

REVIEW REPORT OF INDEPENDENT AUDITOR

To the Board of Directors of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Steel International Public Company Limited and its subsidiaries as at 31 December 2011, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended 31 December 2011 and 2010 (restated), and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 31 December 2011 and 2010 (restated). I have also reviewed Siam Steel International Public Company Limited's separate statement of financial position as at 31 December 2011, and the related statements of comprehensive income for the three-month and six-month periods ended 31 December 2011 and 2010 (restated), and the statements of changes in shareholders' equity and cash flows for the six-month periods ended 31 December 2011 and 2010 (restated). These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. The financial statements of an associated company (Siam Steel Service Center Public Company Limited) for the three-month and six-month periods ended 31 December 2011, for which the Company accounts for investment in the accompanying consolidated financial statements by the equity method, were reviewed by other auditor. The investment in such associated company represents 10.80 percent of total assets in the consolidated statement of financial position as at 31 December 2011, the equity in net income in such company represents 4.61 percent and 8.68 percent of net income attributable to the Company in the consolidated statements of comprehensive income for the three-month and six-month periods ended 31 December 2011, respectively. My conclusion as related to the amounts of transactions of the associated company included in the consolidated financial statements, is based upon the review of such other auditor.

I conducted my reviews in accordance with auditing standard applicable to review engagement. That standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit, accordingly, I do not express audit opinion on these reviewed financial statements.

Based on my reviews and the report of other auditor, nothing has come to my attention that causes me to believe that the accompanying financial statements do not present fairly, in all material respects, in accordance with generally accepted accounting principles.

Without modifying my review report, I draw attention to Note 1 to the interim financial statements that effective 1 July 2011, the Company adopted the new and amended Financial Reporting Standards issued by the Federation of Accounting Professions. The financial statements for the three-month and six-month periods ended 31 December 2010 and the statement of financial position as at 30 June 2011, presented herein for comparative purposes, have been modified and presented in new format to conform with the financial statements for the three-month and six-month periods ended 31 December 2011.

I have previously audited the consolidated financial statements of Siam Steel International Public Company Limited and its subsidiaries, and separate financial statements of Siam Steel International Public Company Limited, for the year ended 30 June 2011 in accordance with generally accepted auditing standards and issued my report dated 29 August 2011 expressed an unqualified opinion thereon. The consolidated and separate statements of financial position as at 30 June 2011, presented herein for comparative purposes, are an integral part of such audited financial statements that have been modified to conform with the presentation of statement of financial position for the year 2011/2012. I have not performed any additional audit procedures on these financial statements.

Mrs. Sumalee Chokdeeanant

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

13 February 2012

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2011 AND 30 JUNE 2011

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		31 December 2011	30 June 2011	31 December 2011	30 June 2011
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	714,678	690,065	630,462	593,369
Trade accounts receivable from sales and services					
- general customers - net	7	536,464	419,280	326,680	238,351
- related companies - net	6, 7	18,232	16,433	23,211	17,768
Trade accounts receivable from construction work					
- general customers	6, 7	-	706	-	-
- related companies - net	7	12,359	14,375	54,570	70,709
Unbilled accrued income					
- general customers	8	45,771	128,338	45,771	92,155
- related companies - net	8	-	42,322	-	82,984
Inventories - net	9	757,859	936,457	672,336	892,373
Receivables from and advances					
to related companies	6	1,479	-	4,307	1,855
Share subscription receivable		24,000	36,000	-	-
Other current assets	10	78,522	95,213	75,202	95,664
Total Current Assets		2,189,364	2,379,189	1,832,539	2,085,228
NON - CURRENT ASSETS					
Restricted deposits with banks	11, 21	20,935	76,702	20,635	76,525
Retentions receivable		202,131	125,187	202,132	125,187
Investments accounted for by the equity method					
- Associated companies	12	507,009	493,424	-	-
Investments - at cost					
- Subsidiary companies - net	12	-	-	10,199	10,199
- Associated companies	12	-	-	102,427	102,427
- Other companies - net	12	43,250	43,250	38,250	38,250
- Joint ventures - net	12	-	-	16	16
Property, plant and equipment - net	13	663,204	653,015	653,895	643,411
Refundable value added tax		16,378	86,476	2,184	72,382
Income tax withheld at sources		6,324	5,564	-	-
Other non - current assets - net		20,918	27,977	12,670	21,667
Total Non - Current Assets		1,480,149	1,511,595	1,042,408	1,090,064
TOTAL ASSETS		3,669,513	3,890,784	2,874,947	3,175,292

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 AND 30 JUNE 2011

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2011	30 June 2011	31 December 2011	30 June 2011
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institution	14	-	63,444	-	63,444
Trade accounts payable - general suppliers		425,624	309,006	378,432	283,862
Payables to and advances from related companies	6	101,497	71,803	45,415	33,456
Advances and deposits from customers					
- general customers		106,311	651,371	99,455	649,359
- related companies	6	3,095	4,592	3,095	6,030
Accrued income tax		78,491	33,587	71,121	21,593
Other current liabilities	15	241,893	193,723	228,886	176,670
Total Current Liabilities		956,911	1,327,526	826,404	1,234,414
NON - CURRENT LIABILITY					
Employee benefits obligation	16	45,993	-	37,879	-
Other non - current liabilities		11,221	12,931	11,221	12,931
Total Non - Current Liabilities		57,214	12,931	49,100	12,931
TOTAL LIABILITIES		1,014,125	1,340,457	875,504	1,247,345
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	17	1,806,486	1,710,343	1,274,601	1,203,105
Shareholders' equity attributable to the Company's shareholders		2,531,328	2,435,185	1,999,443	1,927,947
Non - controlling interests in the subsidiaries		124,060	115,142	-	-
TOTAL SHAREHOLDERS' EQUITY		2,655,388	2,550,327	1,999,443	1,927,947
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,669,513	3,890,784	2,874,947	3,175,292

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIODS ENDED 31 DECEMBER 2011 AND 2010

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2011	2010 (Restated)	2011	2010 (Restated)
REVENUES					
Sales and services - net		1,044,638	927,414	723,020	708,263
Revenues from construction work		96,670	58,597	96,670	58,597
Total revenues	6	1,141,308	986,011	819,690	766,860
COSTS					
Costs of sales and services		825,827	734,537	555,236	553,622
Costs of construction work		87,336	48,155	87,336	48,155
Total costs	6, 18	913,163	782,692	642,572	601,777
Gross income		228,145	203,319	177,118	165,083
Gain on foreign exchange rates		898	4,336	1,138	4,208
Dividend income	6	-	4,979	-	4,979
Other income	6	17,314	14,867	18,344	17,552
Income before expenses		246,357	227,501	196,600	191,822
Selling expenses		(100,809)	(69,680)	(100,160)	(69,331)
Administrative expenses		(79,368)	(83,460)	(53,372)	(57,574)
Reversal of allowance for doubtful debts and bad debt		7	350	7	350
Total expenses	6, 18	(180,170)	(152,790)	(153,525)	(126,555)
Income from operations		66,187	74,711	43,075	65,267
Equity in net income of associated companies - net		4,505	18,600	-	-
Income before finance cost and income tax		70,692	93,311	43,075	65,267
Financial costs		(1,016)	(5,129)	(925)	(5,129)
Income before income tax		69,676	88,182	42,150	60,138
Income tax	19	(18,097)	(16,545)	(11,288)	(13,780)
Net income for the period		51,579	71,637	30,862	46,358
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		51,579	71,637	30,862	46,358
COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
The Company's shareholders		44,522	68,491	30,862	46,358
Non - controlling interests		7,057	3,146	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		51,579	71,637	30,862	46,358
BASIC EARNINGS PER SHARE					
Net income attributable to the Company per share (Baht)		0.09	0.12	0.05	0.08
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 2011 AND 2010

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2011	2010 (Restated)	2011	2010 (Restated)
REVENUES					
Sales and services - net		2,326,530	1,631,311	1,771,910	1,299,029
Revenues from construction work		178,292	95,698	177,063	95,698
Total revenues	6	<u>2,504,822</u>	<u>1,727,009</u>	<u>1,948,973</u>	<u>1,394,727</u>
COSTS					
Costs of sales and services		1,783,090	1,308,975	1,325,414	1,038,820
Costs of construction work		160,456	84,685	160,456	84,685
Total costs	6, 18	<u>1,943,546</u>	<u>1,393,660</u>	<u>1,485,870</u>	<u>1,123,505</u>
Gross income		<u>561,276</u>	<u>333,349</u>	<u>463,103</u>	<u>271,222</u>
Gain on foreign exchange rates		25,962	35,362	26,881	35,172
Dividend income	6	-	4,979	-	4,979
Other income	6	73,777	26,613	77,276	30,686
Income before expenses		<u>661,015</u>	<u>400,303</u>	<u>567,260</u>	<u>342,059</u>
Selling expenses		(168,938)	(123,473)	(167,616)	(122,811)
Administrative expenses		(166,618)	(150,435)	(115,076)	(103,006)
Reversal of allowance for doubtful debts and bad debt		23	1,903	1,523	1,900
Total expenses	6, 18	<u>(335,533)</u>	<u>(272,005)</u>	<u>(281,169)</u>	<u>(223,917)</u>
Income from operations		<u>325,482</u>	<u>128,298</u>	<u>286,091</u>	<u>118,142</u>
Equity in net income of associated companies - net		22,388	35,114	-	-
Income before finance cost and income tax		<u>347,870</u>	<u>163,412</u>	<u>286,091</u>	<u>118,142</u>
Financial costs		(2,018)	(8,779)	(1,836)	(8,779)
Income before income tax		<u>345,852</u>	<u>154,633</u>	<u>284,255</u>	<u>109,363</u>
Income tax	19	(93,680)	(28,889)	(82,030)	(25,874)
Net income for the period		<u>252,172</u>	<u>125,744</u>	<u>202,225</u>	<u>83,489</u>
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>252,172</u>	<u>125,744</u>	<u>202,225</u>	<u>83,489</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
The Company's shareholders		239,692	122,310	202,225	83,489
Non - controlling interests		12,480	3,434	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>252,172</u>	<u>125,744</u>	<u>202,225</u>	<u>83,489</u>
BASIC EARNINGS PER SHARE					
Net income attributable to the Company per share (Baht)		0.43	0.21	0.34	0.14
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 2011 AND 2010

(Unit : Thousand Baht)

	Equity attributable to the Company's shareholders							
	Notes	Paid - up Share Capital	Premium on Share capital	Retained earnings		Total shareholders' equity of the Company	Non-controlling interests	Total
				Legal Reserve	Unappropriated			
Consolidated F/S								
Balance as at 1 July 2010		593,126	72,404	59,312	1,414,241	2,139,083	98,345	2,237,428
Net income for the period (restated)		-	-	-	122,310	122,310	3,434	125,744
Dividend payment of the Company		-	-	-	(11,860)	(11,860)	-	(11,860)
Balance as at 31 December 2010		593,126	72,404	59,312	1,524,691	2,249,533	101,779	2,351,312
Balance as at 1 July 2011 as previous reported		593,126	72,404	59,312	1,710,343	2,435,185	115,142	2,550,327
The retrospective effects of change in accounting policy for employee benefits	3	-	-	-	(48,652)	(48,652)	(3,562)	(52,214)
Balance as at 1 July 2011 as restated		593,126	72,404	59,312	1,661,691	2,386,533	111,580	2,498,113
Net income for the period		-	-	-	239,692	239,692	12,480	252,172
Dividend payment of the Company	17	-	-	-	(94,897)	(94,897)	-	(94,897)
Balance as at 31 December 2011		593,126	72,404	59,312	1,806,486	2,531,328	124,060	2,655,388

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUE)

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER 2011 AND 2010

(Unit : Thousand Baht)

	Notes	Paid - up Share Capital	Premium on share capital	Retained earnings		Total
				Legal Reserve	Unappropriated	
Separate F/S						
Balance as at 1 July 2010		593,126	72,404	59,312	990,049	1,714,891
Net income for the period (restated)		-	-	-	83,489	83,489
Dividend payment of the Company		-	-	-	(11,860)	(11,860)
Balance as at 31 December 2010		593,126	72,404	59,312	1,061,678	1,786,520
Balance as at 1 July 2011 as previous reported		593,126	72,404	59,312	1,203,105	1,927,947
The retrospective effects of change in accounting policy for employee benefits	3	-	-	-	(35,832)	(35,832)
Balance as at 1 July 2011 as restated		593,126	72,404	59,312	1,167,273	1,892,115
Net income for the period		-	-	-	202,225	202,225
Dividend payment	17	-	-	-	(94,897)	(94,897)
Balance as at 31 December 2011		593,126	72,404	59,312	1,274,601	1,999,443

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

STATEMENTS OF CASH FLOWS

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER 2011 AND 2010

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2011	2010 (Restated)	2011	2010 (Restated)
Cash Flows From Operating Activities				
Income before tax	345,852	154,633	284,255	109,363
Adjustments to reconcile income before tax to net cash				
provided from (used in) operating activities:				
Depreciation	26,069	40,569	24,085	37,550
Reversal of allowance for doubtful debts and bad debt - net	(23)	(1,903)	(1,523)	(1,900)
Reversal of allowance for obsolete and decline value of inventories - net	(5,395)	(1,533)	(5,241)	(782)
Gain on sales of property, plant and equipment	(2,451)	(208)	(2,066)	(6)
Unrealized gain on foreign exchange	(533)	(22,009)	(533)	(22,009)
Interest expense	2,018	8,779	1,836	8,779
Equity in net income of associated companies - net	(22,388)	(35,114)	-	-
Employee benefit obligations	2,583	-	2,047	-
Cash Flows Provided from Operations before Changes in				
Operating Assets and Liabilities	345,732	143,214	302,860	130,995
Decrease (increase) in operating assets;				
Trade accounts receivable from sales and services				
- general customers	(117,161)	(94,891)	(88,306)	(5,981)
- related companies	(1,799)	2,248	(3,943)	1,967
Trade accounts receivable from construction work				
- general customers	706	9,022	16,139	-
- related companies	2,016	14,459	-	50,788
Unbilled accrued income				
- general customers	82,567	(35,830)	46,385	(43,920)
- related companies	42,322	(6,337)	82,984	(12,423)
Inventories	183,992	(346,476)	225,278	(335,150)
Receivables from and advances to - related companies	(1,479)	99	(2,452)	(670)
Other current assets	46,957	65,041	38,727	50,597
Retentions receivable	(70,335)	(37,483)	(70,336)	(37,483)
Other non - current assets	87,211	(28,982)	79,195	(28,125)
Increase (decrease) in operating liabilities;				
Trade accounts payable - general suppliers	113,477	(11,560)	91,430	(28,909)
Payables to and advances from related companies	28,197	(8,832)	9,024	(20,590)
Advances and deposits from customers	(547,309)	362,916	(552,187)	362,177
Other current liabilities	29,265	104,823	33,344	96,948
Other non current liabilities	(1,710)	3,766	(1,710)	3,766
Cash Provided from Operations Activities	222,649	135,197	206,432	183,987
Interest payment	(2,066)	(8,626)	(1,883)	(8,626)
Income tax payment	(59,589)	(13,131)	(32,502)	(10,419)
Net Cash Provided from Operating Activities	160,994	113,440	172,047	164,942

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX - MONTH PERIODS ENDED 31 DECEMBER 2011 AND 2010

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2011	2010 (Restated)	2011	2010 (Restated)
Cash Flows from Investing Activities				
Decrease (increase) in restricted deposits with banks	55,767	(15)	55,890	-
Acquisition of property, plant and equipment	(36,571)	(12,625)	(34,855)	(11,742)
Proceeds from sales of property, plant and equipment	2,764	289	2,352	83
Net Cash Provided from (Used in) Investing Activities	21,960	(12,351)	23,387	(11,659)
Cash Flows from Financing Activities				
Increase (decrease) in short-term loan from financial institution	(63,444)	108,029	(63,444)	108,029
Payment of cash dividend	(94,897)	(11,860)	(94,897)	(11,860)
Net Cash Provided from (Used in) Financing Activities	(158,341)	96,169	(158,341)	96,169
Increase in cash and cash equivalents - net	24,613	197,258	37,093	249,452
Cash and cash equivalents at beginning of period	690,065	380,672	593,369	265,013
Cash and cash equivalents at end of period	714,678	577,930	630,462	514,465
Supplemental cash flows information:				
Non-cash transactions				
The Company recognises provision for employee benefits as at 1 July 2011				
by adjusting the past service cost with retained earnings	48,652	-	35,832	-

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

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2011 AND 2010 (Unaudited but reviewed)

(With Comparative Information for 30 June 2011 (Audited))

1. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 34 (Amended 2009) “Interim financial reporting”, whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows, 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 30 June 2011.

The interim financial statements are officially prepared in Thai language. The translation of the interim financial statements to other language should be in compliance with the official financial report in Thai.

During the years 2010 and 2011, the Federation of Accounting Professions has announced the new and amendments to some accounting standards and financial reporting standards, which are effective for the accounting periods beginning on or after 1 January 2011 and 1 January 2013.

The interim financial statements have been prepared by using the same accounting policies as were used in the preparation of the annual financial statements, except for the adoption of revised and new accounting standards as follows:

TAS 1 (Revised 2009): Presentation of financial statements

Presentation of financial statements, a set of financial statements comprises statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows and notes to financial statements. The change impacts only the presentation of financial information with no effect to net income or earnings per share.

TAS 16 (Revised in 2009): Property, plant and equipment

The significant changes that affect the Company are the determination of depreciation for assets based on the segregation of components of assets, if each part is significant with different useful lives, and the residual value of such asset that needs to be estimated with present value, if it has useful life under the current condition at the end of its useful life. In addition, the residual value and useful lives of an asset have to be reviewed at least at the end of the year.

The changes have been applied prospectively in accordance with the transitional provisions of the revised TAS. However, this revised standard does not cause significant impact to the property, plant and equipment of the Company.

TAS 19 : Employee benefits

Post-employment benefits (Defined contribution plan)

The Company and its subsidiaries and its employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trust fund from the Company and subsidiaries' asset. The Company and subsidiaries' contributions to the fund are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company and subsidiaries have obligation in respect of the severance payment it must make to employees upon retirement under labour law. The Company and subsidiaries treats these severance payments obligation as a defined benefit plan.

Other long-term employee benefits

The Company and subsidiaries have obligation for long-service benefits.

The obligation under the defined benefit plan and other long-term employee benefits is determined by actuary, using the projected unit credit method.

For the first-time adoption of TAS 19, the Company elected to recognise the transitional liability, through an adjustment to the retained earnings as at 1 July 2011 as permitted as an option under the transitional of this standard that are presented in the Note 17 to the financial statements.

TAS 24 (Revised 2009) : Related party disclosures

The significant change is to disclose key management personnel compensation.

2. CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW ACCOUNTING STANDARDS

During the current period, the Company and its subsidiaries made changes to their significant accounting policies described in Note 1, as a result of the adoption of revised and new accounting standards. The cumulative effects of the changes in the accounting policies are separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position as at 31 December 2011 are summarised below:

	In Thousand Baht	
	31 December 2011	
	CONSOLIDATED F/S	SEPARATE F/S
Statements of financial position		
Retained earnings at 30 June 2011 – as previously reported	1,710,343	1,203,105
Increase in provision for long – term employee benefit	(43,411)	(35,832)
Decrease in investment in associated companies	(8,803)	-
Decrease in non - controlling interests	3,562	-
Retained earnings as at 1 July 2011 – adjusted	<u>1,661,691</u>	<u>1,167,273</u>

3. CHANGE IN ACCOUNTING POLICY REGARDING PROPERTY, PLANT AND EQUIPMENT OF THE COMPANY

During the fourth quarter of year 2010/2011, the Company changed its accounting policy for property, plant and equipment from the revaluation method to the cost method. In this regard, the Company has restated the previous years' financial statements as if property, plant and equipment had originally been valued using the cost method. The effects to the consolidated and separate statements of income for the three-month and six-month periods ended 31 December 2010 are as follows :

	In Thousand Baht	
	For the three-month period ended	For the six-month period ended
	31 December 2010	31 December 2010
Decrease in cost of sales and services	(17,428)	(34,855)
Decrease in selling expense	(87)	(174)
Decrease in administrative expense	(820)	(1,641)
Increase in net income	18,335	36,670
Increase in earnings per share	0.03	0.06

4. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

- 4.1 The consolidated financial statements include the accounts of Siam Steel International Public Company Limited and its subsidiaries for which it owns more than 50% of capital shares with voting right and joint ventures which the Company can exercise control as follows :

Company	Percentage of shareholding		Type of business
	31 December 2011	30 June 2011	
<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.
<u>Joint ventures</u>			
Siam Steel – Wangsingcome	80	80	Construction service
Siam Steel – Kanok Furniture	49	49	Interior decoration service
Siam Steel – Thai Service	80	80	Interior decoration service

- 4.2 Significant intercompany transactions with subsidiaries and joint ventures included in the consolidated financial statements have been eliminated.
- 4.3 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.
- 4.4 As of 31 December 2011 and 30 June 2011, the total assets of subsidiaries represent 11.18 percent and 8.88 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 December 2011 and 2010, represent 28.14 percent and 22.61 percent, respectively, of the total revenues in the consolidated financial statements and total revenues of subsidiaries for the six-month periods ended 31 December 2011 and 2010, represent 21.47 percent and 19.63 percent, respectively, of the total revenues in the consolidated financial statements.
- 4.5 The consolidated financial statements as at 31 December 2011 and 30 June 2011, and for the three-month and six-month periods ended 31 December 2011 and 2010 included the proportion of the assets, liabilities, revenues and expenses of the joint ventures, the balances of which are as follows : -

	In Thousand Baht	
	Consolidated F/S	
	31 December 2011	30 June 2011
Current assets	28,822	81,689
Non-current assets	17,475	16,625
Current liabilities	46,959	101,696

	In Thousand Baht			
	Consolidated F/S			
	For the three-month periods ended		For the six-month periods ended	
	31 December		31 December	
	2011	2010	2011	2010
Other revenues	2,053	1	3,466	7,714
Expenses	725	141	746	8,135

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

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
Cash	366	445	248	343
Deposits with financial institutions				
- Current accounts	46,238	72,561	47,841	72,320
- Savings accounts	471,437	532,120	385,736	434,488
- Fixed deposit maturity less than 3 months	200,000	105,000	200,000	105,000
- Cheques in transits	(3,363)	(20,061)	(3,363)	(18,782)
Total	714,678	690,065	630,462	593,369

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

6. 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 2011 and 30 June 2011, the account balances with related companies are as follows :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2011	30 June 2011	31 December 2011	30 June 2011
Trade accounts receivable from sales and services				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	26,110	24,073
Siam Okamura International Co., Ltd.	-	-	387	283
Total	-	-	26,497	24,356
<u>Less</u> Allowance for doubtful accounts	-	-	(21,383)	(22,883)
Net	-	-	5,114	1,473
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	1,374	514	1,265	514
Siam Steel Service Center Public Company Limited	150	162	150	162
Total	1,524	676	1,415	676
<u>Related companies</u>				
Lucky – Kingdom Center (Chiangmai) Co., Ltd.	6,335	5,722	6,335	5,722
Lucky – Kingdom Center (Nakornratchasima) Co., Ltd.	6,813	7,774	6,813	7,774
Siam Chitose Co., Ltd.	3,246	1,825	3,246	1,825
Unity Service Co., Ltd.	100	110	100	110
Others	214	326	188	188
Total	16,708	15,757	16,682	15,619
Total trade accounts receivable from sale and services – related companies – net	18,232	16,433	23,211	17,768
Trade accounts receivable from construction work				
<u>Joint ventures</u>				
Siam Steel-Wangsingcame	-	-	54,794	74,843
Siam Steel-Kanok Furniture	-	-	5,600	1,690
Total	-	-	60,394	76,533
<u>Less</u> Allowance for doubtful accounts	-	-	(5,824)	(5,824)
Net	-	-	54,570	70,709

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 December 2011	30 June 2011	31 December 2011	30 June 2011
<u>Outstanding balances and portion of other</u>				
<u>joint ventures' partners</u>				
Siam Steel-Wangsingcame	10,959	14,969	-	-
Siam Steel-Kanok Furniture	2,856	862	-	-
Total	13,815	15,831	-	-
<u>Less</u> Allowance for doubtful accounts	(1,456)	(1,456)	-	-
Net	12,359	14,375	-	-
Total accounts receivable from construction work				
- related companies – net	12,359	14,375	54,570	70,709
Unbilled accrued income				
<u>Joint venture</u>				
Siam Steel-Kanok Furniture	-	-	-	82,984
<u>Outstanding balances and portion of other</u>				
<u>joint ventures' partners</u>				
Siam Steel-Kanok Furniture	-	42,322	-	-
Total unbilled accrued income – related company	-	42,322	-	82,984
Receivables from and advances to related				
Companies				
<u>Joint venture</u>				
Siam Steel-Wangsingcame	-	-	1	-
Siam Steel-Kanok Furniture	-	-	509	-
Total	-	-	510	-
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	2,578	1,855
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	1,219	-	1,219	-
<u>Outstanding balances and portion of other</u>				
<u>joint ventures' partner</u>				
Siam Steel-Kanok Furniture	260	-	-	-
Total receivables from and advances to related companies	1,479	-	4,307	1,855

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
	2011	2011	2011	2011
Trade accounts payable				
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	62,108	47,325	6,693	11,055
Siam Steel Service Center Public Company Limited	368	149	368	149
Total	62,476	47,474	7,061	11,204
<u>Related companies</u>				
Siam Chitose Co., Ltd.	28,695	18,635	28,695	18,635
Formica (Thailand) Co., Ltd.	6,165	2,481	6,165	2,481
Others	529	2,015	-	-
Total	35,389	23,131	34,860	21,116
Total trade accounts payable - related companies	97,865	70,605	41,921	32,320
Advances from				
<u>Joint venture</u>				
Siam Steel - Thai Service	-	-	-	16
<u>Subsidiary company</u>				
Siam Okamura International Co., Ltd.	-	-	-	60
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	138	-	-	-
Siam Steel Service Center Public Company Limited	108	123	108	123
Total	246	123	108	123
<u>Related companies</u>				
Siam Chitose Co., Ltd.	1,535	-	1,535	-
Unity Service Co., Ltd.	1,851	937	1,851	937
Others	-	138	-	-
Total	3,386	1,075	3,386	937
Total advances from related companies	3,632	1,198	3,494	1,136
Total trade accounts payable and advances from related companies	101,497	71,803	45,415	33,456

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 December 2011	30 June 2011	31 December 2011	30 June 2011
Advances and deposits from customers;				
<u>Joint venture</u>				
Siam Steel - Kanok Furniture	-	-	-	2,935
<u>Related company</u>				
Formica (Thailand) Co., Ltd.	3,095	3,095	3,095	3,095
<u>Outstanding balances and portion of other joint ventures' partners</u>				
Siam Steel - Kanok Furniture	-	1,497	-	-
Total advances and deposits from customers - related companies	3,095	4,592	3,095	6,030

The significant transactions with related companies for the three-month and six-month periods ended 31 December 2011 and 2010 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
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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2011	2010	2011	2010
Sales	13,583	14,396	18,722	12,995
Income from sales of raw materials, factory supplies and others	8,024	1,993	11,924	4,491
Rental revenue	3,316	3,317	3,323	3,323
Dividend income	-	4,979	-	4,979
Purchases of raw materials	8,407	2,637	8,407	2,637
Purchases of finished goods	175,462	128,221	28,008	21,151
Land and factory building rental	4,350	4,350	4,350	4,350
Administrative expenses and other expenses	14,498	15,263	2,772	2,661

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2011	2010	2011	2010
Sales	29,094	28,829	37,535	30,650
Construction income	-	7,714	-	15,125
Income from sales of raw materials, factory supplies and others	13,800	4,112	20,519	7,833
Rental revenue	6,633	6,633	6,645	6,645
Dividend income	-	4,979	-	4,979
Reversal of allowance for doubtful accounts	-	-	1,500	-
Purchases of raw materials	13,542	13,138	13,542	13,138
Purchases of finished goods	362,995	208,474	67,038	54,934
Land and factory building rental	8,700	8,700	8,700	8,700
Administrative expenses and other expenses	30,982	23,793	8,064	5,540

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For three-month period ended 31 December			
	2011	2010	2011	2010
<u>Key management personnel compensation</u>				
Short-term employee benefits	6,802	6,619	5,612	5,510
Post-employment benefits	127	-	123	-
Total	6,929	6,619	5,735	5,510

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For six-month period ended 31 December			
	2011	2010	2011	2010
<u>Key management personnel compensation</u>				
Short-term employee benefits	14,064	12,249	11,762	10,032
Post-employment benefits	254	-	246	-
Total	14,318	12,249	12,008	10,032

On 1 December 2011, the Company entered into land and factory building lease agreements with the Company's directors. The purpose of leases is to support the special projects and for storage of raw materials and finished products. This lease agreement covers a period of three years with monthly rental totalling Baht 1.45 million.

7. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2011 and 30 June 2011, the aged analysis of accounts receivable are 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
	2011	2011	2011	2011
<u>Trade accounts receivable – general customers</u>				
Current	401,425	288,451	287,234	200,771
Overdue:				
Less than 3 months	109,828	118,172	29,626	33,170
3 months – 6 months	8,661	10,241	6,257	2,241
6 months – 12 months	15,640	1,527	2,651	1,280
Over 12 months	5,705	5,707	2,019	2,019
Total	541,259	424,098	327,787	239,481
<u>Less</u> Allowance for doubtful accounts	(4,795)	(4,818)	(1,107)	(1,130)
Net	536,464	419,280	326,680	238,351

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
<u>Trade accounts receivable - related companies</u>				
Current	13,343	13,853	16,874	15,188
Overdue:				
Less than 3 months	4,889	2,580	6,337	2,580
Over 12 months	-	-	21,383	22,883
Total	18,232	16,433	44,594	40,651
<u>Less</u> Allowance for doubtful accounts	-	-	(21,383)	(22,883)
Net	18,232	16,433	23,211	17,768

Trade accounts receivable – construction work

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
<u>Trade accounts receivable – general customers</u>				
Overdue:				
More than 12 months	-	706	-	-
Total	-	706	-	-
<u>Trade accounts receivable - related companies</u>				
Overdue:				
Less than 3 months	2,856	-	5,600	-
More than 12 months	10,959	15,831	54,794	76,533
Total	13,815	15,831	60,394	76,533
<u>Less</u> Allowance for doubtful accounts	(1,456)	(1,456)	(5,824)	(5,824)
Net	12,359	14,375	54,570	70,709

8. UNBILLED ACCRUED INCOME

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
<u>General customers</u>				
Project value as per contracts	311,353	519,912	311,353	319,649
Accumulated amount recognized as revenues on percentage of completion basis	311,353	326,164	311,353	125,900
<u>Less</u> Value of construction work billed	(265,582)	(197,826)	(265,582)	(33,745)
Net	45,771	128,338	45,771	92,155
<u>Related companies</u>				
Project value as per contract	-	190,208	-	372,956
Accumulated amount recognized as revenues on percentage of completion basis	-	190,208	-	372,956
<u>Less</u> Value of construction work billed	-	(147,886)	-	(289,972)
Total	-	42,322	-	82,984

9. INVENTORIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
Finished goods	171,645	459,474	84,838	413,954
Work in process	307,869	235,559	307,870	235,559
Raw materials and supplies	301,846	274,761	301,846	274,761
Inventories in transit	4,442	-	4,442	-
Total	785,802	969,794	698,996	924,274
<u>Less</u> Allowance for obsolete and decline value of inventories	(27,943)	(33,337)	(26,660)	(31,901)
Net	757,859	936,457	672,336	892,373

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

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 July 2011	33,337	31,901
<u>Less</u> Reversal of allowance for obsolete and decline value of inventories	(5,394)	(5,241)
Balance as at 31 December 2011	27,943	26,660

10. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2011	30 June 2011	31 December 2011	30 June 2011
Deposits	34,872	49,940	34,872	49,928
Penalty compensation	24,888	21,423	24,888	21,423
Cash advances	3,702	7,524	2,932	6,900
Prepaid expenses	3,795	10,903	3,473	10,104
Retention receivable	4,592	-	4,592	-
Undue input vat	5,277	4,230	3,504	3,278
Accrued dividend income	-	-	-	3,060
Others	1,396	1,193	941	971
Total	78,522	95,213	75,202	95,664

11. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2011 and 30 June 2011, the Company's and a subsidiary's time deposits totaling Baht 20.93 million and Baht 76.70 million, respectively, for consolidated financial statements, and Baht 20.64 million and Baht 76.53 million, respectively, for the separate financial statements, have been placed with banks as collaterals for bank guarantees and for importation of materials issued on behalf of the Company and subsidiaries.

12. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

Investments in associated companies are accounted for by the equity method in the consolidated balance sheet and by the cost method in the separate balance sheet.

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 unaudited net operating results. However, the equity in such associated company is not significant.

Investments in non-marketable securities of related companies that are non-subsiaries and/or non-associated companies, held as “General investment”, are valued at cost. The Company makes the adjustment to devalue those investments when they are impaired.

As at 31 December 2011 and 30 June 2011, the balances of investments in related companies are shown on the following pages:

(In Thousand Baht)

		Consolidated F/S									
		Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income	
Type of business		31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June
		2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
<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	104,749	105,085		
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	21.01	21.01	67,228	67,228	396,221	382,393		
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	6,039	5,946		
Total investments in associated companies						<u>107,227</u>	<u>107,227</u>	<u>507,009</u>	<u>493,424</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			-	4,979
Panasonic Electric Works Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			-	4,641
Total investment in related companies						<u>49,712</u>	<u>49,712</u>			<u>-</u>	<u>9,620</u>
<u>Less</u> Allowance for decline value of investments						(11,462)	(11,462)				
Net						<u>38,250</u>	<u>38,250</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 investment by cost method - net						<u>43,250</u>	<u>43,250</u>				

(In Thousand Baht)

Type of business	Separate F/S								
	Paid-up Share capital		Percentage of shareholding		Cost method		Dividend income		
	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	50,000	50,000	99.99	99.99	49,999	49,999	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	-	3,060
Total investment in subsidiary companies						60,198	60,198	-	3,060
<u>Less</u> Allowance for decline in value of investments						(49,999)	(49,999)		
Net						10,199	10,199		
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	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	21.01	21.01	67,228	67,228	-	34,958
Total investment in associated companies						102,427	102,427	-	34,958
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	4,979
Panasonic Electric Works Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	-	4,641
Total investments in related companies						49,712	49,712	-	9,620
<u>Less</u> Allowance for decline in value of investments						(11,462)	(11,462)		
Net						38,250	38,250		
<u>Joint ventures</u>									
Siam Steel – Wangsingcome	Construction service	231,000	231,000	80	80	184,800	184,800	-	-
Siam Steel – Kanok Furniture	Interior decoration service	100	100	49	49	49	49	-	-
Siam Steel – Thai Service	Interior decoration service	20	20	80	80	16	16	-	-
Total investments in joint ventures						184,865	184,865	-	-
<u>Less</u> Allowance for decline in value of investments						(184,849)	(184,849)		
Total						16	16		
Total dividend income from investments accounted for by cost method								-	47,638

Movements in investments in associated companies for the six-month period ended 31 December 2011 are as follows :

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value at beginning period	493,424	102,427
Effect of change in accounting policy for employee past service benefits obligation	(8,803)	-
Share of profits of investment - equity method	22,388	-
Share of loss of investment - equity method	-	-
Net book value at ending period	507,009	102,427

13. PROPERTY, PLANT AND EQUIPMENT

Movements in property plant and equipment for the six-month period ended 31 December 2011 are as follow :

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book balance as at 1 July 2011	653,015	643,411
Purchase during the period	36,571	34,855
Disposal/written-off of fixed assets during the period	(313)	(286)
Depreciation for the period	(26,069)	(24,085)
Net book value as at 31 December 2011	663,204	653,895

14. SHORT - TERM LOANS FROM FINANCIAL INSTITUTION

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December 2011	30 June 2011	31 December 2011	30 June 2011
Liabilities under trust receipts	-	63,444	-	63,444

As at 30 June 2011, the liabilities under trust receipts bear interest rate ranging between 1.97% - 7.15% per annum. The Company has credit facilities from local banks covering liabilities under trust receipts and other credit facilities totaling Baht 610 million. The Company credit facilities are collateralized by some parts of land of the Company.

15. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
Accrued construction costs	68,614	39,746	68,615	39,746
Accrued employee expenses	69,929	41,653	64,866	34,810
Accrued rental and utilities expenses	3,353	3,481	3,299	3,439
Accrued incentive expenses	1,314	642	1,314	642
Other accrued expenses	89,269	86,315	84,639	79,431
Other liabilities	9,414	21,886	6,153	18,602
Total	241,893	193,723	228,886	176,670

16. EMPLOYEE BENEFIT OBLIGATIONS

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Opening net book balance	-	-
Effect of change in accounting policy for employee past service benefits obligation	43,411	35,832
Adjusted opening net book balance	43,411	35,832
Current cost recognized in the statement of comprehensive income	2,582	2,047
Closing net book balance	45,993	37,879

The employee benefit expenses were recorded in the statement of comprehensive income for the six-month periods ended 31 December 2011 :

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Current service cost	1,557	1,204
Financial cost	1,025	843
Total	2,582	2,047

The Company and subsidiaries recognise the reserve for employee benefits obligation for employee retirement in compliance with the Thai labour law. The defined benefits obligation are measured, using the actuarial technique. The estimated amounts are computed by the discounted cashflows for amounts to be paid in the future based on the government bond interest rate with term to maturity approximate the term of the related obligation.

The estimated future cash outflows are based on employee wages, turnover rate, mortality rate, length of service and others. The employee benefits expenses were recognised in the statement of comprehensive income to allocate the expense through the hiring period. Actuarial gains or losses arising from changes in actuarial assumptions, when exceeding 10% of the present value of defined benefit, are recognised as income or expenses over the average remaining service lives of the related employees. Principal actuarial assumptions are as follows :

	Daily staff	Monthly staff
Future salary increment rate	4.22 percent per annum	3.91 percent per annum
Normal retirement age	60 years	60 years
Discount rate : separate F/S	4.39 percent per annum	4.41 percent per annum
: subsidiary company	-	4.41 percent per annum
Number of employees : separate F/S	384 persons	1,018 persons
Number of employees : subsidiary company	-	3 - 76 persons

17. DIVIDEND PAYMENT

At the Ordinary Shareholder's meeting held on 28 October 2011, the shareholders passed a resolution to pay cash dividend from the net profit for the year ended 30 June 2010 for the entitle shareholders, 593,103,849 common shares totaling Baht 94,896,616 or at the rate of Baht 0.16 was paid on 25 November 2011.

18. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2011	2010	2011	2010
Salaries, wages and other employee benefits	129,045	128,623	113,739	112,080
Subcontractor expenses	69,745	72,500	69,745	72,500
Depreciation	12,826	20,169	11,907	18,701
Rent expense	16,881	21,015	14,635	18,753
Utilities expense	11,334	11,704	10,877	11,032
Reversal of allowance for doubtful debts	(7)	(350)	(7)	(350)
Reversal of allowance for decline value of inventories	(2,847)	(1,405)	(2,805)	(782)
Purchase finished goods	304,258	198,512	41,390	33,383
Raw materials and supplies used	405,868	505,683	405,868	505,683
Changes in inventories of finished goods and work in progress	6,126	(109,611)	15,759	(107,489)
Others	140,104	88,642	114,989	64,821
Total	<u>1,093,333</u>	<u>935,482</u>	<u>796,097</u>	<u>728,332</u>

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2011	2010	2011	2010
Salaries, wages and other employee benefits	277,217	239,130	245,611	209,087
Subcontractor expenses	126,054	163,800	126,054	163,267
Depreciation	26,069	40,569	24,085	37,550
Rent expense	30,546	44,688	26,374	40,163
Utilities expense	23,784	25,627	22,862	24,391
Reversal of allowance for doubtful debts	(23)	(1,903)	(1,523)	(1,900)
Reversal of allowance for decline value of inventories	(5,394)	(1,533)	(5,241)	(782)
Purchase finished goods	579,894	328,874	114,907	73,780
Raw materials and supplies used	752,376	1,057,157	752,376	1,057,175
Changes in inventories of finished goods and work in progress	215,519	(389,065)	256,805	(377,738)
Others	253,037	158,321	204,729	122,429
Total	2,279,079	1,665,665	1,767,039	1,347,422

19. INCOME TAX

	In Million Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 December			
	2011	2010	2011	2010
Income before income tax	70	88	42	60
<u>Add</u> Items added back under the provision of Revenue Code	4	20	3	20
<u>Less</u> Tax-exempt income or expenses entitled to additional deduction	(13)	(41)	(8)	(25)
Net taxable income	61	67	37	55
Income tax	18	16	11	14

	In Million Baht			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 31 December			
	2011	2010	2011	2010
Income before income tax	346	155	284	109
<u>Add</u> Items added back under the provision of Revenue Code	8	40	6	40
<u>Less</u> Tax-exempt income or expenses entitled to additional deduction	(42)	(62)	(17)	(46)
Net taxable income	312	133	273	103
Income tax	94	29	82	26

The Company's income taxes for the three-month and six-month periods ended 31 December 2011 were computed at 30 percent and for the three-month period ended 30 September 2010 were computed at 25 percent for the first layer of net taxable income of Baht 300 million while the profit in excess of Baht 300 million is subject to the rate of 30 percent, because the Company has been listed in the Securities Exchange of Thailand that is entitled to tax rate reduction for 3 consecutive accounting periods from 1 January 2008.

Subsidiaries and joint ventures' income tax were computed at 30 percent of net taxable income.

20. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the three-month periods ended 31 December					
	Domestic		Export		Total	
	2011	2010	2011	2010	2011	2010
Consolidated						
Sales and services - net	617,053	435,270	427,585	492,144	1,044,638	927,414
Cost of sales and services	(476,940)	(342,444)	(348,887)	(392,093)	(825,827)	(734,537)
Gross profit	140,113	92,826	78,698	100,051	218,811	192,877
Revenues from construction work	96,670	58,597	-	-	96,670	58,597
Costs of construction work	(87,336)	(48,155)	-	-	(87,336)	(48,155)
Gross profit	9,334	10,442	-	-	9,334	10,442
Total gross profit	149,447	103,268	78,698	100,051	228,145	203,319
Net income after tax					49,527	71,637
Property, plant and equipment – net					663,204	682,036
Other assets					3,006,309	3,600,786
Total assets as at 31 December					3,669,513	4,282,822
Separate F/S						
Sales and services – net	295,435	216,119	427,585	492,144	723,020	708,263
Cost of sales and services	(206,349)	(161,529)	(348,887)	(392,093)	(555,236)	(553,622)
Gross profit	89,086	54,590	78,698	100,051	167,784	154,641
Revenues from construction work	96,670	58,597	-	-	96,670	58,597
Costs of construction work	(87,336)	(48,155)	-	-	(87,336)	(48,155)
Gross profit	9,334	10,442	-	-	9,334	10,442
Total gross profit	98,420	65,032	78,698	100,051	177,118	165,083
Net income after tax					30,862	46,358
Property, plant and equipment – net					653,895	670,098
Other assets					2,221,052	2,904,942
Total assets at 31 December					2,874,947	3,575,040

In Thousand Baht

	For the six-month periods ended 31 December					
	Domestic		Export		Total	
	2011	2010	2011	2010	2011	2010
Consolidated						
Sales and services - net	1,114,766	799,738	1,211,764	831,573	2,326,530	1,631,311
Cost of sales and services	(836,286)	(624,003)	(946,804)	(684,972)	(1,783,090)	(1,308,975)
Gross profit	278,480	175,735	264,960	146,601	543,440	322,336
Revenues from construction work	178,292	95,698	-	-	178,292	95,698
Costs of construction work	(160,456)	(84,685)	-	-	(160,456)	(84,685)
Gross profit	17,836	11,013	-	-	17,836	11,013
Total gross profit	296,316	186,748	264,960	146,601	561,276	333,349
Net income after tax					250,121	125,744
Property, plant and equipment – net					663,204	682,036
Other assets					3,006,309	3,600,786
Total assets as at 31 December					3,669,513	4,282,822
Separate F/S						
Sales and services – net	560,146	467,456	1,211,764	831,573	1,771,910	1,299,029
Cost of sales and services	(378,610)	(353,848)	(946,804)	(684,972)	(1,325,414)	(1,038,820)
Gross profit	181,536	113,608	264,960	146,601	446,496	260,209
Revenues from construction work	177,063	95,698	-	-	177,063	95,698
Costs of construction work	(160,456)	(84,685)	-	-	(160,456)	(84,685)
Gross profit	16,607	11,013	-	-	16,607	11,013
Total gross profit	198,143	124,621	264,960	146,601	463,103	271,222
Net income after tax					202,225	83,489
Property, plant and equipment – net					653,895	670,098
Other assets					2,221,052	2,904,942
Total assets at 31 December					2,874,947	3,575,040

21. GUARANTEE

As at 31 December 2011, the Company has outstanding guarantees of approximately Baht 436.95 million which were issued by certain local banks on behalf of the Company and its joint ventures in respect of certain performance bonds required in the normal course of business of the Company and its joint ventures. The letters of guarantees are collateralized by the bank deposits (as disclosed in Note 11 to the financial statements) and some part of land of the Company.

22. COMMITMENTS

23.1 As at 31 December 2011, the Company had the outstanding commitments for the project work of the Company with major subcontractor of Baht 48.03 million and commitment for purchase machinery and equipment of Baht 12.15 million.

23.2 The Company had commitment for land and factory building lease agreement with the Company's director. This lease agreement is for a period of three (3) years commencing 1 December 2011 with annual rental totalling Baht 17.40 million. The Company has an option to renew the lease terms with the lessor.

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

24.1 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 relates primarily to their deposits with bank, bank overdrafts and short-term loan from bank as follows :

	In Thousand Baht			
	Consolidated F/S			
	31 December 2011			
			None -	
	Floating rate	Fixed rate	interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	714,678	-	-	714,678
Restricted deposits with banks	20,935	-	-	20,935

	In Thousand Baht			
	Separate F/S			
	31 December 2011			
			None -	
	Floating rate	Fixed rate	interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	630,462	-	-	630,462
Restricted deposits with banks	20,635	-	-	20,635

	In Thousand Baht			
	Consolidated F/S			
	30 June 2011			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	690,065	-	-	690,065
Restricted deposits with banks	76,702	-	-	76,702
Short-term loans from financial institution	-	63,444	-	63,444

	In Thousand Baht			
	Separate F/S			
	30 June 2011			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	593,369	-	-	593,369
Restricted deposits with banks	76,525	-	-	76,525
Short-term loans from financial institution	-	63,444	-	63,444

As of 31 December 2011 and 30 June 2011, the financial instruments classified by the periods of time from the balance sheet date to their maturity dates are as follows :

	In Thousand Baht				
	Consolidated F/S				
	31 December 2011				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	714,678	-	-	714,678	0.75 – 2.75%
Restricted deposits with banks	20,935	-	-	20,935	0.75 – 2.75%

	In Thousand Baht				
	Separate F/S				
	31 December 2011				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	630,462	-	-	630,462	0.75 – 2.75%
Restricted deposits with banks	20,635	-	-	20,635	0.75 – 2.75%

	In Thousand Baht				
	Consolidated F/S				
	30 June 2011				
	At call	1 - 6	7 - 12	Total	Interest rate
		months	months		
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	690,065	-	-	690,065	0.625 – 0.875%
Restricted deposits with banks	76,702	-	-	76,702	0.625 – 0.875%
Short-term loans from financial institution	-	63,444	-	63,444	1.968 – 7.150%

	In Thousand Baht				
	Separate F/S				
	30 June 2011				
	At call	1 - 6	7 - 12	Total	Interest rate
		months	months		
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	593,369	-	-	593,369	0.625 – 0.875%
Restricted deposits with banks	76,525	-	-	76,525	0.625 – 0.875%
Short-term loans from financial institution	-	63,444	-	63,444	1.968 – 7.150%

24.2 Foreign Exchange Risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2011 are summarized below:

Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Thousand)	(Thousand)	as at 31 December 2011 (Baht per 1 foreign currency unit)
USD	9,430	6,314	31.691200
JPY	2,976	-	0.408417
GBP	21	37	48.857750
EUR	-	23	41.027350
AUD	1,506	63	32.197050

Below is the summary of the Company's foreign currency denominated assets and liabilities as at 31 December 2011 which were unhedged.

	USD	JPY	GBP	EUR	AUD
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Thousand)
<u>Financial assets</u>					
Cash and cash equivalents	51	1,405	-	-	-
Accounts receivable - net	8,765	1,570	21	-	1,506
<u>Financial liabilities</u>					
Advances from customers	2,393	-	37	23	63
Other current liabilities	3,921	-	-	-	-

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on 13 February 2012.