

Karmarts Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2015

1. Corporate information

Karmarts Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of consumer products and NGV cars, and the provision of warehouse rental and warehouse services. The Company’s registered address is 81-81/1, Soi Phetchakasem 54 sub 3, Phetchakasem Road, Bangduan, Phasicharoen, Bangkok.

2. Basis of preparation and accounting policies

2.1 Basis for the preparation of interim financial statements

These interim financial statements have been prepared in accordance with Accounting Standard 34 (revised 2014) “Interim Financial Reporting” with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statements, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

2.2 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2014. There has been no significant change in the composition of the group of company during the current period.

Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in note 2.3 to the financial statements.

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
1 - 3 months	-	-	-	-
4 - 6 months	-	-	-	9
7 - 12 months	-	-	37	43
Over 12 months	-	-	6,137	6,122
Total	-	-	6,174	6,174
Less: Allowance for doubtful accounts	-	-	(6,062)	(6,062)
Net	-	-	112	112
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Post dated cheques	2,649	2,905	2,649	2,905
Not yet due	87,834	80,094	87,834	80,094
Past due				
1 - 3 months	79,709	71,901	79,709	71,901
4 - 6 months	6,358	2,215	6,358	2,215
Over 6 months	14,599	15,120	14,599	15,120
Returned cheques	658	616	658	616
Total	191,807	172,851	191,807	172,851
Less: Allowance for doubtful accounts	(10,323)	(10,491)	(10,323)	(10,491)
Net	181,484	162,360	181,484	162,360
Other receivables				
Advances - related persons and parties	17,270	2	26,315	8,855
Other receivables	24,789	24,940	24,761	24,925
Total	42,059	24,942	51,076	33,780
Less: Allowance for doubtful accounts	(11,025)	(8,248)	(18,772)	(12,762)
Net	31,034	16,694	32,304	21,018
Total trade and other receivables - net	212,518	179,054	213,900	183,490

(Unaudited but reviewed)

On 22 December 2014, the Company entered into an agreement to sell all of the inventories, that are related to the project to upgrade the 470MHz Mobile Telephone Network to CDMA2000 1X to a non-related party at a price of Baht 28.1 million (including VAT). This agreement requires the buyer to make payment to the Company in monthly installments, within 10 years. As at 31 March 2015, the Company had such account receivable balance was Baht 26.2 million (31 December 2014: Baht 26.7 million), with the portion due in over 12 months amounting to Baht 23.3 million (31 December 2014: Baht 24.0 million) and was classified as other non-current assets in statements of financial position.

4. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	31 March 2015	31 December 2014
Finance lease receivables		
- receivables within 1 year	1,187	2,165
- receivables within 2 to 5 years	1,627	1,552
Total finance lease receivables	2,814	3,717
Less : Unearned finance lease income	(265)	(348)
Finance lease receivables - net	2,549	3,369
Less: Allowance for doubtful accounts	(883)	-
Net	1,666	3,369

As at 31 March 2015 and 31 December 2014, the balance of the finance lease receivables (net of unearned finance lease income) was classified by aging as follows:

(Unit: Thousand Baht)

	Finance lease receivables - net	
	31 March 2015	31 December 2014
Current	2,117	3,248
Past due over 12 months	432	121
Total	2,549	3,369
Less: Allowance for doubtful accounts	(883)	-
Net	1,666	3,369

(Unaudited but reviewed)

5. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended		For the three-month periods ended		
	31 March		31 March		Transfer Pricing Policy
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sale of goods and services	-	-	-	27	Approximate cost
Interest income	-	-	194	695	1.5 percent per annum (2014: 6.125 percent per annum)
<u>Transactions with related persons and companies</u>					
Interest income	3	-	3	-	1.5 percent per annum
Rental expenses	-	60	-	60	Contract price
Interest expenses	187	-	187	-	9 percent per annum

The outstanding balances of the related transactions as at 31 March 2015 and 31 December 2014 have been shown in the statements of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Trade and other receivables - related persons and parties (Note 3)</u>				
Associate	5	2	5	2
Subsidiary	-	-	15,219	15,027
Director	17,265	-	17,265	-
Total	17,270	2	32,489	15,029
Less: Allowance for doubtful accounts	-	-	(13,820)	(10,587)
Net	17,270	2	18,669	4,442

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
<u>Short-term loans to related parties</u>				
Associate	956	956	956	956
Subsidiary	-	-	52,262	52,252
Less: Allowance for doubtful accounts - subsidiary	-	-	(22,240)	(22,240)
Net	956	956	30,978	30,968
<u>Trade and other payables - related persons and parties (Note 16)</u>				
Accrued management benefits	320	900	320	900
Accrued interest	-	39	-	39
Net	320	939	320	939
<u>Short-term loan from related person</u>				
Director of associate	-	10,000	-	10,000
Net	-	10,000	-	10,000

During the current period, the balances of loans to related parties and loans from related person and the movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Allowance for doubtful accounts			
	1 January			31 March
	2015	Increase	Decrease	2015
<u>Short-term loans to related party</u>				
Associate				
The Iconic Property Co.,Ltd	956	-	-	956

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				
	1 January			Allowance for doubtful accounts	31 March
	2015	Increase	Decrease		2015
<u>Short-term loans to related parties</u>					
Associate					
The Iconic Property Co.,Ltd	956	-	-	-	956
Subsidiary					
My Bus Co.,Ltd.	30,012	610	(600)	-	30,022
Total	30,968	610	(600)	-	30,978

As at 31 March 2015 and 31 December 2014, short-term loans to such associate and subsidiary matures at call and carries interest at a rate of 1.50 percent per annum.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	1 January 2015	Increase	Decrease	31 March 2015
<u>Short-term loan from related person</u>				
Director of associate	10,000	-	(10,000)	-

As at 31 December 2014, the Company had short-term loan from the related person amounting to Baht 10 million and carried interest at a rate of 9 percent per annum. The loan was repaid in the full amount in March 2015.

Directors and management benefits

During the periods, the Company and its subsidiaries had employee benefit expenses of their directors and management recognised as expenses totaling Baht 3.8 million (Separate financial statements: Baht 3.8 million) (31 March 2014: Baht 5.1 million, Separate financial statements: Baht 5.0 million).

(Unaudited but reviewed)

6. Inventories

Movements in the allowance for reducing cost of inventories to net realisable value during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2015	29,461
Increase in allowance for reducing cost of inventories to net realisable value	1,268
Balance as at 31 March 2015	30,729

7. Current Investments

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	31 March 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Trading securities - ordinary shares	14,881	14,760	138	-
Unrealised gain from revaluation of investments	17		-	
Allowance for impairment loss on current investments	(138)		(138)	
Total current investments - net	14,760		-	

8. Other current assets

Allowance for impairment loss on other current assets amounted to Baht 2.67 million as of 31 March 2015 and 31 December 2014.

9. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31	31	31	31	31	31
			March	December	March	December	March	December
			2015	2014	2015	2014	2015	2014
			%	%				
The Iconic Property Co., Ltd.	Develop investment properties	Thailand	33.33	33.33	71,030	71,030	70,838	70,916

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			31 March	31 December	31 March	31 December
			2015	2014	2015	2014
			%	%		
The Iconic Property Co., Ltd.	Develop investment properties	Thailand	33.33	33.33	71,030	71,030

On 3 March 2014, the Company purchased 6,666,666 ordinary shares of The Iconic Property Company Limited (or 33.33% of the 20,000,000 issued and paid-up shares of that company) at a price equal to the par value of Baht 10 per share or a total of Baht 66,666,660.

Consequently on 28 March 2014, the said associate registered the increase of its registered share capital with the Ministry of Commerce from Baht 200 million (20 million ordinary shares of Baht 10 each) to Baht 210 million (21 million ordinary shares of Baht 10 each) which was fully paid up.

Consequently on 19 August 2014, the said associate registered the increase of its registered share capital with the Ministry of Commerce from Baht 210 million (21 million ordinary shares of Baht 10 each) to Baht 213.09 million (21.309 million ordinary shares of Baht 10 each) which was fully paid up.

10. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid-up	Percentage	Separate financial statements	
	share capital	holding	Cost method	
	Million Baht	Percent	31 March 2015	31 December 2014
My Bus Company Limited	9.20	95.16	9,173	9,173
J KOS Laboratories Company Limited	3.25	70.00	2,500	2,500
Total			11,673	11,673
Less: Allowance for impairment				
loss on investments - My Bus Company Limited			(9,173)	(9,173)
Net			2,500	2,500

On 1 December 2013, the Company engaged in the Memorandum of Understanding to establish Karmarts Vietnam Investment Company Limited, the new subsidiary in Vietnam which the Company will hold 510,000 ordinary shares (or 51% of the total 1,000,000 issued and paid-up shares at par value of VND 1,000 per share), at purchase price of VND 1,195.88 per share or a total of VND 610 million or Baht 0.9 million. The said subsidiary has been in the process of registration.

During the third quarter of year 2014, the Company purchased 1.2 million additionally issued ordinary shares of Baht 5 each of J KOS Laboratories Company Limited (a subsidiary), 25% paid-up, for a total payment of Baht 1.5 million (representing 66.67% of the 1.8 million newly issued and paid-up shares). As a result of the transaction, the Company's shareholding in this subsidiary decreased from 100% (of 0.2 million existing issued and paid-up shares) to 70% (of 2.0 million issued and paid-up shares).

On 23 February 2015, the Company engaged in the Memorandum of Understanding to establish Karmarts Malaysia Sdn. Bhd, the new joint venture in Malaysia which the Company will hold 51,000 ordinary shares (or 51% of the total 100,000 issued and paid-up shares) at MYR 10 per share, or a total of MYR 510,000 or approximately Baht 4.9 million. The said joint venture has been in the process of registration.

(Unaudited but reviewed)

As at 31 March 2015 and 31 December 2014, the Company had commitments amounting to approximately Baht 55 million and Baht 4.5 million in respect of the unpaid shares in My Bus Company Limited and J KOS Laboratories Company Limited, respectively.

11. Investment properties

Movements of the investment properties during the three-month period ended 31 March 2015 were as summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements / Separate financial statements
1 January 2015	168,000
Transfer to property and plant	(63,000)
Increase/(decrease) in fair value during the period	-
31 March 2015	105,000

During the current period, the Company transferred some of the land and buildings which had been used in the past in the provision of warehouse rental services to use as a factory and as its own warehousing space, as discussed in Note 12.

Majority of investment properties were mortgaged as collateral for short-term and long-term credit facilities granted by commercial banks.

12. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Cost</u>		
1 January 2015	264,125	196,168
Acquisitions	5,098	5,098
Transfer from investment properties	63,000	63,000
Transfer to inventories	(86)	(86)
Disposals / write-off	(2,521)	(2,521)
31 March 2015	329,616	261,659

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<u>Accumulated depreciation</u>		
1 January 2015	139,580	100,283
Depreciation during the period	6,877	5,383
Depreciation of disposals / write-off / transfer-out	(834)	(834)
31 March 2015	145,623	104,832
<u>Impairment of fixed assets</u>		
1 January 2015	3,146	-
Impairment for the period	2,971	-
31 March 2015	6,117	-
<u>Net book value</u>		
1 January 2015	121,399	95,885
31 March 2015	177,876	156,827

The Company arranged for an independent professional valuer to appraise the value of the land for its office at the end of year 2010. The land was revalued using the market approach. The Company recorded the resulting increase in asset value, totaling of approximately Baht 9 million, in "Surplus on revaluation of assets" in statements of changes in shareholders' equity.

Had the land been carried in the financial statements based on historical cost, its net book value as of 31 March 2015 and 31 December 2014 would have been Baht 17.6 million.

As at 31 March 2015, the Company had vehicles under finance lease agreements with net book value amounting to Baht 6.6 million (31 December 2014: Baht 7.6 million).

During the current period, the Company transferred some of the land and buildings which had been used in the past in the provision of warehouse rental services and previously recorded as investment properties to use as a factory and as its own warehousing space, because the purpose of using these assets had changed, as discussed in Note 11.

The Company has mortgaged a majority of its land with structures thereon and machinery as collateral for short-term and long-term credit facilities granted by commercial banks.

13. Intangible assets

Movements of the intangible assets during the three-month period ended 31 March 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	6,862	1,070
Amortisation during the period	(595)	(176)
Impairment for the period	(671)	-
Net book value as at 31 March 2015	5,596	894

14. Other non-current assets

As at 31 March 2015 and 31 December 2014, allowance for impairment loss on deposit for payphones was Baht 93 million. This deposit was paid in accordance with a purchase agreement with a foreign company.

15. Bank overdrafts and short-term loans from banks

Bank overdrafts and short-term loans from banks are secured by the mortgage of the Company's land with structures thereon, majority of machinery and investment properties. Short-term loans from banks are guaranteed by certain director of the Company.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade payables – unrelated parties	12,380	12,807	12,374	12,807
Other payables – unrelated parties	11,096	10,568	9,403	8,970
Accrued expenses – unrelated parties	37,628	30,997	37,556	30,938
Accrued management benefits	320	900	320	900
Accrued interest – related person	-	39	-	39
Total trade and other payables	61,424	55,311	59,653	53,654

17. Share capital

During 2014, the Company received additional share subscription totaling Baht 72.1 million as a result of the exercise of warrants as discussed in Note 18. The Company registered the increase in its paid up share capital of Baht 21.6 million with the Ministry of Commerce on 6 February 2014 and 14 May 2014 (36 million ordinary shares of Baht 0.60 each) and the remaining Baht 50.5 million has been recorded as share premium in the statements of financial position.

18. Warrants

On 8 May 2013, the Company issued 59,997,956 warrants (KAMART-W) to subscribe to the Company's ordinary shares, at a price of Baht zero each in a ratio of 1 warrant for 10 existing ordinary shares. The warrants are exercisable within 1 year from the issuance date at the last business day of July 2013, October 2013, January 2014 and on 6 May 2014, in a ratio of 1 warrant to 1 new ordinary share, with an exercise price of Baht 2 per share. The warrants are negotiable instrument which entered in the name certificated.

During 2014, 36,036,325 warrants were exercised to purchase the company's ordinary shares, amounting to Baht 72.1 million, as discussed in Note 17.

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2015	2014
Current income tax:		
Interim corporate income tax charge	16,394	9,878
Deferred tax:		
Reversal of temporary differences relating to deferred tax	(1,664)	333
Income tax expenses reported in the statements	14,730	10,211

of comprehensive income

21. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares from the issuance of warrant (KAMART-W) to subscribe to the Company's ordinary share as discussed in Note 18. The calculation assumes that the exercise took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

For the three-month period ended 31 March 2014					
		Weighted			
Profit for the period		average	Earnings per share		
Consolidated	Separate	number of	Consolidated	Separate	
financial	financial	ordinary	financial	financial	
statements	statements	shares	statements	statements	
Thousand	Thousand	Thousand	Baht	Baht	
Baht	Baht	shares			
Basic earnings per share					
Profit attributable to equity holders of					
the Company					
40,630	44,531	631,591	0.064	0.071	
Effect of dilutive potential ordinary share					
Subscribed warrant to ordinary share					
-	-	17,388			
Diluted earnings per share					
Profit attributable to equity holders of the					
Company assuming the exercise of					
warrant to subscribe ordinary share					
40,630	44,531	648,979	0.063	0.069	

There is no disclosure of diluted earnings per share in the financial statements for the three-month period ended 31 March 2015 as the final exercise of warrants (KAMART-W1) was on 6 May 2014, as discussed in Note 18.

22. Foreign currency risk

The Company is exposed to foreign currency risk arising mainly from purchase of finished goods and equipment that are denominated in foreign currency.

The significant balance of financial assets and liabilities denominated in foreign currency is summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	5.35	4.71	32.7028	33.1132

23. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

(Unaudited but reviewed)

As at 31 March 2015, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)
	Consolidated Financial Statements / Separate Financial Statements
	Level 1
Financial assets measured at fair value	
Investments on held for trade securities	14,760

During the current period, there were no transfers within the fair value hierarchy.

24. Commitment and contingent liabilities

24.1 Operating lease commitments and service agreements

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, vehicle and service agreements. The terms of the non-cancellable agreements are generally between 1 and 3 years.

Future minimum lease payments required under these non-cancellable operating lease and service agreements were as follows:

	(Unit: Million Baht)	
	<u>31 March 2015</u>	<u>31 December 2014</u>
Payable within:		
1 year	5.5	6.2
2 to 3 years	1.0	2.0

24.2 Commitment in respect of purchase of finished goods and capital expenses

As at 31 March 2015, the Company had commitment in respect of purchase of finished goods, equipment and computer programs of approximately Baht 12 million and USD 39 million (31 December 2014: USD 39 million).

24.3 Guarantees

As at 31 March 2015 and 31 December 2014, there were outstanding bank guarantees of Baht 0.5 million issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

As at 31 March 2015 and 31 December 2014, the Company had a guarantee commitment in respect of a bank guarantee provided on behalf of StarCom Co., Ltd. amounting to Baht 10 million.

25. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the periods of three months ended 31 March 2015 and 2014, respectively.

(Unit: Thousand Baht)

	Manufacture and distribution of consumer products segment	Distribution of NGV car and gas tank business segment	Bus service operator segment	Warehouse rental and warehouse service segment	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
For the three months ended 31 March 2015								
Sales and service income								
Revenue from external customers	290,657	-	6	4,975	-	295,638	-	295,638
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	<u>290,657</u>	<u>-</u>	<u>6</u>	<u>4,975</u>	<u>-</u>	<u>295,638</u>	<u>-</u>	<u>295,638</u>
Operating results								
Segment profit	57,344	-	(6,333)	4,486	-	55,497	-	55,497
Other income								4,393
Loss on sale of assets								(967)
Share of loss from investments in associate								(78)
Finance expenses								(3,015)
Profit before income tax expenses								<u>55,830</u>
Income tax expenses								<u>(14,730)</u>
Net profit for the period								<u>41,100</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Manufacture and distribution of consumer products segment	Distribution of NGV car and gas tank business segment	Bus service operator segment	Warehouse rental and warehouse service segment	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
For the three months ended 31 March 2014								
Sales and service income								
Revenue from external customers	204,560	120	-	6,603	-	211,283	-	211,283
Inter-segment revenue	-	24	-	-	-	24	(24)	-
Total revenue	204,560	144	-	6,603	-	211,307	(24)	211,283
Operating results								
Segment profit	40,375	87	(3,181)	5,596	-	42,877	-	42,877
Other income								10,247
Other expenses								41
Finance expenses								(2)
Profit before income tax expenses								(2,515)
Income tax expenses								50,648
Net profit for the period								(10,211)
								40,437

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 March 2015 and 31 December 2014:

(Unit: Thousand Baht)

Segment assets	Manufacture and distribution of consumer products segment	Distribution of NGV cars and Gas tank business segment	Bus service operator segment	Warehouse rental and warehouse service segment	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
As at 31 March 2015	708,242	21,827	26,658	105,000	152,551	1,014,278	(33,923)	980,355
As at 31 December 2014	563,145	49,030	32,921	168,000	141,978	955,074	(36,953)	918,121

26. Event after the reporting period

On 28 April 2015, the Annual General Meeting of Shareholders passed a resolution to approve a year-end dividend payment of Baht 0.06 per share in respect of the operating result of 2014, or a total of Baht 39.6 million. The dividend payment is scheduled for 27 May 2015 and represents a total dividend payment of Baht 0.24 per share, inclusive of the interim dividend of Baht 0.18 per share.

On 13 May 2015, the Company's Board of Directors Meeting passed a resolution to approve the payment of an interim dividend of Baht 0.06 per share, from the operating results of the first quarter of 2015, or a total of Baht 39.6 million. The dividend payment will be made on 12 June 2015.

27. Reclassifications

Certain accounts in the statements of financial position as at 31 December 2014 and the income statements for the three-month period ended 31 March 2014 have been reclassified to conform to the current period's classification with no effect to the opening balance of the beginning period and to the previously reported profit or loss or shareholders' equity. The reclassifications are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2014			
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Trade and other receivables	179,054	203,056	183,490	207,492
Other non-current assets	29,384	5,383	28,574	4,572

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2014			
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Interest income on hire purchase	-	61	-	61
Exchange gain	-	1,625	-	1,625
Other income	11,975	10,289	12,655	10,969

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's Board of Directors on 13 May 2015.