  | - |  | - | |  | | 131 |  | 86 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Key directors and management personnel compensation | | |  |  |  |  | |  | |  |  |  |
| Current directors and management benefits | | |  | 6,270 |  | 8,363 | |  | | 6,270 |  | 8,363 |
| Post - employment benefits | | |  | 288 |  | 474 | |  | | 288 |  | 474 |
| Total | | |  | 6,558 |  | 8,837 | |  | | 6,558 |  | 8,837 |

As at 31 March 2021 and 31 December 2020, the outstanding balances with related companies are as follows:

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
| Trade accounts receivable |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 842 |  | 3,391 |
| Related companies | 50,336 |  | 41,213 |  | 50,336 |  | 41,213 |
| Total | 50,336 |  | 41,213 |  | 51,178 |  | 44,604 |
|  |  |  |  |  |  |  |  |
| Amounts due from |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 149 |  | 150 |
| Related companies | 3 |  | 108 |  | 3 |  | 108 |
| Total | 3 |  | 108 |  | 152 |  | 258 |
|  |  |  |  |  |  |  |  |
| Short-term loan to |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 9,352 |  | 11,947 |

As at 31 March 2021 and 31 December 2020, the movements in short-term loan to subsidiary are as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | | |
|  |  | SEPARATE F/S | | |
|  |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |
| Balance - beginning of the period |  | 11,947 |  | 5,995 |
| Add Additional loan granted |  | - |  | 12,319 |
| Less Received of repayment |  | (2,987) |  | (6,143) |
| Unrealized gain (loss) on foreign exchange rate |  | 392 |  | (224) |
| Balance - ending of the period |  | 9,352 |  | 11,947 |

Short-term loan to Siam Steel Vietnam Co., Ltd is without any collateral with interest at the rate of 4.50% per annum. The loan is due at call.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
| Trade accounts payable | |  |  |  |  |  |  |
| Related companies | 165,717 |  | 63,951 |  | 165,717 |  | 61,890 |
|  |  |  |  |  |  |  |  |
| Key management personnel compensation | |  |  |  |  |  |  |
| Post - employment benefit | 23,348 |  | 22,973 |  | 23,348 |  | 22,973 |

1. **CONTRACTED ASSETS AND CONTRACTED LIABILITIES**

The Company and subsidiary have outstanding balances of contracted assets and contracted liabilities with customers as follow:

|  |  |  | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| **Contracted assets** |  |  |  |  |  |  |  |
| Unbilled accrued income | 125,480 |  | 112,601 |  | 125,480 |  | 112,601 |
| Retention receivable | 22,272 |  | 21,487 |  | 22,272 |  | 21,487 |
| Total contracted assets | 147,752 |  | 134,088 |  | 147,752 |  | 134,088 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Contracted liabilities** |  |  |  |  |  |  |  |
| Advances from customers | 59,256 |  | 58,274 |  | 55,253 |  | 56,420 |
| Total contracted liabilities | 59,256 |  | 58,274 |  | 55,253 |  | 56,420 |

1. Unbilled accrued income and advances from customers

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| **Unbilled accrued income** |  |  |  |  |  |  |  |
| Contracted sales value | 377,671 |  | 293,721 |  | 377,671 |  | 293,721 |
| Accumulated amount recognized as revenue on percentage of completion basis | 245,192 |  | 210,718 |  | 245,192 |  | 210,718 |
| Less Amounts billed | (119,712) |  | (98,117) |  | (119,712) |  | (98,117) |
| Unbilled accrued income | 125,480 |  | 112,601 |  | 125,480 |  | 112,601 |
|  |  |  |  |  |  |  |  |
| **Retention receivable** | 22,272 |  | 21,487 |  | 22,272 |  | 21,487 |
|  |  |  |  |  |  |  |  |
| **Advances from customers** |  |  |  |  |  |  |  |
| Amounts received per contracts | 122,799 |  | 106,339 |  | 108,852 |  | 100,160 |
| Amounts billed | 106,803 |  | 86,212 |  | 106,803 |  | 86,211 |
| Less Accumulated amount recognized as revenue on percentage of completion basis | (47,547) |  | (27,938) |  | (51,550) |  | (29,791) |
| Advances from customers | 59,256 |  | 58,274 |  | 55,253 |  | 56,420 |

1. Revenue expected to be recognized from existing contracts

As at 31 March 2021, the Company and subsidiary expected to recognize revenues in the future from performance work that are still uncompleted (or partially completed) under existing contracts with customers totalling Baht 339.84 million (Separate F/S totalling Baht 212.59 million).

1. **INVENTORIES - NET**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| Raw materials | 477,861 |  | 464,556 |  | 466,530 |  | 451,715 |
| Finished goods | 141,556 |  | 107,291 |  | 141,556 |  | 107,291 |
| Work in process | 57,130 |  | 59,833 |  | 49,874 |  | 53,851 |
| Spare parts and supplies | 53,113 |  | 54,457 |  | 53,113 |  | 54,457 |
| Raw materials in transit | 52,294 |  | 29,363 |  | 52,294 |  | 29,363 |
| Total | 781,954 |  | 715,500 |  | 763,367 |  | 696,677 |
| Less Allowance for decline value of inventories | (271) |  | (559) |  | (271) |  | (559) |
| Net | 781,683 |  | 714,941 |  | 763,096 |  | 696,118 |

During the period, the Company has movements in allowance for decline value of inventories as follow:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  |  | CONSOLIDATED F/S AND SEPARATE F/S |
|  |  |  |
| Balance as at 1 January 2021 |  | 559 |
| Reversal of allowance for decline value of inventories |  | (288) |
| Balance as at 31 March 2021 |  | 271 |

1. **INVESTMENTS IN SUBSIDIARY**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | (Unit : Thousand Baht) | |
|  |  | Paid–up | Percentage of holding | | | SEPARATE F/S | |
| Company | Type of business | share capital | 31 Mar 2021 | 31 Dec 2020 | | 31 Mar 2021 | 31 Dec 2020 |
|  | |  |  |  | |  |  |
| Investment in subsidiary | |  |  |  | |  |  |
| Siam Steel Vietnam  Co., Ltd. | Manufacturing and sale of roll-formed steel products for construction, furniture, automobile and electronics industries | 26,698 | 90.00 | 90.00 | | 24,029 | 24,029 |
| Total |  |  |  |  | | 24,029 | 24,029 |

1. **INVESTMENT PROPERTY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | | |
|  |  | CONSOLIDATED F/S AND SEPARATE F/S | | |
|  |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |
| Land |  | 24,621 |  | 24,621 |
| Land and buildings |  | 6,734 |  | 6,734 |
| Total |  | 31,355 |  | 31,355 |

As at 31 March 2021, the fair value of above investment properties is approximately Baht 60.36 million (Level 2), based on the market price of other properties in the nearby area.

1. **PROPERTY, PLANT AND EQUIPMENT - NET**

Condensed movements in property, plant and equipment for the three-month period ended 31 March 2021 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit : Thousand Baht) | | | | |
|  | | CONSOLIDATED F/S |  | SEPARATE F/S |
|  | |  |  |  |
| Net book value as at 1 January 2021 | | 1,121,701 |  | 1,112,921 |
| Add | Purchases of assets | 4,374 |  | 4,374 |
| Less | Disposal and written - off assets - net | (57) |  | (57) |
|  | Depreciation for the period | (19,047) |  | (18,871) |
| Net book value as at 31 March 2021 | | 1,106,971 |  | 1,098,367 |

1. **BANK OVERDRAFTS AND SHORT–TERM LOANS FROM FINANCIAL INSTITUTIONS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | | |
|  | Interest rate  per annum |  | CONSOLIDATED F/S | | |
|  |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |
| Bank overdraft | 5.82 - 5.95 |  | 414 |  | 723 |
| Short - term loans | 1.60 - 5.00 |  | 18,216 |  | 20,865 |
| Total |  |  | 18,630 |  | 21,588 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | | |
|  | Interest rate  per annum |  | SEPARATE F/S | | |
|  |  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |
| Bank overdraft | 5.82 - 5.95 |  | 414 |  | 723 |
| Total |  |  | 414 |  | 723 |

As at 31 March 2021 and 31 December 2020, the Company and subsidiary have credit facilities in the form of bank overdraft, promissory note, liabilities under trust receipt agreements and others totaling Baht 6,140 million and Baht 6,140 million, respectively.

1. **LIABILITIES UNDER EMPLOYEE BENEFIT OBLIGATIONS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | |
|  | CONSOLIDATED F/S AND SEPARATE F/S | | |
|  | 31 March 2021 |  | 31 December 2020 |
|  |  |  |  |
| Beginning balance | 105,799 |  | 101,786 |
| Current service cost | 2,235 |  | 8,761 |
| Interest expense | 662 |  | 2,539 |
| Less Employee benefit paid during the year | (932) |  | (7,287) |
| Total | 107,764 |  | 105,799 |
| Less Current portion due within 1 year | (16,375) |  | (5,608) |
| Ending balance | 91,389 |  | 100,191 |

1. **REVENUES**

The Company and subsidiary have disclosed the revenues classification information using income recording methods as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the three-month period ended 31 March | | | | | | | | | |
|  | 2021 | | | | | 2020 | | | | | |
|  | Sales and revenue from installation - net | Steel cutting services income | Tran- sportation income | Eliminated | Total | Sales and revenue from installation - net | Steel cutting services income | Tran-  sportation income | Eliminated | Total | |
|  |  |  |  |  |  |  |  |  |  |  | |
| At point in time | 815,040 | 78,597 | 15,959 | - | 909,596 | 776,474 | 73,235 | 14,936 | (2,207) | 862,438 | |
| Over time | 163,736 | - | 79 | - | 163,815 | 202,291 | - | 59 | - | 202,350 | |
| Total | 978,776 | 78,597 | 16,038 | - | 1,073,411 | 978,765 | 73,235 | 14,995 | (2,207) | 1,064,788 | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | SEPARATE F/S | | | | | | | | | |
|  | For the three-month period ended 31 March | | | | | | | | | |
|  | 2021 | | | | | 2020 | | | | |
|  | Sales and revenue from installation - net | Steel cutting services income | Tran- sportation income | Eliminated | Total | Sales and revenue from installation - net | Steel cutting services income | Tran- sportation income | Eliminated | Total |
|  |  |  |  |  |  |  |  |  |  |  |
| At point in time | 815,040 | 78,597 | 15,959 | - | 909,596 | 774,267 | 73,235 | 14,936 | - | 862,438 |
| Over time | 152,899 | - | 79 | - | 152,978 | 199,665 | - | 59 | - | 199,724 |
| Total | 967,939 | 78,597 | 16,038 | - | 1,062,574 | 973,932 | 73,235 | 14,995 | - | 1,062,162 |

1. **SEGMENT REPORTING**

The Company and subsidiary are engaged in steel accessories production and services for steel industry. Details of core revenues for the three-month periods ended 31 March 2021 and 2020 are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the three-month period ended 31 March | | | | | | | | | |
|  | 2021 | | | | | 2020 | | | | |
|  | Sales and revenue from installation - net | Steel cutting services income | Tran- sportation income | Eliminated | Total | Sales and revenue from installation - net | Steel cutting services income | Tran- sportation income | Eliminated | Total |
|  |  |  |  |  |  |  |  |  |  |  |
| Revenues information by geographic areas |  |  |  |  |  |  |  |  |  |  |
| Thailand | 977,849 | 78,597 | 16,038 | - | 1,072,484 | 972,277 | 73,235 | 14,995 | (2,207) | 1,058,300 |
| Myanmar | - | - | - | - | - | 548 | - | - | - | 548 |
| Cambodia | 927 | - | - | - | 927 | 5,940 | - | - | - | 5,940 |
| Total | 978,776 | 78,597 | 16,038 | - | 1,073,411 | 978,765 | 73,235 | 14,995 | (2,207) | 1,064,788 |
| Costs of sales and services | (871,895) | (60,943) | (4,922) | 676 | (937,084) | (868,258) | (63,623) | (7,452) | 2,318 | (937,015) |
| **Gross profit** | 106,881 | 17,654 | 11,116 | 676 | 136,327 | 110,507 | 9,612 | 7,543 | 111 | 127,773 |
|  |  |  |  |  |  |  |  |  |  |  |
| Gain (loss) on exchange rate | |  |  |  | 223 |  |  |  |  | (1,380) |
| Depreciation |  |  |  |  | (19,047) |  |  |  |  | (20,026) |
| Transportation expense |  |  |  |  | (35,036) |  |  |  |  | (36,475) |
| Financial costs |  |  |  |  | (1,402) |  |  |  |  | (2,370) |
| Profit before income tax |  |  |  |  | 60,370 |  |  |  |  | 47,483 |

1. **Foreign exchange risk**

The Company and subsidiary have exposure to foreign currency risk relating to the export sales and the import of production materials, short-term loans to subsidiary, bank overdraft and short-term loans from financial institutions denominated in foreign currencies. As at 31 March 2021 and 31 December 2020, the Company and subsidiary have assets and liabilities in foreign currencies which are considered natural hedging as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | In Thousand Foreign Currencies | | |
|  | 31 March 2021 |  | 31 December 2020 |
| Assets in foreign currency |  |  |  |
| USD | 332 |  | 519 |
|  |  |  |  |
| Liabilities in foreign currency |  |  |  |
| USD | 3,447 |  | 1,235 |
| JPY | 5,901 |  | 3,696 |

1. **FAIR VALUE OF FINANCIAL INSTRUMENT**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

* + Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  + Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or

liability, either directly or indirectly.

* + Level 3: unobservable inputs for the asset or liability.

The Company has investment property at the fair value as at 31 March 2021 of Baht 60.36 million. The fair value was determined based on the comparison of the market price of other properties in the nearby location (Level 2).

1. **COMMITMENTS**

As at 31 March 2021, the Company has outstanding guarantees of approximately Baht 4.72 million, issued by financial institutions on behalf of the Company, as required in the normal course of business of the Company.

1. **events after reporting period**

On 30 April 2021, at the Annual General meeting, the Company’s shareholders passed a resolution to approve the payment of cash dividend to the common shareholders from operating results for the year ended 31 December 2020 at Baht 0.106 per share for 639,997,880 common share, totalling Baht 67,839,775. The Company will pay this dividend on 28 May 2021.