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

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

### **for the three-month AND SIX-MONTH periodS ended 30 JUNE 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 panel 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).

1. **BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**
2. Basis for the preparation of interim financial statements

The Company prepares its interim financial statements for the three-month and six-month periods ended 30 June 2021 in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations set by the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht currency. These do not include all information as presented 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 financial statements into other language must conform to the Thai financial report.

These interim financial statements were approved by the Company’s Board of Directors on 11 August 2021.

1. Principles of consolidation

The Company prepares the consolidated interim financial statements, including the financial statements of Siam Steel Service Center Public Company Limited and its subsidiary on the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2020. There has been no change in the Group structure during the period.

The consolidated and separate financial statements as of 30 June 2021 and 31 December 2020 and for the three-month and six-month periods ended 30 June 2021 and 2020 included assets, liabilities, revenues and expenses of the subsidiary which the Company can exercise control or holding the voting shares more than 50 percentage of total voting shares as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | 30 June 2021 | 31 December 2020 |
|  |  |  |
| Total assets | 69,576 | 75,355 |
| Total liabilities | 44,162 | 47,412 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | For the three-month periods ended 30 June | | For the six-month periods  ended 30 June | |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Revenues | 14,878 | 42,562 | 25,716 | 47,395 |
| Expenses | 2,995 | 3,161 | 5,704 | 6,300 |

1. **SIGNIFICANT ACCOUNTING POLICIES**

The Company prepares these interim financial statements with the same accounting policies used in the preparation of the Group’s the financial statements for the year ended 31 December 2020, with 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 undertakes 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 preparation of 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 | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| Cash on hand | 1,243 |  | 1,165 |  | 1,000 |  | 1,000 |
| Cash at bank - Current accounts | 35,688 |  | 25,949 |  | 30,391 |  | 19,307 |
| - Savings accounts | 61,862 |  | 367,152 |  | 54,131 |  | 361,167 |
| Cheques in transit | 4,781 |  | 2,350 |  | 4,781 |  | 2,350 |
| Total | 103,574 |  | 396,616 |  | 90,303 |  | 383,824 |

1. **TRADE ACCOUNTS RECEIVABLE**

As of 30 June 2021 and 31 December 2020, trade accounts receivable classified by outstanding aging are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (Unit : Thousand Baht) | | | | | | | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 | |
| **Trade accounts receivable**  **- general customers - net** | |  |  |  |  |  |  |
| Not yet due | 1,008,908 |  | 782,881 |  | 1,008,908 |  | 782,881 | |
| Overdue: |  |  |  |  |  |  |  | |
| Less than 3 months | 27,304 |  | 20,890 |  | 21,787 |  | 5,818 | |
| 3 - 6 months | 1,391 |  | 13,750 |  | 60 |  | 2,280 | |
| 6 - 12 months | 6,502 |  | 3,681 |  | 2,552 |  | 2,822 | |
| More than 12 months | 24,120 |  | 21,163 |  | 22,106 |  | 19,328 | |
| Total | 1,068,225 |  | 842,365 |  | 1,055,413 |  | 813,129 | |
| Less Allowance for expected credit loss | (14,167) |  | (14,590) |  | (14,167) |  | (14,590) | |
| Net | 1,054,058 |  | 827,775 |  | 1,041,246 |  | 798,539 | |
|  |  |  |  |  |  |  |  | | |
| **Trade accounts receivable**  **- related companies** | |  |  |  |  |  |  |
| Not yet due | 40,173 |  | 41,213 |  | 41,434 |  | 42,019 | | |
| Overdue: |  |  |  |  |  |  |  | | |
| Less than 3 months | 54 |  | - |  | 197 |  | 1,944 | | |
| 3 - 6 months | - |  | - |  | - |  | 641 | | |
| Total | 40,227 |  | 41,213 |  | 41,631 |  | 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 six-month period ended 30 June 2021, the movement in allowance for expected credit loss are as follow:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  |  | CONSOLIDATED AND SEPARATE F/S |
|  |  |  |
| Balance as of 1 January 2021 |  | 14,590 |
| Less Reversal of allowance for expected credit loss |  | (423) |
| Balance as of 30 June 2021 |  | 14,167 |

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 on transactions 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 prices as stipulated in the agreement, if there is no comparable market price.

Significant transactions with related parties for the three-month and six-month periods ended 30 June 2021 and 2020 are as follow:

|  |  |  |  | (Unit : Thousand Baht) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | CONSOLIDATED F/S | | |  | | SEPARATE F/S | | | |
|  |  |  |  | For the three-month periods ended 30 June | | | | | | | | |
|  |  | The pricing policy |  | 2021 |  | 2020 | |  | | 2021 |  | 2020 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Sales and installation services income |  | Market prices |  | 27,924 |  | 16,631 | |  | | 29,294 |  | 18,362 |
| Steel cutting services income and other income |  | Market prices |  | 3,404 |  | 1,293 | |  | | 3,404 |  | 1,293 |
| Rental income |  | Market prices |  | 991 |  | 1,165 | |  | | 991 |  | 1,165 |
| Purchase of raw materials |  | Market prices |  | 1,018,843 |  | 471,391 | |  | | 1,018,843 |  | 471,391 |
| Expenses and other purchases |  | Market prices |  | 6,542 |  | 4,384 | |  | | 6,542 |  | 4,384 |
| Purchase of assets |  | Market prices |  | 6 |  | 62 | |  | | 6 |  | 62 |
| Interest income |  | Agreed rate |  | - |  | - | |  | | 144 |  | 94 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Key directors and management personnel compensation | | |  |  |  |  | |  | |  |  |  |
| Current directors and management benefits | | |  | 6,136 |  | 7,065 | |  | | 6,136 |  | 7,065 |
| Post - employment benefits | | |  | 288 |  | 427 | |  | | 288 |  | 427 |
| Total | | |  | 6,424 |  | 7,492 | |  | | 6,424 |  | 7,492 |

|  |  |  |  | (Unit : Thousand Baht) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | CONSOLIDATED F/S | | |  | | SEPARATE F/S | | | |
|  |  |  |  | For the six-month periods ended 30 June | | | | | | | | |
|  |  | The pricing policy |  | 2021 |  | 2020 | |  | | 2021 |  | 2020 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Sales and installation services income |  | Market prices |  | 66,705 |  | 64,603 | |  | | 68,075 |  | 68,541 |
| Steel cutting services income and other income |  | Market prices |  | 7,997 |  | 4,920 | |  | | 7,997 |  | 4,920 |
| Rental income |  | Market prices |  | 2,008 |  | 2,228 | |  | | 2,008 |  | 2,228 |
| Purchase of raw materials |  | Market prices |  | 1,712,803 |  | 1,130,109 | |  | | 1,712,803 |  | 1,130,109 |
| Expenses and other purchases |  | Market prices |  | 13,074 |  | 10,592 | |  | | 13,074 |  | 10,592 |
| Purchase of assets |  | Market prices |  | 8 |  | 62 | |  | | 8 |  | 62 |
| Interest income |  | Agreed rate |  | - |  | - | |  | | 275 |  | 180 |
|  |  |  |  |  |  |  | |  | |  |  |  |
| Key directors and management personnel compensation | | |  |  |  |  | |  | |  |  |  |
| Current directors and management benefits | | |  | 12,406 |  | 15,428 | |  | | 12,406 |  | 15,428 |
| Post - employment benefits | | |  | 576 |  | 901 | |  | | 576 |  | 901 |
| Total | | |  | 12,982 |  | 16,329 | |  | | 12,982 |  | 16,329 |

As of 30 June 2021 and 31 December 2020, the outstanding balances with related companies are as follows:

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
| Trade accounts receivable |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 1,404 |  | 3,391 |
| Related companies | 40,227 |  | 41,213 |  | 40,227 |  | 41,213 |
| Total | 40,227 |  | 41,213 |  | 41,631 |  | 44,604 |
|  |  |  |  |  |  |  |  |
| Amounts due from |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 292 |  | 150 |
| Related companies | 19 |  | 108 |  | 19 |  | 108 |
| Total | 19 |  | 108 |  | 311 |  | 258 |
|  |  |  |  |  |  |  |  |
| Short-term loan to |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 15,942 |  | 11,947 |

As of 30 June 2021 and 31 December 2020, the movements in short-term loan to subsidiary are as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | | |
|  |  | SEPARATE F/S | | |
|  |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |
| Balance - beginning of the period |  | 11,947 |  | 5,995 |
| Add Additional loan granted |  | 6,288 |  | 12,319 |
| Less Received of repayment |  | (2,987) |  | (6,143) |
| Unrealized gain (loss) on foreign exchange rate |  | 694 |  | (224) |
| Balance - ending of the period |  | 15,942 |  | 11,947 |

Short-term loan to Siam Steel Vietnam Co., Ltd is bears interest at the rate of 4.50% per annum with no collateral. The loan is due on demand.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
| Trade accounts and notes payable | |  |  |  |  |  |  |
| Related companies | 225,989 |  | 63,951 |  | 214,035 |  | 61,890 |
|  |  |  |  |  |  |  |  |
| Key management personnel compensation | |  |  |  |  |  |  |
| Post - employment benefit | 20,306 |  | 22,973 |  | 20,306 |  | 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 | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| **Contracted assets** |  |  |  |  |  |  |  |
| Unbilled accrued income | 132,769 |  | 112,601 |  | 132,769 |  | 112,601 |
| Retention receivables | 19,403 |  | 21,487 |  | 19,403 |  | 21,487 |
| Total contracted assets | 152,172 |  | 134,088 |  | 152,172 |  | 134,088 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Contracted liabilities** |  |  |  |  |  |  |  |
| Advances from customers | 60,904 |  | 58,274 |  | 55,496 |  | 56,420 |
| Total contracted liabilities | 60,904 |  | 58,274 |  | 55,496 |  | 56,420 |

1. Unbilled accrued income and advances from customers

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| **Unbilled accrued income** |  |  |  |  |  |  |  |
| Contracted sales value | 398,138 |  | 293,721 |  | 398,138 |  | 293,721 |
| Accumulated amount recognized as revenue on percentage of completion basis | 308,105 |  | 210,718 |  | 308,105 |  | 210,718 |
| Less Amounts billed | (175,336) |  | (98,117) |  | (175,336) |  | (98,117) |
| Unbilled accrued income - net | 132,769 |  | 112,601 |  | 132,769 |  | 112,601 |
|  |  |  |  |  |  |  |  |
| **Retention receivables** | 19,403 |  | 21,487 |  | 19,403 |  | 21,487 |
|  |  |  |  |  |  |  |  |
| **Advances from customers** |  |  |  |  |  |  |  |
| Amounts received per contracts | 111,885 |  | 106,339 |  | 88,785 |  | 100,160 |
| Amounts billed | 77,787 |  | 86,212 |  | 77,787 |  | 86,211 |
| Less Accumulated amount recognized as revenue on percentage of completion basis | (16,883) |  | (27,938) |  | (22,291) |  | (29,791) |
| Advances from customers - net | 60,904 |  | 58,274 |  | 55,496 |  | 56,420 |

1. Revenue expected to be recognized from existing contracts

As of 30 June 2021, the Company and subsidiary expect to recognize revenues in the future from performance of work that are still uncompleted (or partially completed) under existing contracts with customers totalling Baht 233.89 million (Separate F/S totalling Baht 204.74 million).

1. **INVENTORIES - NET**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | CONSOLIDATED F/S | | |  | SEPARATE F/S | | |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |  |  |
| Raw materials | 781,826 |  | 464,556 |  | 761,801 |  | 451,715 |
| Finished goods | 141,114 |  | 107,291 |  | 141,114 |  | 107,291 |
| Work in process | 63,973 |  | 59,833 |  | 56,120 |  | 53,851 |
| Spare parts and supplies | 51,037 |  | 54,457 |  | 51,037 |  | 54,457 |
| Raw materials in transit | 63,735 |  | 29,363 |  | 63,253 |  | 29,363 |
| Total | 1,101,685 |  | 715,500 |  | 1,073,325 |  | 696,677 |
| Less Allowance for decline value of inventories | (250) |  | (559) |  | (250) |  | (559) |
| Net | 1,101,435 |  | 714,941 |  | 1,073,075 |  | 696,118 |

During the six-month period ended 30 June 2021, the movements in allowance for decline value of inventories are as follow:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  |  | CONSOLIDATED AND SEPARATE F/S |
|  |  |  |
| Balance as of 1 January 2021 |  | 559 |
| Reversal of allowance for decline value of inventories |  | (309) |
| Balance as of 30 June 2021 |  | 250 |

1. **INVESTMENT IN SUBSIDIARY**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | (Unit : Thousand Baht) | |
|  |  | Paid–up | Percentage of holding | | | SEPARATE F/S | |
| Company | Type of business | share capital | 30 Jun 2021 | 31 Dec 2020 | | 30 Jun 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 AND SEPARATE F/S | | |
|  |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |
| Land |  | 24,621 |  | 24,621 |
| Land and buildings |  | 6,734 |  | 6,734 |
| Total |  | 31,355 |  | 31,355 |

As of 30 June 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 six-month period ended 30 June 2021 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit : Thousand Baht) | | | | |
|  | | CONSOLIDATED F/S |  | SEPARATE F/S |
|  | |  |  |  |
| Net book value as of 1 January 2021 | | 1,121,701 |  | 1,112,921 |
| Add | Purchases of assets | 12,595 |  | 12,595 |
| Less | Disposal and written - off assets - net | (81) |  | (81) |
|  | Depreciation for the period  Different of exchange rate | (38,022)  698 |  | (37,726)  - |
| Net book value as of 30 June 2021 | | 1,096,891 |  | 1,087,709 |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | | |
|  | Interest rate  per annum |  | CONSOLIDATED F/S | | |
|  |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |
| Bank overdraft  Liabilities under trust receipts | 5.88 - 5.95  1.10 |  | 221  60,366 |  | 723  - |
| Short - term loans | 0.86 – 4.50 |  | 75,205 |  | 20,865 |
| Total |  |  | 135,792 |  | 21,588 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | | |
|  | Interest rate  per annum |  | SEPARATE F/S | | |
|  |  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |  |  |
| Bank overdraft  Liabilities under trust receipts  Short - term loans | 5.88 - 5.95  1.10  0.86 |  | 221  60,366  70,000 |  | 723  -  - |
| Total |  |  | 130,587 |  | 723 |

As of 30 June 2021 and 31 December 2020, the Company and subsidiary have credit facilities in the forms 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 AND SEPARATE F/S | | |
|  | 30 June 2021 |  | 31 December 2020 |
|  |  |  |  |
| Beginning balance | 105,799 |  | 101,786 |
| Current service cost | 4,452 |  | 8,761 |
| Interest expense | 1,317 |  | 2,539 |
| Less Employee benefit paid during the year | (5,543) |  | (7,287) |
| Total | 106,025 |  | 105,799 |
| Less Current portion due within 1 year | (12,547) |  | (5,608) |
| Ending balance | 93,478 |  | 100,191 |

1. **DIVIDEND PAYMENT**

On 30 April 2021, the Annual General Meeting of shareholders passed a resolution to approve the payment of dividend to common shareholders from the operating results for the year ended 31 December 2020 at Baht 0.106 per share totaling Baht 67,839,457. The payment of dividend was made on 28 May 2021.

1. **REVENUES**

The Company’s and subsidiary’s revenues classified based on the income recording methods are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the three-month period ended 30 June | | | | | | | | | |
|  | 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 | 858,613 | 74,451 | 14,214 | - | 947,278 | 354,957 | 32,253 | 6,777 | - | 393,987 | |
| Over time | 166,362 | - | 35 | (1,370) | 165,027 | 237,014 | - | 22 | (1,730) | 235,306 | |
| Total | 1,024,975 | 74,451 | 14,249 | (1,370) | 1,112,305 | 591,971 | 32,253 | 6,799 | (1,730) | 629,293 | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | SEPARATE F/S | | | | | | | | | |
|  | For the three-month period ended 30 June | | | | | | | | | |
|  | 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 | 858,613 | 74,451 | 14,214 | - | 947,278 | 354,957 | 32,253 | 6,777 | - | 393,987 | |
| Over time | 151,483 | - | 35 | - | 151,518 | 194,453 | - | 22 | - | 194,475 | |
| Total | 1,010,096 | 74,451 | 14,249 | - | 1,098,796 | 549,410 | 32,253 | 6,799 | - | 588,462 | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the six-month period ended 30 June | | | | | | | | | |
|  | 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 | 1,673,654 | 153,048 | 30,173 | - | 1,856,875 | 1,129,224 | 105,488 | 21,713 | - | 1,256,425 |
| Over time | 330,097 | - | 114 | (1,370) | 328,841 | 441,512 | - | 81 | (3,937) | 437,656 |
| Total | 2,003,751 | 153,048 | 30,287 | (1,370) | 2,185,716 | 1,570,736 | 105,488 | 21,794 | (3,937) | 1,694,081 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | SEPARATE F/S | | | | | | | | | |
|  | For the six-month period ended 30 June | | | | | | | | | |
|  | 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 | 1,673,654 | 153,048 | 30,173 | - | 1,856,875 | 1,129,224 | 105,488 | 21,713 | - | 1,256,425 |
| Over time | 304,381 | - | 114 | - | 304,495 | 394,118 | - | 81 | - | 394,199 |
| Total | 1,978,035 | 153,048 | 30,287 | - | 2,161,370 | 1,523,342 | 105,488 | 21,794 | - | 1,650,624 |

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 and six-month periods ended 30 June 2021 and 2020 are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the three-month period ended 30 June | | | | | | | | | |
|  | 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 | 1,024,975 | 74,451 | 14,249 | (1,370) | 1,112,305 | 582,071 | 32,253 | 6,799 | (1,730) | 619,393 |
| Cambodia | - | - | - | - | - | 9,900 | - | - | - | 9,900 |
| Total | 1,024,975 | 74,451 | 14,249 | (1,370) | 1,112,305 | 591,971 | 32,253 | 6,799 | (1,730) | 629,293 |
| Costs of sales and services | (900,450) | (66,763) | (5,043) | 1,478 | (970,778) | (534,131) | (49,753) | (8,195) | 1,461 | (590,618) |
| **Gross (loss) profit** | 124,525 | 7,688 | 9,206 | 108 | 141,527 | 57,840 | (17,500) | (1,396) | (269) | 38,675 |
|  |  |  |  |  |  |  |  |  |  |  |
| Gain (loss) on exchange rate | |  |  |  | (795) |  |  |  |  | 1,092 |
| Depreciation and amortization | |  |  |  | (18,990) |  |  |  |  | (19,710) |
| Transportation expense |  |  |  |  | (35,370) |  |  |  |  | (23,649) |
| Finance cost |  |  |  |  | (1,449) |  |  |  |  | (1,730) |
| Profit (loss) before income tax | |  |  |  | 59,060 |  |  |  |  | (20,486) |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total assets** |  |  |  |  | 3,621,941 |  |  |  |  | 3,270,761 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | | | | |
|  | CONSOLIDATED F/S | | | | | | | | | |
|  | For the six-month period ended 30 June | | | | | | | | | |
|  | 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 | 2,003,751 | 153,048 | 30,287 | (1,370) | 2,185,716 | 1,554,348 | 105,488 | 21,794 | (3,937) | 1,677,693 |
| Myanmar | - | - | - | - | - | 548 | - | - | - | 548 |
| Cambodia | - | - | - | - | - | 15,840 | - | - | - | 15,840 |
| Total | 2,003,751 | 153,048 | 30,287 | (1,370) | 2,185,716 | 1,570,736 | 105,488 | 21,794 | (3,937) | 1,694,081 |
| Costs of sales and services | (1,772,335) | (127,716) | (9,965) | 2,154 | (1,907,862) | (1,402,306) | (113,458) | (15,647) | 3,779 | (1,527,632) |
| **Gross (loss) profit** | 231,416 | 25,332 | 20,322 | 784 | 277,854 | 168,430 | (7,970) | 6,147 | (158) | 166,449 |
|  |  |  |  |  |  |  |  |  |  |  |
| Loss on exchange rate | |  |  |  | (572) |  |  |  |  | (287) |
| Depreciation and amortization | |  |  |  | (38,053) |  |  |  |  | (39,751) |
| Transportation expense |  |  |  |  | (70,406) |  |  |  |  | (60,123) |
| Finance cost |  |  |  |  | (2,851) |  |  |  |  | (4,101) |
| Profit before income tax |  |  |  |  | 119,431 |  |  |  |  | 26,997 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total assets** |  |  |  |  | 3,621,941 |  |  |  |  | 3,270,761 |

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 of 30 June 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 | | |
|  | 30 June 2021 |  | 31 December 2020 |
| Assets in foreign currency |  |  |  |
| USD | 553 |  | 519 |
|  |  |  |  |
| Liabilities in foreign currency |  |  |  |
| USD | 4,245 |  | 1,235 |
| JPY | 3,740 |  | 3,696 |

1. **COMMITMENTS**

As of 30 June 2021, the Company has outstanding guarantees of approximately Baht 5.85 million, issued by financial institutions on behalf of the Company, as required in the normal course of business of the Company.