

REVIEW REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Siam Steel International Public Company Limited

I have reviewed the consolidated statement of financial position as at 30 June 2016, the related consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016, statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2016, and condensed notes to the consolidated financial statements of Siam Steel International Public Company Limited and its subsidiaries. I have also reviewed the separate statement of financial position as at 30 June 2016, the related separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016, statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2016, and condensed notes to the separate financial statements of Siam Steel International Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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 information consists of making enquiries, 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 the interim financial information.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim financial reporting”.

Other matters

The consolidated statement of financial position of Siam Steel International Public Company Limited and its subsidiaries and the separate statement of financial position of Siam Steel International Public Company Limited as at 31 December 2015, presented as comparative information, were audited by another auditor in the same office as mine, who expressed an unmodified opinion under his report dated 29 February 2016.

The consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, statements of changes in shareholders’ equity and cash flows for the six-month period ended 30 June 2015 of Siam Steel International Public Company Limited and its subsidiaries and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, statements of changes in shareholders’ equity and cash flows for the six-month period ended 30 June 2015 of Siam Steel International Public Company Limited, presented as comparative information, were prepared by the Company’s management and not audited or reviewed by the auditor because the Company had changed its fiscal year as disclosed in Note 1 to the financial statements.

Miss Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Bangkok, Thailand

15 August 2016

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		284,626	379,516	117,410	242,871
Trade accounts receivable from sales and services					
- general customers - net	6	381,106	474,224	223,568	272,586
- related companies	5, 6	9,924	6,845	10,126	21,618
Trade accounts receivable from construction work					
- general customers - net	6	7,929	10,594	7,929	10,594
Unbilled accrued income - general customers		36,315	160	36,315	160
Inventories - net	7	373,023	324,122	265,883	228,817
Receivables from and advances to related companies	5	11,108	5,868	6,321	6,874
Short - term loans to indirect subsidiary company	5	-	-	440,000	-
Refundable value added tax		315	14	-	-
Other current assets		38,848	33,944	33,090	28,912
Total current assets		1,143,194	1,235,287	1,140,642	812,432
NON - CURRENT ASSETS					
Restricted deposit with bank		9,004	7,354	8,789	7,217
Long-term loans to related company	5	-	100,000	-	100,000
Retentions receivable		78,819	81,747	78,818	81,747
Investments					
- Subsidiary companies - net	8	-	-	77,049	34,399
- Associated companies	8	728,384	713,929	162,627	162,627
- Joint venture - net	8	-	22	-	-
- Other companies - net	8	52,149	52,149	49,712	49,712
Investment in solar power plant project	9	541,961	-	-	-
Goodwill	2	618	-	-	-
Property, plant and equipment - net	10	587,556	578,714	575,575	566,215
Assets not used in operation - net		165,400	168,815	165,400	168,815
Investment properties		3,415	-	3,415	-
Income tax withheld at sources		18,066	17,220	9,187	9,893
Deferred income tax asset - net		98,353	100,378	95,228	97,813
Other non - current assets - net		20,121	32,740	9,476	19,382
Total non - current assets		2,303,846	1,853,068	1,235,276	1,297,820
TOTAL ASSETS		3,447,040	3,088,355	2,375,918	2,110,252

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institution	11	263,864	24,000	263,864	24,000
Short - term loans from related party	5	103,000	-	-	-
Trade accounts payable - general suppliers		132,163	122,203	107,852	92,096
Trade accounts payables and advances from related companies	5	39,247	38,906	10,433	17,283
Advances and deposits from customers					
- general customers		83,007	44,391	78,171	42,747
- related companies	5	3,659	3,659	5,212	5,212
Accrued income tax		155	113	-	-
Other current liabilities		127,735	105,832	117,624	95,194
Total current liabilities		752,830	339,104	583,156	276,532
NON - CURRENT LIABILITIES					
Long - term loans from financial institution	12	200,000	200,000	200,000	200,000
Liabilities under employee benefits obligation		24,939	24,050	21,660	20,963
Other non - current liabilities		2,986	1,827	2,986	1,827
Total non - current liabilities		227,925	225,877	224,646	222,790
TOTAL LIABILITIES		980,755	564,981	807,802	499,322
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,126	593,126	593,126	593,126
- Issued and paid - up 593,125,849 shares		593,126	593,126	593,126	593,126
Premium on share capital		72,404	72,404	72,404	72,404
Retained earnings					
- Appropriated for legal reserve		59,312	59,312	59,312	59,312
- Unappropriated		1,547,654	1,610,539	843,274	886,088
Total shareholders' equity of the Company		2,272,496	2,335,381	1,568,116	1,610,930
Non - controlling interests		193,789	187,993	-	-
TOTAL SHAREHOLDERS' EQUITY		2,466,285	2,523,374	1,568,116	1,610,930
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,447,040	3,088,355	2,375,918	2,110,252

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
		(Unaudited but reviewed)	(Unaudited and unreviewed)	(Unaudited but reviewed)	(Unaudited and unreviewed)
Revenues					
Sales and services - net	5	401,132	365,321	214,884	230,219
Construction work		37,461	14,158	37,461	14,158
Total revenues		438,593	379,479	252,345	244,377
Cost of goods sold					
Costs of sales and services	5	319,478	325,788	163,484	205,255
Cost of construction		33,108	12,438	33,108	12,438
Total cost of goods sold		352,586	338,226	196,592	217,693
Gross profit		86,007	41,253	55,753	26,684
Gain (loss) on foreign exchange rates		(5,485)	6,565	(4,709)	6,655
Dividend income	5	4,037	2,495	29,923	40,366
Other income		8,658	10,578	21,199	13,077
Profit before expenses		93,217	60,891	102,166	86,782
Selling expenses	5	(39,007)	(35,172)	(41,253)	(36,388)
Administrative expenses	5, 16	(131,938)	(67,333)	(91,031)	(41,113)
Reversal of allowance for doubtful debts and bad debt		60	20	60	20
Reversal of allowance (allowance) for decline value of investment		-	(1,270)	15	-
Total expenses		(170,885)	(103,755)	(132,209)	(77,481)
Profit (loss) from operations		(77,668)	(42,864)	(30,043)	9,301
Share of profit from investments in associated companies - net		18,799	5,779	-	-
Profit (loss) before finance costs and income tax		(58,869)	(37,085)	(30,043)	9,301
Finance costs	5	(7,392)	(230)	(6,654)	(222)
Profit (loss) before income tax		(66,261)	(37,315)	(36,697)	9,079
Income tax		(636)	3,395	(1,556)	846
Profit (loss) for the period		(66,897)	(33,920)	(38,253)	9,925
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		(66,897)	(33,920)	(38,253)	9,925
Profit (loss) for the period attributable to :					
Equity holders of the Company		(64,374)	(27,928)	(38,253)	9,925
Non - controlling interests		(2,523)	(5,992)	-	-
Total		(66,897)	(33,920)	(38,253)	9,925
Total comprehensive income (loss) for the period attributable to:					
Equity holders of the Company		(64,374)	(27,928)	(38,253)	9,925
Non - controlling interests		(2,523)	(5,992)	-	-
Total		(66,897)	(33,920)	(38,253)	9,925
Basic earnings per share					
Profit (loss) (Baht per share)		(0.109)	(0.047)	(0.064)	0.017
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
		(Unaudited but reviewed)	(Unaudited and unreviewed)	(Unaudited but reviewed)	(Unaudited and unreviewed)
Revenues					
Sales and services - net	5	791,518	773,070	439,126	481,718
Construction work		75,716	21,015	75,716	21,015
Total revenues		867,234	794,085	514,842	502,733
Cost of goods sold					
Costs of sales and services	5	606,050	640,826	319,522	405,816
Cost of construction		64,999	18,582	64,999	18,582
Total cost of goods sold		671,049	659,408	384,521	424,398
Gross profit		196,185	134,677	130,321	78,335
Loss from foreign exchange rates		(2,189)	(4,889)	(1,238)	(5,071)
Dividend income	5	4,037	2,495	29,923	40,366
Other income		16,683	18,718	40,935	24,414
Profit before expenses		214,716	151,001	199,941	138,044
Selling expenses	5	(73,693)	(76,313)	(78,027)	(79,367)
Administrative expenses	5, 16	(220,101)	(139,290)	(141,989)	(82,153)
Reversal of allowance for doubtful debts and bad debt		60	50	60	50
Reversal of allowance (allowance) for decline value of investment		-	(1,270)	15	-
Total expenses		(293,734)	(216,823)	(219,941)	(161,470)
Loss from operations		(79,018)	(65,822)	(20,000)	(23,426)
Share of profit from investments in associated companies - net		39,161	19,819	-	-
Loss before finance costs and income tax		(39,857)	(46,003)	(20,000)	(23,426)
Finance costs	5	(14,541)	(461)	(13,112)	(443)
Loss before income tax		(54,398)	(46,464)	(33,112)	(23,869)
Income tax		(2,447)	(119)	(2,585)	(797)
Loss for the period		(56,845)	(46,583)	(35,697)	(24,666)
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive loss for the period		(56,845)	(46,583)	(35,697)	(24,666)
Loss for the period attributable to :					
Equity holders of the Company		(55,768)	(44,391)	(35,697)	(24,666)
Non - controlling interests		(1,077)	(2,192)	-	-
Total		(56,845)	(46,583)	(35,697)	(24,666)
Total comprehensive loss for the period attributable to:					
Equity holders of the Company		(55,768)	(44,391)	(35,697)	(24,666)
Non - controlling interests		(1,077)	(2,192)	-	-
Total		(56,845)	(46,583)	(35,697)	(24,666)
Basic earnings per share					
Loss (Baht per share)		(0.094)	(0.075)	(0.060)	(0.042)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Shareholders' equity of the Company							
	Note	Paid - up share capital	Premium on share capital	Retained earnings		Total	Non-controlling interests	Total
				Appropriated for legal reserve	Unappropriated			
Consolidated F/S								
(Unaudited and unreviewed)								
Balance as at 1 January 2015		593,126	72,404	59,312	1,597,973	2,322,815	189,426	2,512,241
Total comprehensive loss for the period		-	-	-	(44,391)	(44,391)	(2,192)	(46,583)
Balance as at 30 June 2015		593,126	72,404	59,312	1,553,582	2,278,424	187,234	2,465,658
(Unaudited but reviewed)								
Balance as at 1 January 2016		593,126	72,404	59,312	1,610,539	2,335,381	187,993	2,523,374
Non-controlling interests increase		-	-	-	-	-	8,000	8,000
Total comprehensive loss for the period		-	-	-	(55,768)	(55,768)	(1,077)	(56,845)
Dividend paid	13	-	-	-	(7,117)	(7,117)	-	(7,117)
Dividend paid from subsidiary	13	-	-	-	-	-	(1,127)	(1,127)
Balance as at 30 June 2016		593,126	72,404	59,312	1,547,654	2,272,496	193,789	2,466,285

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Note	Paid - up share capital	Premium on share capital	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Separate F/S						
(Unaudited and unreviewed)						
Balance as at 1 January 2015		593,126	72,404	59,312	893,712	1,618,554
Total comprehensive loss for the period		-	-	-	(24,666)	(24,666)
Balance as at 30 June 2015		593,126	72,404	59,312	869,046	1,593,888
(Unaudited but reviewed)						
Balance as at 1 January 2016		593,126	72,404	59,312	886,088	1,610,930
Total comprehensive loss for the period		-	-	-	(35,697)	(35,697)
Dividend paid	13	-	-	-	(7,117)	(7,117)
Balance as at 30 June 2016		593,126	72,404	59,312	843,274	1,568,116

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)
Cash flows from operating activities				
Loss before tax	(54,398)	(46,464)	(33,112)	(23,869)
Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities:				
Depreciation	20,988	22,015	19,415	20,485
Reversal of allowance for doubtful debts and bad debt	(60)	(50)	(60)	(50)
Allowance (reversal of allowance) for decline value of inventories - net	(664)	9,274	(664)	9,274
Allowance (reserval of allowance) for decline value of investment - net	-	1,270	(15)	-
Loss (gain) on sales of assets	(30)	9	(5)	(299)
Loss from disposal of assets	2	-	2	-
Unrealized gain on revaluation of temporary investment	-	(14)	-	-
Unrealized loss on foreign exchange	965	6,594	965	6,594
Dividend income	(4,037)	-	(29,923)	-
Finance costs	14,541	461	13,112	443
Equity in income of associated companies - net	(39,161)	(19,819)	-	-
Employee benefits obligation expenses	546	648	353	459
Cash provided from (used in) operations before changes in operating assets and liabilities	(61,308)	(26,076)	(29,932)	13,037
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	92,779	32,533	48,679	(214)
- related companies	(3,079)	(6,473)	11,492	(16,992)
Trade accounts receivable from construction work				
- general customers	2,664	(1,791)	2,665	(1,791)
Unbilled accrued income - general customers	(36,155)	(11,361)	(36,155)	(11,361)
Inventories	(48,237)	15,980	(36,400)	2,708
Receivables from and advances to related companies	(5,240)	(3,759)	553	(4,099)
Other current assets	(5,204)	(10,720)	(4,179)	(7,849)
Retentions receivable	2,607	-	2,607	-
Other non - current assets	12,620	(4,542)	10,613	(1,916)
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	9,955	10,125	15,751	10,767
Trade accounts payables and advances from related companies	(162)	17,014	(6,849)	15,742
Advances and deposits from customers	38,347	686	35,156	2,718
Other current liabilities	21,657	(8,780)	22,457	(4,972)
Employee benefits obligation paid during the period	-	(764)	-	(764)
Other non - current liabilities	1,159	(323)	1,159	(10)
Cash provided from (used in) operating activities	22,403	1,749	37,617	(4,996)
Interest payment	(13,924)	(10)	(12,768)	-
Income tax payment	(1,225)	-	-	-
Net cash provided from (used in) operating activities	7,254	1,739	24,849	(4,996)

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)	2016 (Unaudited but reviewed)	2015 (Unaudited and unreviewed)
Cash flows from investing activities				
Acquisition of temporary investment	-	(5,035)	-	-
Increase in short - term loans to indirect subsidiary company	-	-	(440,000)	-
Decrease (increase) in restricted deposits with banks	(1,650)	84	(1,572)	-
Decrease in long - term loans to related company	-	-	100,000	-
Cash received from (paid for) investment in subsidiary company	7,810	-	(42,650)	-
Cash received from non - controlling interest of subsidiary company	8,000	-	-	-
Cash received from investment in joint venture	15	-	15	-
Dividend income	28,750	37,871	29,923	-
Cash paid for investment in solar power plant project	(449,886)	-	-	-
Acquisition of assets	(29,832)	(4,811)	(28,778)	(2,457)
Proceeds from sales of assets	29	3,905	5	2,309
Net cash provided from (used in) investing activities	(436,764)	32,014	(383,057)	(148)
Cash flows from financing activities				
Increase in short - term loans from financial institution	239,864	-	239,864	-
Increase in short - term loans from related parties	103,000	-	-	-
Dividend paid	(7,117)	-	(7,117)	-
Dividend paid from subsidiary company	(1,127)	-	-	-
Net cash provided from financing activities	334,620	-	232,747	-
Increase (decrease) in cash and cash equivalents - net	(94,890)	33,753	(125,461)	(5,144)
Cash and cash equivalents at beginning of period	379,516	235,726	242,871	101,230
Cash and cash equivalents at end of period	284,626	269,479	117,410	96,086

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
30 JUNE 2016 (Unaudited but reviewed)

(With comparative information for 2015 (Audited))

1. NATURE OF OPERATIONS

Siam Steel International Public Company Limited was incorporated as a public company in Thailand, and has been listed in the Stock Exchange of Thailand. The Company is engaged in manufacturing and sales of steel office equipment and furniture parts, as well as the construction services and investment in alternative energy.

During the year 2015, the Company changed its fiscal year from 30 June to 31 December each year. The first accounting period, after the change was for the period from 1 July 2015 to 31 December 2015. The Company changes its accounting period for its financial statements to be comparable with other listed companies in the same industry. Therefore, the consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2015 of Siam Steel International Public Company Limited and its subsidiaries and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2015 of Siam Steel International Public Company Limited, presented for comparative information, were prepared by the Company's management and were not audited or reviewed by the auditor.

2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for interim financial statements preparation

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34: "Interim Financial Reporting", whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the primary financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended 31 December 2015.

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

These interim financial statements have been approved by Board of Directors on 15 August 2016.

2.2 Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right as follows:

Company	Percentage of shareholding		Type of business
	30 June 2016	31 December 2015	
<u>Subsidiaries</u>			
Siam Okamura International Co., Ltd.	51	51	Distribution of office furniture and furniture used for public
Sri Chareon International Co., Ltd.	99.99	99.99	Distribution of office furniture and furniture parts
Siam Steel OC Co., Ltd.	51	51	Distribution of finished buildings, wall and relating products

During the period, the Company established the following direct and indirect subsidiaries :

Company	Share capital (Thousand Baht)	Percentage of shareholding		Type of business
		30 June 2016	31 December 2015	
<u>Subsidiary</u>				
Siam International Energy Co., Ltd.	50,000	99.99	-	Investment in alternative energy
<u>Indirect subsidiaries</u>				
Bangphra Green Energy Co., Ltd.	40,000	99.99	-	Manufacturing and distribution of solar equipment
Siam New Power Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Green Energy Plus Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Wealth Energy Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Inter Biomass Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Biomass Product Co., Ltd.	1,000	99.99	-	Investment in alternative energy
Siam Forest Management Co., Ltd.	20,000	60.00	-	Investment in alternative energy

On 27 January 2016, Siam International Energy Co., Ltd., purchase 100% of the common share of Bangphra Green Energy Co., Ltd., which manufactures and distributes solar equipment and invests in solar plant. Bangphra Green Energy Co., Ltd., therefore, is an indirect subsidiary of the Company.

The fair value of the acquired assets and liabilities of Bangphra Green Energy Co., Ltd., as at 31 December 2015, which approximate to the value at the acquisition date of 27 January 2016, are summarised below:

	Thousand Baht
Cash and cash equivalents	10,310
Investment in solar power plant project	92,076
Other payable	(504)
Long-term loan	(100,000)
Total net asset value	<u>1,882</u>
Goodwill	618
Cash payment for purchase of investment in subsidiary	<u>2,500</u>
<u>Less</u> Cash and cash equivalents of subsidiary	(10,310)
Net cash received for purchase of investment in subsidiary	<u><u>7,810</u></u>

Goodwill in the consolidated financial statement is the amount paid by the subsidiary company above the fair value of the indirect subsidiary company's asset and liabilities at acquisition date.

2.3 Significant intercompany transactions with subsidiaries included in the consolidated financial statements have been eliminated.

2.4 The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company and subsidiaries.

2.5 As of 30 June 2016 and 31 December 2015, the total assets of subsidiaries represent 30.00 percent and 15.70 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 30 June 2016 and 2015, represent 42.46 percent and 35.60 percent, respectively, of the total revenues in the consolidated financial statements and total revenues of subsidiaries for the six-month periods ended 30 June 2016 and 2015, represent 40.63 percent and 36.69 percent, respectively, of the total revenues in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended 31 December 2015.

The Federation of Accounting Professions has announced the new and amendments to some Thai Accounting Standards and Thai Financial Reporting Standards, and Accounting Standard Interpretations and Financial Reporting standards interpretations, which are effective for the preparation of financial statements with accounting periods beginning on or after 1 January 2016. The Company has adopted the application of those standards and interpretations for preparation of financial statements effective 1 January 2016. These accounting standards and interpretations do not have significant impact on the financial position and results of operations for the period.

4. ESTIMATION

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income 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 were the same as those applied in the preparation of annual financial statements for the year ended 31 December 2015.

5. TRANSACTIONS WITH RELATED COMPANIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies which are related through common shareholding and/or directorship. These financial statements reflected the effects of significant transactions with related companies based on market prices in the normal course of business, or based on the basis mutually agreed to for transactions with non-comparative market prices.

Relationship with related parties were as follows:

Name	Country of incorporation	Type of Business	Relationship
Sri Chareon International Co., Ltd.	Thailand	Distribution of office furniture	Subsidiary company
Siam Okamura International Co., Ltd.	Thailand	Distribution of office furniture and furniture used for public	Subsidiary company
Siam Steel OC Co., Ltd.	Thailand	Distribution of equipment, office furniture and industrial parts.	Subsidiary company
Siam International Energy Co., Ltd.	Thailand	Investment in alternative energy	Subsidiary company
Bangphra Green Energy Co., Ltd.	Thailand	Manufacturing and distribution of solar equipment and investment in solar plant	Indirect subsidiary company
Siam New Power Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Green Energy Plus Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Wealth Energy Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam International Biomass Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Biomass Product Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Forest Management Co., Ltd.	Thailand	Investment in alternative energy	Indirect subsidiary company
Siam Okamura Steel Co., Ltd.	Thailand	Manufacturer and distribution of office automation furniture for export	Associated company
Siam Steel Service Center Plc.	Thailand	Manufacturer and distribution of primary steel parts for various industries.	Associated company
Unity Service Co., Ltd.	Thailand	Providing of utilities and nursing facilities	Co-director
Formica (Thailand) Ltd.	Thailand	Manufacturing and distribution of plastic laminate products	Co-director
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of electrical appliance and supplies for construction such as electric wire, pipe and downstream equipment	Co-director
Siam Chitose Co., Ltd	Thailand	Manufacturing and distribution of furniture and furniture parts.	Co-director

Name	Country of incorporation	Type of Business	Relationship
Lucky-Kingdom Center (Nakornratchasima) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Lucky-Kingdom Center (Chiangmai) Co., Ltd.	Thailand	Distribution of office furniture	Co-director
Union Autoparts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of motorcycles and motorcycle parts.	Co-director
Hirokoh (Thailand) Co., Ltd.	Thailand	Distribution and rental of movable instant office, movable instant restroom	Co-director
Mr.Surapol Kunanantakul and Mr.Sittichai Kunanantakul	-	-	Company's directors

As at 30 June 2016 and 31 December 2015, the account balances with related companies are as follows:

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade accounts receivable from sales and services				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	537	14,593
Siam Okamura International Co., Ltd.	-	-	192	625
Siam Steel OC Co., Ltd.	-	-	-	384
Total	-	-	729	15,602
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	41	28	41	24
Siam Steel Service Center Public Company Limited	5	14	5	14
Total	46	42	46	38
<u>Related companies</u>				
Hirokoh (Thailand) Ltd.	3,006	818	3,006	818
Lucky - Kingdom Center (Nakornratchasima) Co., Ltd.	1,967	2,164	1,967	2,164
Lucky - Kingdom Center (Chiangmai) Co., Ltd.	2,852	2,461	2,852	2,461
Siam Chitose Co., Ltd.	1,201	203	1,201	203
Unity Service Co., Ltd.	29	30	29	30
Others	823	1,127	296	302
Total	9,878	6,803	9,351	5,978
Total trade accounts receivable from sales and services – related companies	9,924	6,845	10,126	21,618

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Receivables from and advances to				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	1,213	1,006
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	1,070	1,175	1,071	1,175
<u>Related companies</u>				
Siam Chitose Co., Ltd.	6,000	4,673	-	4,673
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	4,037	-	4,037	-
Unity Service Co., Ltd.	-	20	-	20
Total	10,037	4,693	4,037	4,693
Total receivables from and advances to related companies	11,107	5,868	6,321	6,874

There is no interest charge for the above receivables and advances.

Short-term loans to indirect subsidiary company

Bangpra Green Energy Co., Ltd.	-	-	440,000	-
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Long-term loans to related company

Bangpra Green Energy Co., Ltd.	-	100,000	-	100,000
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Movements in short - term loans to indirect subsidiary company and long - term loans to related company for the six-month period ended 30 June 2016 are as follows :

	Separate F/S			30 June 2016
	31 December 2015	Increase	Decrease	
	Short - term loans	-	440,000	

(Unit : Thousand Baht)

(Unit : Thousand Baht)

	Separate F/S			
	31 December			30 June
	2015	Increase	Decrease	2016
Long - term loans	100,000	-	100,000	-

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Short-term loan from related party				
Director	103,000	-	-	-

Movements in short - term loans from related party for the six-month period ended 30 June 2016 are as follows :

	Consolidated F/S			
	31 December			30 June
	2015	Increase	Decrease	2016
Short - term loans	-	103,000	-	103,000

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade accounts payable				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	-	20
Siam Okamura International Co., Ltd.	-	-	-	752
Total	-	-	-	772
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	31,986	18,058	4,741	5,863
Siam Steel Service Center Public Company Limited	160	30	160	30
Total	32,146	18,088	4,901	5,893

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
<u>Related companies</u>				
Siam Chitose Co., Ltd.	2,950	8,826	2,950	8,826
Formica (Thailand) Co., Ltd.	1,497	819	1,497	819
Hirokoh (Thailand) Ltd.	111	10	111	10
Others	1,569	10,260	-	-
Total	6,127	19,915	4,558	9,655
 Total trade accounts payable - related companies	 38,273	 38,003	 9,459	 16,320
 Advances from				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	-	60
 <u>Related companies</u>				
Unity Service Co., Ltd.	940	898	940	898
Others	34	5	34	5
Total	974	903	974	903
 Total advances from related companies	 974	 903	 974	 963
 Total trade accounts payable and advances from related companies	 39,247	 38,906	 10,433	 17,283
 Advances and deposit from customers				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	1,553	1,553
 <u>Related company</u>				
Formica (Thailand) Co., Ltd.	3,659	3,659	3,659	3,659
 Total advances and deposits from customers - related companies	 3,659	 3,659	 5,212	 5,212

The significant transactions with related companies for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

	The Policy of Pricing			

Sales and services	Cost plus margin or agreed price			
Income from construction	Cost plus margin			
Income from sales of raw materials, factory supplies and others	Cost plus margin			
Rental revenue	Agreed price			
Interest income	8% per annum			
Purchases of raw materials	Cost plus margin or agreed price			
Purchases of finished goods	Agreed price			
Land and factory rental	Agreed price			
Administrative and other expenses	Cost plus margin or agreed price			
Interest expense	2.5 % per annum			

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2016	2015	2016	2015

Sales	14,137	16,338	14,736	28,082
Income from sales of raw materials, factory supplies and others	6,009	7,188	6,766	7,392
Rental revenue	3,767	3,482	6,210	5,848
Interest income	-	-	8,776	-
Dividend income	4,037	2,495	29,923	40,366
Purchases of raw materials	3,548	2,003	3,547	2,003
Purchases of finished goods	78,092	92,651	6,143	49,285
Administrative expenses and other expenses	8,812	13,219	2,854	2,868
Interest expense	642	-	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	5,629	3,839	4,941	3,150
Post-employment benefits	71	98	64	92
Total	5,700	3,937	5,005	3,242

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2016	2015	2016	2015
Sales	29,018	30,191	46,392	44,115
Income from sales of raw materials, factory supplies and others	10,675	12,876	12,596	14,055
Rental revenue	7,456	6,965	12,265	11,696
Interest income	-	-	16,945	-
Dividend income	4,037	2,495	29,923	40,366
Purchases of raw materials	6,933	5,044	6,932	5,044
Purchases of finished goods	144,207	167,818	18,153	77,812
Administrative expenses and other expenses	19,445	23,144	5,750	6,365
Interest expense	1,234	-	-	-
<u>Key management personnel compensation</u>				
Current employee benefits	11,259	8,728	9,881	7,330
Post-employment benefits	141	196	128	183
Total	11,400	8,924	10,009	7,513

6. TRADE ACCOUNTS RECEIVABLE – GENERAL CUSTOMERS - NET

As at 30 June 2016 and 31 December 2015, the aged analysis of trade accounts receivable are as follows:

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade accounts receivable from sales and services				
<u>Trade accounts receivable – general customers</u>				
Current	163,846	247,310	112,555	135,189
Overdue:				
Less than 3 months	101,137	124,325	14,025	42,523
3 months – 6 months	7,207	4,430	3,105	2,611
6 months – 12 months	14,350	7,836	3,293	1,632
Over 12 months	139,426	135,243	135,450	135,551
Total	425,966	519,144	268,428	317,506
<u>Less</u> Allowance for doubtful accounts	(44,860)	(44,920)	(44,860)	(44,920)
Net	381,106	474,224	223,568	272,586

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
<u>Trade accounts receivable - related companies</u>				
Current	9,864	6,798	10,066	21,618
Overdue:				
Less than 3 months	36	47	36	-
3 months – 6 months	24	-	24	-
Total	<u>9,924</u>	<u>6,845</u>	<u>10,126</u>	<u>21,618</u>
Trade accounts receivable from construction work				
<u>Trade accounts receivable – general customers</u>				
Current	<u>7,929</u>	<u>10,594</u>	<u>7,929</u>	<u>10,594</u>

7. INVENTORIES – NET

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Finished goods	171,822	158,600	66,482	64,819
Work in process	75,123	55,727	75,123	55,727
Raw materials and supplies	167,000	151,657	167,000	151,657
Goods in transit	1,740	1,524	-	-
Total	<u>415,745</u>	<u>367,508</u>	<u>308,605</u>	<u>272,203</u>
<u>Less</u> Allowance for decline value of inventories	<u>(42,722)</u>	<u>(43,386)</u>	<u>(42,722)</u>	<u>(43,386)</u>
Net	<u>373,023</u>	<u>324,122</u>	<u>265,883</u>	<u>228,817</u>

During the period, the movements in allowance for decline value of inventories are as follows:

	Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2016	43,386	43,386
<u>Add</u> Allowance for decline value	785	785
<u>Less</u> Reversal of allowance for decline value	(1,449)	(1,449)
Balance as at 30 June 2016	42,722	42,722

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

During year 2016, Joint venture Siam Steel-Kanok Furniture has closed its business. Such Joint venture returned remaining money to the Company already.

As at 30 June 2016 and 31 December 2015, the balances of investments in subsidiaries and related companies are shown on the following pages:

(Unit: Thousand Baht)

Type of business	Consolidated F/S										
	Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income		
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	
<u>Investments</u>											
<u>Associated companies - equity method</u>											
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	108,351	107,200		
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	615,055	601,767		
						<u>162,627</u>	<u>162,627</u>	<u>723,406</u>	<u>708,967</u>		
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	4,978	4,962		
	Total investments in associated companies by equity method					<u>167,427</u>	<u>167,427</u>	<u>728,384</u>	<u>713,929</u>		
<u>Joint venture – equity method</u>											
Siam Steel - Kanok Furniture	Interior decoration service	-	100	-	49	-	49	-	22		
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052			-	23,898
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			4,037	-
	Total investments in related companies by cost method					<u>49,712</u>	<u>49,712</u>			<u>4,037</u>	<u>23,898</u>
<u>Other company - cost method</u>											
Siam Auto Bags Co., Ltd.	Sales parts and accessories of car	39,900	39,900	6.39	6.39	5,000	5,000				
	Less Allowance for decline value of investments					(2,563)	(2,563)				
	Net					<u>2,437</u>	<u>2,437</u>				
	Total investments in other company by cost method – net					<u>52,149</u>	<u>52,149</u>				

(Unit: Thousand Baht)

Type of business	Paid-up Share capital		Percentage of shareholding		Separate F/S Cost method		Dividend income		
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	
	2016	2015	2016	2015	2016	2015	2016	2015	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	14,000	14,000	99.99	99.99	14,000	14,000	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	1,173	2,193
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200	-	-
Siam International Energy Co., Ltd.	Operation of renewable energy power plants	42,650	-	99.99	-	42,650	-	-	-
Total investments in subsidiary companies						77,049	34,399	1,173	2,193
<u>Less Allowance for decline in value of investments</u>						-	-		
Net						77,049	34,399		
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	1,408	-
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	23,305	-
Total investments in associated companies						162,627	162,627	24,713	-
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	23,898
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	4,037	-
Total investments in related companies						49,712	49,712	4,037	23,898
<u>Joint venture</u>									
Siam Steel - Kanok Furniture	Interior decoration service	-	100	-	49	-	49		
<u>Less Allowance for decline in value of investments</u>						-	(49)		
Net						-	-		
Total dividend income from investments accounted for by cost method								29,923	26,091

Movements in investments in associated companies and joint venture for the six-month period ended 30 June 2016 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 January 2016	713,951	162,627
Share of profits of investments - equity method	39,161	-
Return investment from close Joint venture	(15)	-
Dividend income	(24,713)	-
Net book value as at 30 June 2016	728,384	162,627

9. INVESTMENT IN SOLAR POWER PLANT PROJECT

During this period, Bangphra Green Energy Co., Ltd., indirect subsidiary of the Company has invested, 97% of project value, in Solar Power Plant project in Japan of the capacity of 15.17 Megawatts. The total expected value of the project is Baht 1,358.18 million, and the amount invested to 30 June 2016 is Baht 541.96 million. The project is expected to commence operation in the third quarter of year 2017.

Movements in investment in solar power plant project for the six-month period ended 30 June 2016 are as follow:

	Thousand Baht
	Consolidated F/S
Balance as at 1 January 2016	-
<u>Add</u> An acquisition company on 27 January 2016 (Note 2.2)	92,076
Investment during the period	456,452
<u>Less</u> Share of loss from project	(6,567)
Balance as at 30 June 2016	541,961

10. PROPERTY, PLANT AND EQUIPMENT – NET

Movements in property, plant and equipment for the six-month period ended 30 June 2016 are as follow:

	Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 January 2016	578,714	566,215
Purchase during the period	29,832	28,778
Disposal during the period – net book value	(2)	(3)
Depreciation for the period	(20,988)	(19,415)
Net book value as at 30 June 2016	587,556	575,575

11. SHORT – TERM LOANS FROM FINANCIAL INSTITUTION – NET

	Thousand Baht			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Short – term loans	64,010	24,000	64,010	24,000
Bills of exchange	200,000	-	200,000	-
Total	264,010	24,000	264,010	24,000
<u>Less</u> Deferred interest	(146)	-	(146)	-
Net	263,864	24,000	263,864	24,000

As at 30 June 2016, bills of exchange from a financial institution has interest at the rate of 4.5%. Such loan is due on July 2016.

12. LONG – TERM LOANS FROM FINANCIAL INSTITUTION

As at 30 June 2016, long-term loans from financial institution with interest at the rates of MLR – 0.5% per annum are collateralized by the pledge of 8,842,800 shares of an associated company. In addition, the Company has to deposit dividends received from such shares to a bank account until it reach Baht 10.00 million as addition collateral. In addition, 25,000,000 shares belonging to the Company’s directors have been pledged as collateral for this loan. This loan is repayable within December 2020.

13. DIVIDEND PAYMENT

Details of Company’s dividends declaration and payments for the six-month period ended 30 June 2016 is as follows :

	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Final annual dividend	Annual General Meeting of the shareholders held on 28 April 2016	593,125,849	0.012	7,117

Details of Subsidiary's dividends declaration and payments for the six-month period ended 30 June 2016 is as follows :

Siam Okamura International Co., Ltd.

	Approved by	Qualified common share (Shares)	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Final annual dividend	Annual General Meeting of the shareholders held on 27 May 2016	200,000	11.50	2,300

14. SEGMENTAL FINANCIAL INFORMATION

	Thousand Baht					
	For the three-month periods ended 30 June					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
Consolidated						
Sales and services – net	386,713	347,724	41,419	17,597	401,132	365,321
Cost of sales and services	(307,070)	(308,245)	(12,408)	(17,543)	(319,478)	(325,788)
Gross profit	79,643	39,479	2,011	54	81,654	39,533
Revenues from construction work	37,461	14,158	-	-	37,461	14,158
Costs of construction	(33,108)	(12,438)	-	-	(33,108)	(12,438)
Gross profit	4,353	1,720	-	-	4,353	1,720
Total gross profit	83,996	41,199	2,011	54	86,007	41,253
Depreciation					(10,214)	(11,013)
Interest expense					(7,392)	(230)
Loss before income tax					(66,261)	(37,315)
Property, plant and equipment – net					587,556	541,391
Assets not used in operation – net					165,400	168,817
Other assets					2,694,084	2,070,792
Total assets as at 30 June					3,447,040	2,781,000

	Thousand Baht					
	For the six-month periods ended 30 June					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
Consolidated						
Sales and services – net	766,157	719,989	25,361	53,082	791,518	773,070
Cost of sales and services	(585,328)	(588,917)	(21,840)	(51,909)	(606,050)	(640,826)
Gross profit	180,829	131,071	3,521	1,173	185,468	132,244
Revenues from construction work	75,716	21,015	-	-	75,716	21,015
Costs of construction	(64,999)	(18,582)	-	-	(64,999)	(18,582)
Gross profit	10,717	2,433	-	-	10,717	2,433
Total gross profit	191,546	133,504	3,521	1,173	196,185	134,677
Depreciation					(20,988)	(22,015)
Interest expense					(14,542)	(461)
Loss before income tax					(54,398)	(46,465)
Property, plant and equipment – net					587,556	541,391
Assets not used in operation - net					165,400	168,817
Other assets					2,694,084	2,070,792
Total assets as at 30 June					3,447,040	2,781,000

15. GUARANTEE

As at 30 June 2016, the Company has outstanding guarantees of approximately Baht 272.40 million which was issued by certain local bank in respect of certain performance bonds required in the normal course of business of the Company.

As at 30 June 2016, the subsidiaries have outstanding guarantees of approximately Baht 3.43 million which was issued by certain local banks in respect of certain performance bonds required in the normal course of business of the subsidiaries.

16. LITIGATION

In 2012, a contractor sued the Company as joint defendant with another party for compensation totalling approximately Baht 41.53 million, plus interest at the rate of 7.50 percent per annum from 24 March 2011 to the payment date. The Company submitted a counterclaim because they believed the plaintiff was at fault for the delay and delivery of defective products. However, during this period the Court of Appeal determined that the Company has to pay compensation totalling approximately Baht 24.41 million, plus interest at the rate of 7.50 percent per annum from 27 March 2012 to the payment date. As at 30 June 2016, the Company set up provision for such liabilities in its accounts and has recorded addition expense totalling of Baht 18.66 million to statement of profit or loss for the three-month and six-month periods ended 30 June 2016. And the Company is preparing document for sending to the Supreme Court within 2 September 2016.

17. COMMITMENTS

17.1 As at 30 June 2016, the Company had outstanding commitments for the project work amounting to Baht 48.03 million.

17.2 As at 30 June 2016, a subsidiary company has various operating lease agreements covering its office premises, showroom, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the subsidiary company is committed to pay the rental as follow :

Year	Thousand Baht
1	14,566
2 - 3	20,714
Total	<u>35,280</u>

18. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Exchange Risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

As at 30 June 2016, the balances of financial assets and liabilities denominated in foreign currencies are summarized below:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 30 June 2016 (Baht per 1 foreign currency unit)
USD	1,069	20	35.1802
JPY	687	10,978	0.3425
AUD	6,391	489	26.1877

Below is the summary of the Company's foreign currency denominated assets and liabilities as at 30 June 2016 which were not covered by hedging agreement.

	USD (Thousand)	JPY (Thousand)	AUD (Thousand)
<u>Financial assets</u>			
Cash and cash equivalents	905	687	-
Trade accounts receivable – net	164	-	6,391
<u>Financial liabilities</u>			
Trade accounts payable	-	297	-
Advances from customers	20	10,681	158
Other current liabilities	-	-	330