

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the shareholders of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position as at 31 December 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 31 December 2014, the consolidated statement of changes in shareholders' equity and cash flows for the six-month period ended 31 December 2014, and condensed notes to financial statements of Siam Steel International Public Company Limited and its subsidiaries and joint ventures. I have also reviewed the separate statement of financial position as at 31 December 2014, the related separate statements of comprehensive income for the three-month and six-month periods ended 31 December 2014, the statement of changes in shareholders' equity and cash flows for the six-month period ended 31 December 2014, and condensed notes to financial statements of Siam Steel International Public Company Limited. Management is responsible for the preparation and presentation of these interim financial information in accordance with Accounting Standard No. 34, "Interim financial reporting". My responsibility is to issue a concluding report on these interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Standard on Review Engagements Code 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 No. 34, "Interim financial reporting".

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

13 February 2015

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURES  
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2014	30 June 2014	31 December 2014	30 June 2014
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	2	235,726	333,078	101,230	114,888
Trade accounts receivable from sales and services					
- general customers - net	4	431,693	425,490	242,491	275,311
- related companies	3, 4	8,925	22,535	9,731	24,105
Trade accounts receivable from construction work					
- related company - net	3	1,027	2,377	2,014	4,660
Unbilled accrued income					
- general customers		1,393	-	1,393	-
Inventories - net	5	390,366	390,225	286,517	300,197
Receivables from and advances to related companies	3	2,338	3,079	3,814	4,515
Other current assets	6	17,368	18,542	13,535	13,785
<b>Total current assets</b>		<b>1,088,836</b>	<b>1,195,326</b>	<b>660,725</b>	<b>737,461</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposit with bank	7	352	325	-	-
Retentions receivable		83,641	94,822	83,641	94,822
Investments					
- Subsidiary companies - net	8	-	-	32,399	32,399
- Associated companies	8	703,887	671,914	162,627	162,627
- Other companies - net	8	54,712	53,287	49,712	48,287
- Joint ventures - net	8	-	-	-	16
Property, plant and equipment - net	9	562,510	581,475	548,230	566,695
Assets not used in operation - net	10	168,817	168,822	168,817	168,822
Refundable value added tax		14	1,603	-	-
Income tax withheld at sources		15,575	13,276	11,480	9,143
Deferred income tax asset - net	11	101,302	100,268	112,408	111,822
Other non - current assets - net		29,160	30,343	19,127	19,521
<b>Total non - current assets</b>		<b>1,719,970</b>	<b>1,716,135</b>	<b>1,188,441</b>	<b>1,214,154</b>
<b>TOTAL ASSETS</b>		<b>2,808,806</b>	<b>2,911,461</b>	<b>1,849,166</b>	<b>1,951,615</b>

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURES  
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2014	30 June 2014	31 December 2014	30 June 2014
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from financial institution - net	12	-	53,461	-	53,461
Trade accounts payable - general suppliers		94,734	113,905	69,567	83,105
Payables to and advances from related companies	3	41,321	70,093	19,538	31,199
Advances and deposits from customers					
- general customers		30,721	19,775	29,099	18,692
- related companies	3	5,035	5,035	5,035	5,035
Accrued income tax		743	2,615	-	-
Other current liabilities	13	99,041	91,748	85,413	77,081
<b>Total current liabilities</b>		<b>271,595</b>	<b>356,632</b>	<b>208,652</b>	<b>268,573</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under employee benefits obligation	14	22,925	21,956	20,229	19,439
Other non - current liabilities		2,044	2,491	1,731	2,051
<b>Total non - current liabilities</b>		<b>24,969</b>	<b>24,447</b>	<b>21,960</b>	<b>21,490</b>
<b>TOTAL LIABILITIES</b>		<b>296,564</b>	<b>381,079</b>	<b>230,612</b>	<b>290,063</b>
<b>SHAREHOLDERS' EQUITY</b>					
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		1,597,973	1,612,609	893,712	936,710
<b>Total equity of the Company's shareholders</b>		<b>2,322,815</b>	<b>2,337,451</b>	<b>1,618,554</b>	<b>1,661,552</b>
Non - controlling interests in subsidiaries		189,427	192,931	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,512,242</b>	<b>2,530,382</b>	<b>1,618,554</b>	<b>1,661,552</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,808,806</b>	<b>2,911,461</b>	<b>1,849,166</b>	<b>1,951,615</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIODS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2014	2013	2014	2013
<b>Revenues</b>					
Sales and services - net		430,353	523,345	215,485	228,113
Construction work		1,393	-	1,393	-
<b>Total revenues</b>	16	<b>431,746</b>	<b>523,345</b>	<b>216,878</b>	<b>228,113</b>
<b>Cost of goods sold</b>					
Costs of sales and services		352,336	465,317	177,553	211,555
Cost of construction		1,248	-	1,248	-
<b>Total cost of goods sold</b>		<b>353,584</b>	<b>465,317</b>	<b>178,801</b>	<b>211,555</b>
<b>Gross income</b>		<b>78,162</b>	<b>58,028</b>	<b>38,077</b>	<b>16,558</b>
Gain (loss) on foreign exchange rates		(6,692)	4,088	(7,126)	3,023
Other income	15	8,184	15,379	12,936	17,554
<b>Income before expenses</b>		<b>79,654</b>	<b>77,495</b>	<b>43,887</b>	<b>37,135</b>
Selling expenses		(37,521)	(39,916)	(39,543)	(39,859)
Administrative expenses		(73,588)	(76,377)	(41,251)	(42,462)
Compensation for defect products		-	(189,067)	-	(189,067)
Reversal of allowance for doubtful debts and bad debt - net		20	1,272	20	1,272
Reversal of allowance for decline value of investment		-	3,872	-	3,872
<b>Total expenses</b>	16	<b>(111,089)</b>	<b>(300,216)</b>	<b>(80,774)</b>	<b>(266,244)</b>
<b>Loss from operations</b>		<b>(31,435)</b>	<b>(222,721)</b>	<b>(36,887)</b>	<b>(229,109)</b>
Equity in net income of associated companies - net		14,852	16,937	-	-
<b>Loss before financial costs and income tax</b>		<b>(16,583)</b>	<b>(205,784)</b>	<b>(36,887)</b>	<b>(229,109)</b>
Financial costs		(232)	(409)	(221)	(414)
<b>Loss before income tax</b>		<b>(16,815)</b>	<b>(206,193)</b>	<b>(37,108)</b>	<b>(229,523)</b>
Income tax benefits from timing differences		(2,675)	44,215	(1,644)	45,318
<b>Loss for the period</b>		<b>(19,490)</b>	<b>(161,978)</b>	<b>(38,752)</b>	<b>(184,205)</b>
Other comprehensive income (loss) for the period		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(19,490)</b>	<b>(161,978)</b>	<b>(38,752)</b>	<b>(184,205)</b>
<b>Attribution of income (loss)</b>					
Portion of the Company's shareholders		(21,606)	(164,500)	(38,752)	(184,205)
Portion of non - controlling interests in subsidiary		2,116	2,522	-	-
<b>Total</b>		<b>(19,490)</b>	<b>(161,978)</b>	<b>(38,752)</b>	<b>(184,205)</b>
<b>Attribution of comprehensive income (loss)</b>					
Portion of the Company's shareholders		(21,606)	(164,500)	(38,752)	(184,205)
Portion of non - controlling interests in subsidiary		2,116	2,522	-	-
<b>Total</b>		<b>(19,490)</b>	<b>(161,978)</b>	<b>(38,752)</b>	<b>(184,205)</b>
<b>Basic earnings (loss) per share</b>					
Loss of the Company's shareholders (Baht per share)		(0.04)	(0.28)	(0.07)	(0.31)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2014	2013	2014	2013
<b>Revenues</b>					
Sales and services - net		863,375	1,150,740	486,536	579,869
Construction work		1,393	-	1,393	-
<b>Total revenues</b>		<b>864,768</b>	<b>1,150,740</b>	<b>487,929</b>	<b>579,869</b>
<b>Cost of goods sold</b>					
Costs of sales and services		682,769	1,024,790	391,145	543,114
Cost of construction		1,248	-	1,248	-
<b>Total cost of goods sold</b>	16	<b>684,017</b>	<b>1,024,790</b>	<b>392,393</b>	<b>543,114</b>
<b>Gross income</b>		<b>180,751</b>	<b>125,950</b>	<b>95,536</b>	<b>36,755</b>
Gain (loss) on foreign exchange rates		(20,367)	9,976	(21,077)	9,119
Dividend income	8	-	-	10,199	10,199
Other income	15	20,764	26,607	27,248	31,283
<b>Income before expenses</b>		<b>181,148</b>	<b>162,533</b>	<b>111,906</b>	<b>87,356</b>
Selling expenses		(75,740)	(95,615)	(77,312)	(95,489)
Administrative expenses		(143,329)	(177,573)	(78,487)	(109,492)
Compensation for defect products		-	(189,067)	-	(189,067)
Reversal of allowance for doubtful debts and bad debt - net		35	1,313	35	1,313
Reversal of allowance for decline value of investment		1,425	8,683	1,425	8,683
<b>Total expenses</b>	16	<b>(217,609)</b>	<b>(452,259)</b>	<b>(154,339)</b>	<b>(384,052)</b>
<b>Loss from operations</b>		<b>(36,461)</b>	<b>(289,726)</b>	<b>(42,433)</b>	<b>(296,696)</b>
Equity in net income of associated companies - net		31,973	50,466	-	-
<b>Loss before financial costs and income tax</b>		<b>(4,488)</b>	<b>(239,260)</b>	<b>(42,433)</b>	<b>(296,696)</b>
Financial costs		(1,201)	(769)	(1,151)	(774)
<b>Loss before income tax</b>		<b>(5,689)</b>	<b>(240,029)</b>	<b>(43,584)</b>	<b>(297,470)</b>
Income tax benefits from timing differences	11	(2,650)	57,007	586	60,589
<b>Loss for the period</b>		<b>(8,339)</b>	<b>(183,022)</b>	<b>(42,998)</b>	<b>(236,881)</b>
Other comprehensive income (loss) for the period		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(8,339)</b>	<b>(183,022)</b>	<b>(42,998)</b>	<b>(236,881)</b>
<b>Attribution of income (loss)</b>					
Portion of the Company's shareholders		(14,636)	(189,481)	(42,998)	(236,881)
Portion of non - controlling interests in subsidiary		6,297	6,459	-	-
<b>Total</b>		<b>(8,339)</b>	<b>(183,022)</b>	<b>(42,998)</b>	<b>(236,881)</b>
<b>Attribution of comprehensive income (loss)</b>					
Portion of the Company's shareholders		(14,636)	(189,481)	(42,998)	(236,881)
Portion of non - controlling interests in subsidiary		6,297	6,459	-	-
<b>Total</b>		<b>(8,339)</b>	<b>(183,022)</b>	<b>(42,998)</b>	<b>(236,881)</b>
<b>Basic earnings (loss) per share</b>					
Loss of the Company's shareholders (Baht per share)		(0.02)	(0.32)	(0.07)	(0.40)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER

(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			
<b>Consolidated F/S</b>								
<b>Balance as at 1 July 2013</b>		593,126	72,404	59,312	1,830,759	2,555,601	180,317	2,735,918
Comprehensive income (loss) for the period		-	-	-	(189,481)	(189,481)	6,459	(183,022)
Dividend payment of subsidiary company		-	-	-	-	-	(9,801)	(9,801)
<b>Balance as at 31 December 2013</b>		<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,641,278</b>	<b>2,366,120</b>	<b>176,975</b>	<b>2,543,095</b>
<b>Balance as at 1 July 2014</b>		593,126	72,404	59,312	1,612,609	2,337,451	192,931	2,530,382
Comprehensive income (loss) for the period		-	-	-	(14,636)	(14,636)	6,297	(8,339)
Dividend payment of subsidiary company	8	-	-	-	-	-	(9,801)	(9,801)
<b>Balance as at 31 December 2014</b>		<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,597,973</b>	<b>2,322,815</b>	<b>189,427</b>	<b>2,512,242</b>

## SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURES

(Unaudited but reviewed)

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Paid - up share capital	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
<u>Separate F/S</u>					
Balance as at 1 July 2013	593,126	72,404	59,312	1,203,252	1,928,094
Comprehensive loss for the period	-	-	-	(236,881)	(236,881)
<b>Balance as at 31 December 2013</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>966,371</b>	<b>1,691,213</b>
Balance as at 1 July 2014	593,126	72,404	59,312	936,710	1,661,552
Comprehensive loss for the period	-	-	-	(42,998)	(42,998)
<b>Balance as at 31 December 2014</b>	<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>893,712</b>	<b>1,618,554</b>

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



## STATEMENTS OF CASH FLOWS

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Loss before tax	(5,689)	(240,029)	(43,584)	(297,470)
<b>Adjustments to reconcile loss before tax to net cash</b>				
<b>provided from (used in) operating activities:</b>				
Depreciation	22,741	27,332	21,099	25,694
Reversal of allowance for doubtful debts and bad debt - net	(35)	(1,313)	(35)	(1,313)
Provision (reversal of allowance) for decline value of inventories - net	11,577	(816)	11,577	(816)
Reversal of allowance for decline value of investment	(1,425)	(8,683)	(1,425)	(8,683)
Gain on sales of property, plant and equipment	(16)	(118)	(9)	(105)
Unrealized loss (gain) on foreign exchange	21,627	(2,069)	21,627	(2,069)
Financial costs	1,219	998	1,151	774
Equity in net income of associated companies - net	(31,973)	(50,466)	-	-
Employee benefits obligation expenses	582	1,252	459	879
<b>Cash provided from (used in) operations before changes in</b>				
<b>operating assets and liabilities</b>	18,608	(273,912)	10,860	(283,109)
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	(19,099)	130,831	19,924	152,546
- related companies	13,611	6,533	14,373	6,729
Trade accounts receivable from construction work				
- related company	1,350	-	2,646	-
Unbilled accrued income				
- general customers	(1,393)	-	(1,393)	-
Inventories	(11,718)	30,883	2,103	36,971
Receivables from and advances to related companies	740	(184)	700	(203)
Other current assets	1,173	(4,717)	251	(5,435)
Retentions receivable	-	162,502	-	162,502
Other non - current assets	(2,467)	(2,672)	(1,944)	824
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	(19,169)	(156,595)	(13,535)	(156,491)
Payables to and advances from related companies	(28,772)	(5,678)	(11,660)	(20,289)
Advances and deposits from customers	12,222	(1,028)	11,682	1,621
Other current liabilities	8,500	(31,795)	9,539	(27,869)
Employee benefits obligation	(111)	(155)	(111)	(155)
Other non - current liabilities	(447)	(2,137)	(320)	(1,978)
<b>Cash provided from (used in) operating activities</b>	(26,972)	(148,124)	43,115	(134,336)
Interest payment	(720)	(19)	(709)	(19)
Income tax payment	(2,615)	(1,374)	-	-
<b>Net cash provided from (used in) operating activities</b>	(30,307)	(149,517)	42,406	(134,355)

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Increase in restricted deposits with banks	(28)	(21)	-	-
Acquisition of property, plant and equipment	(5,249)	(6,657)	(4,083)	(6,312)
Proceeds from sales of property, plant and equipment	1,494	217	1,464	196
Proceeds from sales of investment in joint venture	-	-	16	-
<b>Net cash used in investing activities</b>	<b>(3,783)</b>	<b>(6,461)</b>	<b>(2,603)</b>	<b>(6,116)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loan from financial institution	(53,461)	63,077	(53,461)	63,076
Dividend paid to non - controlling interests by subsidiary	(9,801)	(9,801)	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>(63,262)</b>	<b>53,276</b>	<b>(53,461)</b>	<b>63,076</b>
<b>Decrease in cash and cash equivalents - net</b>	<b>(97,352)</b>	<b>(102,702)</b>	<b>(13,658)</b>	<b>(77,395)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>333,078</b>	<b>450,931</b>	<b>114,888</b>	<b>281,451</b>
<b>Cash and cash equivalents at end of period</b>	<b>235,726</b>	<b>348,229</b>	<b>101,230</b>	<b>204,056</b>

**SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
AND JOINT VENTURES**

**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**

**AS AT 31 DECEMBER 2014 (Unaudited but reviewed)**

(With comparative information for 2013/2014 (Audited))

**1. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLE OF CONSOLIDATION**

**1.1 Basis for interim financial statements preparation**

These interim financial statements are prepared in accordance with 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 financial statements to bring them into the full format similar to the annual financial statements which are prepared in accordance with Accounting Standards Pronouncement No. 1 “Presentation of 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 30 June 2014.

These interim financial statements are officially prepared in Thai language in accordance with statutory requirement with accounting standards enumerated under the Accounting Profession Act B.E. 2547. The translation of these statutory financial statements to other language should conform to the Thai financial report.

**1.2 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, and joint ventures which the Company can proportionately exercise control as follows:

Company	Percentage of shareholding		Type of business
	31 December 2014	30 June 2014	
<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
<u>Joint ventures</u>			
Siam Steel – Kanok Furniture	49	49	Interior decoration service
Siam Steel – Thai Service	-	80	Interior decoration service

- 1.3 Significant intercompany transactions with subsidiaries and joint ventures included in the consolidated financial statements have been eliminated.
- 1.4 The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company, subsidiaries and joint ventures.
- 1.5 As of 31 December 2014 and 30 June 2014, the total assets of subsidiaries represent 16.85 percent and 17.30 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 December 2014 and 2013, represent 49.02 percent and 53.74 percent, respectively, of the total revenues in the consolidated financial statements and total revenues of subsidiaries for the six-month periods ended 31 December 2014 and 2013 represent 43.29 percent and 47.01 percent, respectively, of the total revenues in the consolidated financial statements.
- 1.6 The consolidated financial statements as at 31 December 2014 and 30 June 2014, and for the three-month and the six-month periods ended 31 December 2014 and 2013 included the proportion of the assets, liabilities, revenues and expenses of the joint ventures as follows:

	In Thousand Baht	
	Joint Venture financial information	
	31 December 2014	30 June 2014
Current assets	120	295
Non-current assets	1,090	2,501
Current liabilities	1,455	2,757

	In Thousand Baht			
	Consolidated F/S			
	For the three-month periods ended		For the six-month periods ended	
	31 December		31 December	
	2014	2014	2014	2013
Expenses	7	13	278	13

The construction work with Siam Steel-Kanok Furniture Joint Venture was 100% completed since the 1<sup>st</sup> quarter of year 2010/2011. Consequently, starting the 2<sup>nd</sup> quarter of year 2010/2011, there have been no revenues from construction work of Joint Ventures.

## 1.7 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 30 June 2014.

The Federation of Accounting Professions has announced the new accounting standards and amendments to some Thai accounting standards, Thai financial reporting standards, and accounting standard and financial reporting standards interpretations, which are effective for the preparation of financial statements with accounting period beginning or after 1 January 2014. The Company's management assessed that those standards and interpretations do not have material effect to the Company's financial statements.

## 1.8 Estimates and judgments

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, including the key sources of information applied for the preparation of interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2014.

## 2. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
Cash	286	295	186	185
Deposits with financial institutions				
- Current accounts	321	370	321	579
- Savings accounts	230,119	332,413	100,723	114,124
- Certificate of deposits	5,000	-	-	-
Total	<u>235,726</u>	<u>333,078</u>	<u>101,230</u>	<u>114,888</u>

Savings deposits with banks bear interest at the floating rates determined by banks.

### 3. 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.

As at 31 December 2014 and 30 June 2014, the account balances with related companies are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
<b>Trade accounts receivable from sales and services</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	1,369	1,396
Siam Okamura International Co., Ltd.	-	-	375	174
Total	-	-	1,744	1,570
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	60	94	56	94
Siam Steel Service Center Public Company Limited	70	10	70	10
Total	130	104	126	104
<u>Related companies</u>				
Lucky - Kingdom Center (Chiangmai) Co., Ltd.	1,299	4,007	1,299	4,007
Lucky - Kingdom Center (Nakornratchasima) Co., Ltd.	3,128	3,561	3,128	3,561
Siam Chitose Co., Ltd.	744	968	744	968
Unity Service Co., Ltd.	34	43	34	43
Hirokoh (Thailand) Ltd.	2,358	13,618	2,358	13,618
Others	1,232	234	298	234
Total	8,795	22,431	7,861	22,431
Total trade accounts receivable from sales and services – related companies	8,925	22,535	9,731	24,105

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
<b>Trade accounts receivable from construction work</b>				
<u>Joint Venture</u>				
Siam Steel-Kanok Furniture	-	-	2,954	5,600
<u>Less</u> Allowance for doubtful accounts	-	-	(940)	(940)
Net	-	-	2,014	4,660
<u>Outstanding balances and portion of other joint ventures' partner</u>				
Siam Steel-Kanok Furniture	1,506	2,856	-	-
<u>Less</u> Allowance for doubtful accounts	(479)	(479)	-	-
Net	1,027	2,377	-	-
Total trade accounts receivable from construction work - related company – net	1,027	2,377	2,014	4,660
<b>Receivables and advances to</b>				
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	1,476	1,436
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	2,338	3,079	2,338	3,079
Total receivables and advances to related companies	2,388	3,079	3,814	4,515

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
<b>Payables – related companies</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	50	-
Siam Okamura International Co., Ltd.	-	-	1,092	-
Siam Steel OC Co., Ltd.	-	-	298	-
Total	-	-	1,440	-

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	29,296	45,449	6,703	8,023
Siam Steel Service Center Public Company Limited	20	51	20	51
Total	29,316	45,500	6,723	8,074
<u>Related companies</u>				
Siam Chitose Co., Ltd.	9,651	20,715	9,652	20,715
Formica (Thailand) Co., Ltd.	725	1,395	725	1,395
Hirokoh (Thailand) Ltd.	97	-	97	-
Others	631	1,577	-	-
Total	11,104	23,687	10,474	22,110
Total payables - related companies	40,420	69,187	18,637	30,184
<b>Advances from related companies</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	-	49
Siam Okamura International Co., Ltd.	-	-	-	60
Total	-	-	-	109
<u>Related company</u>				
Unity Service Co., Ltd.	901	906	901	906
Total advances from related companies	901	906	901	1,015
Total payables and advances from related companies	41,321	70,093	19,538	31,199
<b>Advances and deposits from customers</b>				
<b>- related companies</b>				
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	1,553	1,553	1,553	1,553
<u>Related company</u>				
Formica (Thailand) Co., Ltd.	3,482	3,482	3,482	3,482
Total advances and deposits from customers - related companies	5,035	5,035	5,035	5,035



The significant transactions with related companies for the three-month and six-month periods ended 31 December 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2014	2013	2014	2013
Sales	10,787	8,587	12,006	11,379
Income from sales of raw materials, factory supplies and others	5,581	6,535	8,080	9,831
Rental revenue	4,258	5,811	6,624	5,848
Purchases of finished goods	103,447	159,394	29,209	21,199
Purchases of raw materials	1,526	2,271	1,526	2,271
Administrative expenses and other expenses	10,385	27,558	2,688	3,854
Land and factory building rental	678	6,383	-	4,350
<u>Key management personnel compensation</u>				
Current employee benefits	3,833	5,945	3,150	4,970
Post-employment benefits	98	191	91	187
Total	3,931	6,136	3,241	5,157

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2014	2013	2014	2013
Sales	29,937	23,084	31,316	30,754
Income from sales of raw materials, factory supplies and others	13,170	12,473	17,237	18,697
Rental revenue	10,069	11,622	12,473	11,717
Dividend income	-	-	10,199	10,199
Purchases of finished goods	217,763	323,632	63,338	54,131
Purchases of raw materials	3,388	5,052	3,388	5,052
Administrative and other expenses	30,930	50,184	5,385	7,359
Land and factory building rental	2,711	12,766	-	8,700
<u>Key management personnel compensation</u>				
Current employee benefits	7,666	12,086	6,300	9,911
Post-employment benefits	196	382	183	374
Total	7,862	12,468	6,483	10,285

#### 4. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2014 and 30 June 2014, the aged analysis of trade accounts receivable is as follows:

##### Trade accounts receivable from sales and services

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
<u>Trade accounts receivable – general customers – net</u>				
Current	202,560	224,574	109,393	135,248
Overdue:				
Less than 3 months	114,061	76,454	30,000	17,168
3 months – 6 months	17,077	11,477	5,103	9,815
6 months – 12 months	3,481	8,109	3,481	8,109
Over 12 months	139,534	152,742	139,534	150,031
Total	476,713	473,356	287,511	320,371
<u>Less</u> Allowance for doubtful accounts	(45,020)	(47,866)	(45,020)	(45,060)
Net	431,693	425,490	242,491	275,311
<u>Trade accounts receivable - related companies</u>				
Current	8,528	20,783	9,334	22,353
Overdue:				
Less than 3 months	397	1,752	397	1,752
Total	8,925	22,535	9,731	24,105

##### Trade accounts receivable – construction work

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
<u>Trade accounts receivable - related company – net</u>				
Overdue:				
Over 12 months	1,506	2,856	2,954	5,600
Total	1,506	2,856	2,954	5,600
<u>Less</u> Allowance for doubtful accounts	(479)	(479)	(940)	(940)
Net	1,027	2,377	2,014	4,660

5. INVENTORIES – NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
Finished goods	174,855	162,408	71,006	72,829
Work in process	60,657	55,928	60,657	55,928
Raw materials and supplies	180,802	186,119	180,802	186,119
Goods in transit	927	1,068	927	619
Total	417,241	405,523	313,392	315,495
<u>Less</u> Allowance for decline value of inventories	(26,875)	(15,298)	(26,875)	(15,298)
Net	390,366	390,225	286,517	300,197

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

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 July 2014	(15,298)	(15,298)
<u>Add</u> Allowance for decline value of inventories	(13,167)	(13,167)
<u>Less</u> Reversal of allowance	1,590	1,590
Balance as at 31 December 2014	(26,875)	(26,875)

6. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
Deposits	9,638	7,919	8,394	7,323
Prepaid expenses	1,064	2,775	739	2,070
Undue input VAT	3,843	4,050	2,702	2,705
Cash advances	1,635	1,048	686	351
Others	1,188	2,750	1,014	1,336
Total	17,368	18,542	13,535	13,785

7. RESTRICTED DEPOSIT WITH BANK

As at 31 December 2014 and 30 June 2014, time deposits totaling Baht 0.35 million and Baht 0.32 million, respectively, are restricted for usage as they have been placed as collaterals for bank guarantees in respect of certain agreements required in normal course of business of the subsidiary.

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

Investment in shares of Lucky-Kingdom Center Co., Ltd. is considered as indirect associated company invested by a subsidiary company. Such subsidiary company recognizes its equity in the net operating results of such indirect associated company based on net operating results from unaudited financial statements. However, the equity in such associated company is not significant.

Investments in shares of related companies that are not subsidiaries and/or not associated companies, which are non-marketable securities held as “General investment”, are valued at cost. The Company makes the adjustment to devalue those investments when there is indication of impairment.

At the Ordinary Shareholders’ meeting of Siam Okamura International Co., Ltd. No. 1/2014 held on 26 September 2014, its shareholders passed a resolution to pay cash dividend to shareholders from net profit for the year ended 30 June 2014 at Baht 100 per share, for 200,000 common shares totaling Baht 20,000,000 which was paid on 30 September 2014.

During 2014, the Company reversed allowance for decline value of investment in shares of a related company, Formica (Thailand) Co., Ltd., amounted of Baht 1.42 million.

As at 31 December 2014 and 30 June 2014, 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	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014
<u>Investments</u>										
<u>Associated companies - equity method</u>										
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture									
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	88,000	88,000	40	40	35,199	35,199	103,926	104,044	
		639,998	639,998	22.76	22.76	127,428	127,428	594,690	561,916	
						<u>162,627</u>	<u>162,627</u>	<u>698,616</u>	<u>665,960</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	5,271	5,954	
	Total investments in associated companies - equity method					<u>167,427</u>	<u>167,427</u>	<u>703,887</u>	<u>671,914</u>	
<u>Related companies - cost method</u>										
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			
	Total investments in related companies					<u>49,712</u>	<u>49,712</u>			<u>5,392</u>
	Less Allowance for decline value of investments						(1,425)			
	Net					<u>49,712</u>	<u>48,287</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			
	Total investments in other companies - cost method – net					<u>54,712</u>	<u>53,287</u>			

(Unit : Thousand Baht)

Type of business	Separate F/S								
	Paid-up Share capital		Percentage of shareholding		Cost method		Dividend income		
	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	
<u>Investments - cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	75,000	75,000	99.99	99.99	75,000	75,000	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	10,199	10,199
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200	-	-
Total investments in subsidiary companies						95,399	95,399	10,199	10,199
<u>Less</u> Allowance for decline value of investments						(63,000)	(63,000)		
Net						32,399	32,399		
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	80,000	88,000	40	40	35,199	35,199	-	-
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	-	55,350
Total investments in associated companies						162,627	162,627	-	55,350
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	-
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	-	5,392
Total investments in related companies						49,712	49,712	-	5,392
<u>Less</u> Allowance for decline value of investments						-	(1,425)		
Net						49,712	48,287		
<u>Joint ventures</u>									
Siam Steel – Kanok Furniture	Interior decoration service	100	100	49	49	49	49	-	-
Siam Steel – Thai Service	Interior decoration service	20	20	-	80	-	16	-	-
Total investments in joint ventures						49	65	-	-
<u>Less</u> Allowance for decline value of investments						(49)	(49)		
Net						-	16		
Total dividend income from investments accounted for by cost method								10,199	70,941

Movements in investments in associated companies for the six-month period ended 31 December 2014 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 July 2014	671,914	162,627
Share of profits of investment - equity method	32,774	-
Share of loss of investment - equity method	(801)	-
Net book value as at 31 December 2014	703,887	162,627

9. PROPERTY, PLANT AND EQUIPMENT – NET

Movements in property, plant and equipment for the six-month period ended 31 December 2014 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 July 2014	581,475	566,695
Purchase during the period	5,249	4,084
Disposal during the period – net book value	(1,473)	(1,450)
Depreciation for the period	(22,741)	(21,099)
Net book value as at 31 December 2014	562,510	548,230

10. ASSETS NOT USED IN OPERATION – NET

Movements in assets not used in operation for the six-month period ended 31 December 2014 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value balance as at 1 July 2014	168,822	168,822
Disposal during the period – net book value	(5)	(5)
Net book value as at 31 December 2014	168,817	168,817

As at 31 December 2014, assets not used in operation are presented at cost less accumulated depreciation and provision for impairment (if any). The Company hired an independent appraiser to appraise its assets not used in operation. Based on the report of the independent appraiser, the appraised value of land and related assets of the Bangna factory amounted to Baht 401.64 million. The Company considers the fair value of its land and buildings of Prakanong branch by comparing the appraised price from The Treasury Department which is approximately Baht 29.44 million (net of estimated selling expenses).

11. DEFERRED INCOME TAX ASSEST / TAX EXPENSES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
Deferred income tax assets	111,249	108,715	122,261	120,081
Deferred income tax liabilities	9,947	8,447	9,853	8,259
Net	<u>101,302</u>	<u>100,268</u>	<u>112,408</u>	<u>111,822</u>

Deferred income tax assets/liabilities as at 31 December 2014 and 30 June 2014, which were resulted from temporary differences between those assets/liabilities for income tax computation purpose and assets/liabilities for accounting purpose are summarized below:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
<u>Deferred income tax assets</u>				
From allowance for doubtful accounts of trade accounts receivable from sales and service	271	279	271	279
From allowance for doubtful accounts of trade accounts receivable from construction work	96	96	188	188
From allowance for decline value of inventories	5,375	3,060	5,375	3,060
From allowance for decline value of investments in subsidiary and other companies	-	242	12,610	12,895
From reserve for employee benefits obligation	4,585	4,391	4,046	3,888
From loss carried forward not exceed 5 years	100,922	100,647	99,771	99,771
Total	<u>111,249</u>	<u>108,715</u>	<u>122,261</u>	<u>120,081</u>
<u>Deferred income tax liabilities</u>				
From share of profits of investment in associated companies	94	188	-	-
From the difference of depreciation of fixed assets between accounting base and tax base	9,853	8,259	9,853	8,259
Total	<u>9,947</u>	<u>8,447</u>	<u>9,853</u>	<u>8,259</u>



Tax expenses for the three-month and six-month periods ended 31 December 2014 and 2013 are as follows :-

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2014	2013	2014	2013
Current tax expense under the Revenue Code	1,352	1,576	-	-
The amount of deferred income tax expense relating to temporary differences	1,323	(45,791)	1,644	(45,318)
Income tax (income tax benefits)	<u>2,675</u>	<u>(44,215)</u>	<u>1,644</u>	<u>(45,318)</u>

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2014	2013	2014	2013
Current tax expense under the Revenue Code	3,684	4,242	-	-
The amount of deferred income tax expense relating to temporary differences	(1,034)	(61,249)	(586)	(60,589)
Income tax (income tax benefits)	<u>2,650</u>	<u>(57,007)</u>	<u>(586)</u>	<u>(60,589)</u>

12. SHORT – TERM LOANS FROM FINANCIAL INSTITUTION – NET

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2014	2014	2014	2014
Liabilities under trust receipts	-	4,154	-	4,154
Bills of exchange	-	50,000	-	50,000
Total	-	<u>54,154</u>	-	<u>54,154</u>
<u>Less</u> Deferred interest	-	(693)	-	(693)
Net	-	<u>53,461</u>	-	<u>53,461</u>

13. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
Accrued construction costs	29,110	27,884	29,110	27,884
Accrued employee expenses	29,243	22,666	22,933	14,387
Accrued rental and utilities expenses	2,388	2,805	2,388	2,771
Accrued incentive expenses	1,877	1,043	1,877	1,043
Other accrued expenses	29,410	33,142	26,946	29,994
Other liabilities	7,013	4,208	2,159	1,002
Total	99,041	91,748	85,413	77,081

14. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Opening net book balance	21,956	19,439
Current cost recognized in the statement of comprehensive income	1,080	901
Benefit paid during the period	(111)	(111)
Closing net book balance	22,925	20,229

The employee benefit expenses were recorded in the statement of comprehensive income for the six-month period ended 31 December 2014:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Current service cost	582	459
Financial cost	498	442
Total	1,080	901

15. OTHER INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2014	2013	2014	2013
Tax compensation income	279	365	279	365
Rental revenue	3,482	5,811	5,848	5,848
Interest income	842	2,546	606	2,128
Income from other services	340	846	570	846
Income from goods guarantee	-	989	-	989
Utilities income	814	1,109	848	1,109
Commission income	-	-	2,178	3,286
Others	2,427	3,713	2,607	2,983
Total	8,184	15,379	12,936	17,554

	In Thousand Baht			
	Consolidated F/S		Consolidated F/S	
	For the six-month periods ended 31 December			
	2014	2013	2014	2013
Tax compensation income	424	913	424	913
Rental revenue	9,293	11,622	11,696	11,717
Interest income	1,388	3,052	793	2,130
Income from other services	1,818	1,907	2,047	1,994
Income from goods guarantee	-	1,978	-	1,978
Utilities income	1,818	2,187	1,851	2,187
Commission income	-	-	4,428	6,224
Others	6,023	4,948	6,009	4,140
Total	20,764	26,607	27,248	31,283

16. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2014	2013	2014	2013
Raw materials and supplies used	79,518	113,005	79,518	113,005
Changes in inventories of finished goods and work in progress	25,261	(25,453)	4,310	(36,508)
Salaries, wages and other employee benefits	85,072	100,083	68,110	81,498
Subcontractor expenses	12,459	20,700	12,459	20,700
Allowance (reversal of allowance) for doubtful debts	(20)	(1,272)	(20)	(1,272)
Depreciation	11,391	13,491	10,531	12,718
Rental expense	3,819	8,841	1,595	7,249
Utilities expense	7,566	9,095	7,014	8,518
Reversal of allowance for decline value of investment	(1,590)	(130)	(1,590)	(130)
Reversal of allowance for decline value of inventories	-	(3,872)	-	(3,872)
Compensation for defective inventories	-	189,067	-	189,067

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2014	2013	2014	2013
Raw materials and supplies used	180,520	237,899	180,520	237,899
Changes in inventories of finished goods and work in progress	(17,176)	18,386	(2,906)	25,047
Salaries, wages and other employee benefits	174,369	218,379	138,608	179,813
Subcontractor expenses	25,798	57,674	25,798	57,674
Allowance (reversal of allowance) for doubtful debts	(35)	(1,313)	(35)	(1,313)
Depreciation	22,741	27,332	21,099	25,694
Rental expense	9,492	19,022	3,689	15,860
Utilities expense	15,209	18,937	14,136	17,790
Reversal of allowance for decline value of investment	11,577	(815)	11,577	(815)
Reversal of allowance for decline value of inventories	(1,425)	(8,683)	(1,425)	(8,683)
Compensation for defective inventories	-	189,067	-	189,067

17. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the three-month periods ended 31 December					
	Domestic		Export		Total	
	2014	2013	2014	2013	2014	2013
<b>Consolidated</b>						
Sales and services - net	393,664	495,480	36,689	27,865	430,353	523,345
Cost of sales and services	(317,415)	(422,822)	(34,921)	(42,495)	(352,336)	(465,317)
Gross profit	<u>76,249</u>	<u>72,658</u>	<u>1,768</u>	<u>(14,630)</u>	<u>78,017</u>	<u>58,028</u>
Revenues from construction work	1,393	-	-	-	1,393	-
Costs of construction work	(1,248)	-	-	-	(1,248)	-
Gross profit	<u>145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145</u>	<u>-</u>
Total gross profit (loss)	<u>76,394</u>	<u>72,658</u>	<u>1,768</u>	<u>(14,630)</u>	<u>78,162</u>	<u>58,028</u>
Loss before income tax					(16,583)	(206,193)
Property, plant and equipment - net					562,510	746,139
Assets not use in operation - net					168,817	-
Other assets					2,077,479	2,334,092
Total assets as at 31 December					<u>2,808,806</u>	<u>3,080,231</u>

	In Thousand Baht					
	For the three-month periods ended 31 December					
	Domestic		Export		Total	
	2014	2013	2014	2013	2014	2013
<b>Separate F/S</b>						
Sales and services – net	178,796	200,248	36,689	27,865	215,485	228,113
Cost of sales and services	(142,632)	(169,060)	(34,921)	(42,495)	(177,553)	(211,555)
Gross profit	<u>36,164</u>	<u>31,188</u>	<u>1,768</u>	<u>(14,630)</u>	<u>37,932</u>	<u>16,558</u>
Revenues from construction work	1,393	-	-	-	1,393	-
Costs of construction work	(1,248)	-	-	-	(1,248)	-
Gross profit	<u>145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145</u>	<u>-</u>
Total gross profit	<u>36,309</u>	<u>31,188</u>	<u>1,768</u>	<u>(14,630)</u>	<u>38,077</u>	<u>16,558</u>
Loss before income tax					(37,108)	(229,523)
Property, plant and equipment - net					548,230	738,078
Assets not use in operation - net					168,817	-
Other assets					1,132,119	1,376,038
Total assets at 31 December					<u>1,849,166</u>	<u>2,114,116</u>

	In Thousand Baht					
	For the six-month periods ended 31 December					
	Domestic		Export		Total	
2014	2013	2014	2013	2014	2013	
<b>Consolidated</b>						
Sales and services - net	806,274	1,090,512	57,101	60,228	863,375	1,150,740
Cost of sales and services	(628,428)	(933,425)	(54,341)	(91,365)	(682,769)	(1,024,790)
Gross profit	177,846	157,087	2,760	(31,137)	180,606	125,950
Revenues from construction work	1,393	-	-	-	1,393	-
Costs of construction work	(1,248)	-	-	-	(1,248)	-
Gross profit	145	-	-	-	145	-
Total gross profit	177,991	157,087	2,760	(31,137)	180,751	125,950
Loss before income tax					(5,689)	(240,029)
Property, plant and equipment - net					562,510	746,139
Assets not use in operation - net					168,817	-
Other assets					2,077,479	2,334,092
Total assets as at 31 December					2,808,806	3,080,231

	In Thousand Baht					
	For the six-month periods ended 31 December					
	Domestic		Export		Total	
2014	2013	2014	2013	2014	2013	
<b>Separate F/S</b>						
Sales and services – net	429,435	519,641	57,101	60,228	486,536	579,869
Cost of sales and services	(336,804)	(451,749)	(54,341)	(91,365)	(391,145)	(543,114)
Gross profit	92,631	67,892	2,760	(31,137)	95,391	36,755
Revenues from construction work	1,393	-	-	-	1,393	-
Costs of construction work	(1,248)	-	-	-	(1,248)	-
Gross profit	145	-	-	-	145	-
Total gross profit	92,776	67,892	2,760	(31,137)	95,536	36,755
Loss before income tax					(43,584)	(297,470)
Property, plant and equipment - net					548,230	738,078
Assets not use in operation - net					168,817	-
Other assets					1,132,119	1,376,038
Total assets at 31 December					1,849,166	2,114,116

## 18. GUARANTEE

As at 31 December 2014, the Company and subsidiaries have outstanding guarantees of approximately Baht 280.09 million and Bath 1.08 million, respectively, which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company and subsidiaries.

19. COMMITMENTS

19.1 As at 31 December 2014, the Company had outstanding commitments for the project work of the Company with major contractor of Baht 48.03 million.

19.2 As at 31 December 2014, subsidiary company has various operating lease agreement covering its office premises, showroom, warehouse and related utility service and vehicles for periods of 1 – 3 years, approximately Baht 10.66 million per annum.

20. DISCLOSURE OF FINANCIAL INSTRUMENTS

20.1 Interest Rate Risk

The interest rate risk arises from future movements in market interest rates that will affect the results of the Company and its subsidiaries operations and their cash flows. The Company's and subsidiaries' exposure to interest rate risk relate primarily to their cash and cash equivalents, short - term investment, and restricted deposit with bank as follows:

	In Thousand Baht			
	Consolidated F/S			
	31 December 2014			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	235,726	-	-	235,726
Restricted deposit with bank	352	-	-	352

  

	In Thousand Baht			
	Separate F/S			
	31 December 2014			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	101,230	-	-	101,230

	In Thousand Baht			
	Consolidated F/S			
	30 June 2014			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	333,078	-	-	333,078
Restricted deposit with bank	325	-	-	325
Short - term loans from financial institution	-	53,461	-	53,461

	In Thousand Baht			
	Separate F/S			
	30 June 2014			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	114,887	-	-	114,888
Short - term loans from financial institution	-	53,461	-	53,461

As of 31 December 2014 and 30 June 2014, the financial instruments classified by the periods of time from the statement of financial position date to their maturity dates are as follows:

	In Thousand Baht				
	Consolidated F/S				
	31 December 2014				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	235,726	-	-	235,726	0.37% - 1.90%
Restricted deposit with bank	352	-	-	352	0.37% - 1.90%

	In Thousand Baht				
	Separate F/S				
	31 December 2014				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	101,230	-	-	101,230	0.37% - 1.90%



	In Thousand Baht				Interest rate
	Consolidated F/S				
	30 June 2014				
	At call	1 - 6 months	7 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	333,078	-	-	333,078	0.37 - 0.70%
Restricted deposit with bank	325	-	-	325	0.37 - 0.70%
Short - term loans from financial institution	4,154	49,307	-	53,461	2.82 - 5.90%

	In Thousand Baht				Interest rate
	Separate F/S				
	30 June 2014				
	At call	1 - 6 months	7 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	114,888	-	-	114,888	0.37 - 0.70%
Short - term loans from financial institution	4,154	49,307	-	53,461	2.82 - 5.90%

## 20.2 Foreign Exchange Risk

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

As at 31 December 2014, 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 31 December 2014 (Baht per 1 foreign currency unit)
USD	679	24	32.96300
JPY	10,349	44,931	0.27384
AUD	6,424	489	26.80680

Below is the summary of the Company's foreign currency denominated assets and liabilities as at 31 December 2014 which were not covered by hedging agreement.

	USD (Thousand)	JPY (Thousand)	AUD (Thousand)
<u>Financial assets</u>			
Cash and cash equivalents	593	658	9
Trade accounts receivable - net	86	-	6,415
<u>Financial liabilities</u>			
Trade accounts payable	-	120	-
Advances from customers	13	44,811	159
Other current liabilities	11	-	330

### 20.3 Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Company within the normal terms of trade. To manage this risk, the Company and its subsidiaries periodically assess the financial viability of customers.

### 20.4 Credit Risk

Credit risk is the risk that a counter party is unable or unwilling to meet a commitment that it entered into with the Company and its subsidiaries. To manage this risk, the Company and its subsidiaries periodically assess the financial viability of customers.

The carrying amount of accounts receivable recorded in the statement of financial positions, net of allowance for doubtful accounts, is the maximum exposure to credit risk.

## 20.5 Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length basis. Fair values are obtained from quoted market prices.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents, trade and non-trade receivables - net - the carrying values approximate their fair values due to the relative short-term maturity of these financial instruments.
- Short - term loan from financial institution and trade and non-trade payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short - term maturity of these financial instruments.
- Long - term investments in shares of subsidiaries and associated companies, and general investments - the carrying amounts of these financial assets approximate their fair values.

## 21. CONTINGENT LIABILITIES

During the year 2012, a contractor sued the Company as joint defendant with other party for compensation totaling approximately Baht 41.53 million, plus interest at the rate of 7.50 percent per annum from 24 March 2011 to the payment date. On 6 July 2012, the Company submitted a counterclaim to such contractor because the plaintiff was at fault by the delay and the delivery of a defect and the Company has lien to hold the payment. The default of the contract of the plaintiff affects damage to the Company because it was fined by the customer following the contract and modified the defect work by itself. The Company, therefore, counterclaimed for the fine following the contract of approximately Baht 22.72 million and the damage from modifying the defect work approximately Baht 26.76 million, plus interest at the rate of 7.50 percent per annum.

On 30 October 2014, the Civil Court ordered the Company to pay the plaintiff for contract work amount of Baht 18.95 million, net of delay claim, with interest charge at the rate of 7.50 percent per annum from 28 March 2012 to the payment date. The Company appealed the judgement of Civil Court to the Court of Appeal on 30 January 2015. Currently, the outcome could not be determined. The Company's management believes that will be no material damage from such case since the Company has been recorded a number of liability for construction work in accordance with the contract in the financial statement.

## 22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors on 13 February 2015.