

**SABINA PUBLIC COMPANY LIMITED**

**AND ITS SUBSIDIARY**

INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014

AND

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To The Shareholders and Board of Directors of Sabina Public Co., Ltd.

- (1) I have reviewed the accompanying consolidated statement of financial position of Sabina Public Co., Ltd. and its subsidiary as of June 30, 2014, the related consolidated statements of income, comprehensive income for the three – month and six - month periods ended June 30, 2014 and the consolidated statements of changes in shareholders' equity, and cash flows for the six - month period ended June 30, 2014, as well as the condensed notes to the consolidated financial statements, and I have also reviewed the separate financial information for the same period of Sabina Public Co., Ltd. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 (revised 2012), "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of review**

- (2) I conducted my reviews in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

- (3) Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 (revised 2012), "Interim Financial Reporting".

(Chaiyuth Angsuwithaya)  
Certified Public Accountant  
Registration No. 3885

A.M.T & ASSOCIATES  
Bangkok, Thailand  
August 13, 2014

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF June 30, 2014

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
		(Unaudited/ but Reviewed)	(Audited)	(Unaudited/ but Reviewed)	(Audited)
<u>A S S E T S</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	37,538,119.75	44,197,669.38	17,371,591.35	14,612,617.79
Temporary Investment					
- Mutual funds	5.1	13,538,833.98	6,301,633.41	13,538,833.98	6,301,633.41
- Available-for-sale securities	5.2	74,000,000.00	57,500,000.00	74,000,000.00	57,500,000.00
Trade receivables and other receivables					
Trade receivable - net					
- Related parties	3.1	-	-	301,331,312.93	425,739,171.78
- Other parties	6	296,816,878.80	358,726,523.98	249,640.46	-
Other receivables		7,933,857.96	9,391,778.78	2,421,817.39	798,685.59
Short-term loan to related party	3.2	-	-	364,000,000.00	256,000,000.00
Inventories - net	7	1,201,361,927.30	1,182,023,744.13	125,024,250.01	135,457,637.44
Other current assets					
Value added taxes		-	-	-	-
Prepaid output VAT		63,753,955.68	66,561,499.39	-	-
Others		2,014,687.76	1,910,290.82	561,228.77	392,895.38
Total current assets		1,696,958,261.23	1,726,613,139.89	898,498,674.89	896,802,641.39
NON-CURRENT ASSETS					
Investment in subsidiary company	1.5	-	-	144,849,500.00	144,849,500.00
Property, plant and equipment - net	8	358,565,039.43	368,435,802.05	103,833,974.61	108,722,666.13
Intangible asset	9	7,379,160.83	7,541,339.20	49.00	3,447.32
Deferred tax assets	17.4	124,066,825.92	123,108,740.92	10,077,533.00	10,237,471.60
Others non-current assets					
Leasehold right - net	10	34,059,914.46	35,952,682.64	-	-
Deposit		31,637,000.27	31,756,868.55	-	-
Total non-current assets		555,707,940.91	566,795,433.36	258,761,056.61	263,813,085.05
TOTAL ASSETS		2,252,666,202.14	2,293,408,573.25	1,157,259,731.50	1,160,615,726.44

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

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF June 30, 2014

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
		(Unaudited/ but Reviewed)	(Audited)	(Unaudited/ but Reviewed)	(Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	11	482,000,000.00	532,000,000.00	-	-
Trade payables and other payables					
Trade payable					
- related parties	3.3	-	-	2,556,835.91	1,329,135.15
- other parties		122,472,193.88	126,653,066.21	55,100,123.04	70,982,984.05
Other payables	12	65,276,572.20	102,500,442.98	24,542,921.76	34,921,397.27
Other current liabilities					
Accrued income tax		15,561,514.80	28,387,076.48	4,072,978.53	3,987,255.01
Others		9,114,751.70	10,604,410.99	4,400,370.57	3,289,410.86
Total current liabilities		694,425,032.58	800,144,996.66	90,673,229.81	114,510,182.34
NON-CURRENT LIABILITIES					
Employees' benefit obligation	13	51,603,798.99	18,358,907.99	24,127,664.99	8,427,357.99
Employees' deposit		2,664,000.00	2,621,000.00	-	-
Total non-current liabilities		54,267,798.99	20,979,907.99	24,127,664.99	8,427,357.99
Total liabilities		748,692,831.57	821,124,904.65	114,800,894.80	122,937,540.33

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## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF June 30, 2014

NOTE	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
	(Unaudited/ but Reviewed)	(Audited)	(Unaudited/ but Reviewed)	(Audited)
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - Par value Baht 1 each	14			
Authorized share capital				
Common share 347,500,000 shares of Baht 1 each	347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Issued and paid - up share capital				
Common share 347,500,000 shares of Baht 1 each	347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Premium on share capital	275,164,000.00	275,164,000.00	275,164,000.00	275,164,000.00
Retained earnings				
Appropriated – legal reserve	15	45,950,000.00	45,950,000.00	34,750,000.00
Unappropriated		662,278,851.41	643,789,149.44	414,399,836.70
Total other components of equity		173,080,519.16	159,880,519.16	(29,355,000.00)
Total equity of the Parent		1,503,973,370.57	1,472,283,668.60	1,042,458,836.70
Non-controlling interests		-	-	-
Total shareholders' equity		1,503,973,370.57	1,472,283,668.60	1,042,458,836.70
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,252,666,202.14</b>	<b>2,293,408,573.25</b>	<b>1,157,259,731.50</b>

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

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
CONSOLIDATED FINANCIAL STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	BAHT										
	Retained earnings				Other components of equity						
					Others						
	Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Net book value of subsidiary company which exceed cost of investment ( Note 1.5 )	Comprehensive Income		Total		Non Controlling Interests	Total Shareholders' Equity
						Gain (loss) from valuation of available-for-sale investment	Gain (loss) on actuarial estimates.	Other components of equity	Total Equity of the Parent		
Balance as of January 1, 2013	347,500,000.00	275,164,000.00	41,950,000.00	471,605,942.94	202,435,519.16	(34,260,000.00)	-	168,175,519.16	1,304,395,462.10	-	1,304,395,462.10
The effects of changes in accounting policy											
- Income tax	-	-	-	97,502,506.81	-	-	-	-	97,502,506.81	-	97,502,506.81
Balance of January 1, 2013, adjusted	347,500,000.00	275,164,000.00	41,950,000.00	569,108,449.75	202,435,519.16	(34,260,000.00)	-	168,175,519.16	1,401,897,968.91	-	1,401,897,968.91
Changes in shareholders' equity for the period											
Dividend Paid	-	-	-	(17,375,000.00)	-	-	-	-	(17,375,000.00)	-	(17,375,000.00)
Total comprehensive income (loss) for the period	-	-	-	52,423,393.90	-	(4,800,000.00)	-	(4,800,000.00)	47,623,393.90	-	47,623,393.90
Balance as of June 30, 2013	347,500,000.00	275,164,000.00	41,950,000.00	604,156,843.65	202,435,519.16	(39,060,000.00)	-	163,375,519.16	1,432,146,362.81	-	1,432,146,362.81
Balance as of January 1, 2014	347,500,000.00	275,164,000.00	45,950,000.00	643,789,149.44	202,435,519.16	(42,555,000.00)	(42,555,000.00)	159,880,519.16	1,472,283,668.60	-	1,472,283,668.60
Changes in shareholders' equity for the period											
Total comprehensive income (loss) for the period	-	-	-	62,705,794.77	-	13,200,000.00	(21,628,592.80)	(8,428,592.80)	54,277,201.97	-	54,277,201.97
Transfer gain (loss) on actuarial estimate											
- to Retained earnings	-	-	-	(21,628,592.80)	-	-	21,628,592.80	21,628,592.80	-	-	-
Dividend Paid	-	-	-	(22,587,500.00)	-	-	-	-	(22,587,500.00)	-	(22,587,500.00)
Balance as of June 30, 2014	347,500,000.00	275,164,000.00	45,950,000.00	662,278,851.41	202,435,519.16	(29,355,000.00)	(42,555,000.00)	173,080,519.16	1,503,973,370.57	-	1,503,973,370.57

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

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
SEPARARATE FINANCIAL STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

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					Other components of equity			
					Others			
	Retained earnings				Comprehensive Income		Total	
	Issued and	Premium	Appropriated		Gain (loss) from	Gain (loss) on	Other	Total
	paid - up	on	legal reserve	Unappropriated	valuation of	actuarial	components	Shareholders'
	share capital	share capital	legal reserve	Unappropriated	available-for-sale	estimates.	of	Equity
	share capital	share capital	legal reserve	Unappropriated	investment		equity	Equity
Balance as of January 1, 2013	347,500,000.00	275,164,000.00	34,720,000.00	377,420,723.11	(34,260,000.00)	-	(34,260,000.00)	1,000,544,723.11
The effects of changes in accounting policy								
- Income tax	-	-	-	10,216,379.66	-	-	-	10,216,379.66
Balance of January 1, 2013, adjusted	347,500,000.00	275,164,000.00	34,720,000.00	387,637,102.77	(34,260,000.00)	-	(34,260,000.00)	1,010,761,102.77
Changes in shareholders' equity for the period								
Dividend Paid	-	-	-	(17,375,000.00)	-	-	-	(17,375,000.00)
Total comprehensive income (loss) for the period	-	-	-	29,118,158.12	(4,800,000.00)	-	(4,800,000.00)	24,318,158.12
Balance as of March 31, 2013	347,500,000.00	275,164,000.00	34,720,000.00	399,380,260.89	(39,060,000.00)	-	(39,060,000.00)	1,017,704,260.89
Balance as of January 1, 2014	347,500,000.00	275,164,000.00	34,750,000.00	422,819,186.11	(42,555,000.00)	-	(42,555,000.00)	1,037,678,186.11
Changes in shareholders' equity for the period								
Total comprehensive income (loss) for the period	-	-	-	23,664,908.99	13,200,000.00	(9,496,758.40)	27,368,150.59	27,368,150.59
Transfer gain (loss) on actuarial estimate								
- to Retained earnings	-	-	-	(9,496,758.40)	-	9,496,758.40	-	-
Dividend Paid	-	-	-	(22,587,500.00)	-	-	(22,587,500.00)	(22,587,500.00)
Balance as of June 30, 2014	347,500,000.00	275,164,000.00	34,750,000.00	414,399,836.70	(29,355,000.00)	-	(37,774,349.41)	1,042,458,836.70

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

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the six - month period ended June 30		For the six - month period ended June 30	
NOTE		2014	2013	2014	2013
<b>REVENUES</b>					
	Revenues from sales - net	1,027,373,346.25	1,138,762,965.59	318,486,190.24	349,977,630.23
	Revenues from services	-	-	31,676,836.00	33,081,493.80
	Other incomes	5,601,471.04	7,138,300.76	7,832,770.97	6,979,986.41
	Total Revenues	3.4 1,032,974,817.29	1,145,901,266.35	357,995,797.21	390,039,110.44
<b>EXPENSES</b>					
	Cost of sales and services	500,720,455.90	582,329,767.65	288,370,748.25	313,163,937.89
	Selling expenses	327,039,167.63	372,150,559.72	574,784.49	760,672.39
	Administrative expenses	118,651,214.74	100,416,163.47	42,078,248.75	40,886,018.97
	Financial expenses	7,147,606.25	8,597,255.67	-	0.00
	Total Expenses	3.4 953,558,444.52	1,063,493,746.51	331,023,781.49	354,810,629.25
	PROFIT BEFORE INCOME TAX	79,416,372.77	82,407,519.84	26,972,015.72	35,228,481.19
	INCOME TAX EXPENSE	17.3 (16,710,578.00)	(29,984,125.94)	(3,307,106.73)	(6,110,323.07)
	PROFIT FOR THE PERIODS	62,705,794.77	52,423,393.90	23,664,908.99	29,118,158.12
Net income attributable to :					
	Equity holders of the parent	62,705,794.77	52,423,393.90	23,664,908.99	29,118,158.12
	Non - controlling interests	-	-	-	-
		62,705,794.77	52,423,393.90	23,664,908.99	29,118,158.12
<b>BASIC EARNINGS PER SHARE</b>					
	Earnings (loss) per share (Baht)	0.18	0.15	0.07	0.08
	Number of weighted average common shares (shares)	347,500,000	347,500,000	347,500,000	347,500,000

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

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the three - month period ended June 30		For the three - month period ended June 30	
NOTE		2014	2013	2014	2013
<b>REVENUES</b>					
	Revenues from sales - net	540,768,470.00	606,170,948.31	152,149,937.40	160,777,576.06
	Revenues from services	-	-	14,945,921.00	15,182,352.80
	Other incomes	4,042,752.72	4,401,868.29	4,968,043.85	4,467,984.53
	Total Revenues	3.4 544,811,222.72	610,572,816.60	172,063,902.25	180,427,913.39
<b>EXPENSES</b>					
	Cost of sales and services	271,171,214.71	314,130,351.11	144,947,345.28	150,588,867.14
	Selling expenses	181,534,846.03	210,034,791.72	293,361.49	338,524.59
	Administrative expenses	52,312,472.31	48,042,751.12	21,968,654.52	20,157,117.12
	Financial expenses	3,440,772.07	3,999,212.88	-	0.00
	Total Expenses	3.4 508,459,305.12	576,207,106.83	167,209,361.29	171,084,508.85
	PROFIT BEFORE INCOME TAX	36,351,917.60	34,365,709.77	4,854,540.96	9,343,404.54
	INCOME TAX EXPENSE	17.3 (6,792,765.59)	(6,279,546.26)	(384,198.77)	(1,202,594.22)
	PROFIT FOR THE PERIODS	29,559,152.01	28,086,163.51	4,470,342.19	8,140,810.32
Net income attributable to :					
	Equity holders of the parent	29,559,152.01	28,086,163.51	4,470,342.19	8,140,810.32
	Non - controlling interests	-	-	-	-
		29,559,152.01	28,086,163.51	4,470,342.19	8,140,810.32
<b>BASIC EARNINGS PER SHARE</b>					
	Earnings (loss) per share (Baht)	0.09	0.08	0.01	0.02
	Number of weighted average common shares (shares)	347,500,000	347,500,000	347,500,000	347,500,000

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

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the three - month period ended June 30		For the three - month period ended June 30	
NOTE		2014	2013	2014	2013
	PROFIT FOR THE PERIODS	62,705,794.77	52,423,393.90	23,664,908.99	29,118,158.12
	Other comprehensive income;				
	Gain (loss) from valuation of -				
	- available-for-sale investment	16,500,000.00	(6,000,000.00)	16,500,000.00	(6,000,000.00)
	Gain (loss) on actuarial estimates.	(27,035,741.00)	-	(11,870,948.00)	-
	Income tax related to other components of equity 17.2				
	- valuation of available-for-sale investment	(3,300,000.00)	1,200,000.00	(3,300,000.00)	1,200,000.00
	- on actuarial estimates.	5,407,148.20	-	2,374,189.60	-
	Other comprehensive income (loss) -				
	- for the periods - net of tax	(8,428,592.80)	(4,800,000.00)	3,703,241.60	(4,800,000.00)
	Total comprehensive income for the periods	54,277,201.97	47,623,393.90	27,368,150.59	24,318,158.12
	Total comprehensive income attributable to :				
	Equity holders of the parent	54,277,201.97	47,623,393.90	27,368,150.59	24,318,158.12
	Non - controlling interests	-	-	-	-
		54,277,201.97	47,623,393.90	27,368,150.59	24,318,158.12

*The accompanying notes to interim financial statements are an integral part of these interim financial statements.*

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T			
		Consolidated Financial Statement		Separarate Financial Statement	
		For the three-month period ended June 30		For the three-month period ended June 30	
NOTE		2014	2013	2014	2013
	PROFIT FOR THE PERIODS	29,559,152.01	28,086,163.51	4,470,342.19	8,140,810.32
	Other comprehensive income;				
	Gain (loss) from valuation of -				
	- available-for-sale investment	12,500,000.00	(10,000,000.00)	12,500,000.00	(10,000,000.00)
	Gain (loss) on actuarial estimates.	(27,035,741.00)	-	(11,870,948.00)	-
	Income tax related to other components of equity 17.2				
	- valuation of available-for-sale investment	(2,500,000.00)	2,000,000.00	(2,500,000.00)	2,000,000.00
	- on actuarial estimates.	5,407,148.20	-	2,374,189.60	-
	Other comprehensive income (loss) -				
	- for the periods - net of tax	(11,628,592.80)	(8,000,000.00)	503,241.60	(8,000,000.00)
	Total comprehensive income for the periods	17,930,559.21	20,086,163.51	4,973,583.79	140,810.32
	Total comprehensive income attributable to :				
	Equity holders of the parent	17,930,559.21	20,086,163.51	4,973,583.79	140,810.32
	Non - controlling interests	-	-	-	-
		17,930,559.21	20,086,163.51	4,973,583.79	140,810.32

*The accompanying notes to interim financial statements are an integral part of these interim financial statements.*

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T				
		Consolidated Financial Statement		Separarate Financial Statement		
		For the six-month period ended June 30		For the six-month period ended June 30		
NOTE		2014	2013	2014	2013	
CASH FLOWS FROM OPERATING ACTIVITIES :						
	Net profit	62,705,794.77	52,423,393.90	23,664,908.99	29,118,158.12	
	Adjustments to reconcile net profit to net cash proceed (paid)					
	Depreciation	8	25,550,423.41	25,947,423.43	6,772,670.01	9,929,545.91
	Amortization	9 , 10	3,227,946.55	4,005,828.54	3,398.32	144,665.72
	Employees' benefits obligation	13	6,490,050.00	1,543,790.49	3,829,359.00	424,547.97
	Loss (gain) from disposal of property		(1,394,306.46)	(276,189.84)	(1,113,209.13)	(248,755.21)
	Unrealised (gain) loss on exchange rate		50,381.20	166,379.42	(2,892.56)	79,716.06
	Interest expenses		7,147,606.25	8,597,255.67	-	-
	Current tax expense	17.1	15,561,514.81	27,567,978.57	4,072,978.53	4,845,885.40
	Deferred tax expense (income)	17.1	1,149,063.19	2,416,147.37	(765,871.80)	1,264,437.67
	(Increase) decrease in trade receivable - related parties		-	-	124,407,858.85	(34,018,071.66)
	(Increase) decrease in trade receivable - other parties		61,909,645.18	51,596,700.63	(249,640.46)	-
	(Increase) decrease in other receivable		2,966,774.78	(2,984,052.84)	(296,082.97)	(66,146.41)
	(Increase) decrease in inventories		(19,338,183.17)	11,955,269.79	10,433,387.43	413,284.87
	(Increase) decrease in other current assets		2,703,146.77	(7,940,899.11)	(168,333.39)	(75,538.91)
	(Increase) decrease in other non-current assets		119,868.28	(207,893.18)	-	-
	Increase (decrease) in trade payables - realted party		-	-	1,227,700.76	240,495.98
	Increase (decrease) in trade payables - other parties		(4,231,253.53)	51,067,138.89	(15,879,968.45)	26,287,056.20
	Increase (decrease) other payables		(37,301,081.75)	(28,776,182.96)	(10,378,475.51)	(5,721,064.17)
	Increase (decrease) in other current liabilities - others		(1,489,659.29)	(4,124,259.53)	1,110,959.71	1,720,923.98
	Others non-current liabilities					
	- Payment of employees' benefit	13	(280,900.00)	(677,680.00)	-	(83,880.00)
	- Increase (decrease) in - Employee deposit		43,000.00	14,500.00	-	-
	Net cash received (paid) from operation		125,589,830.99	192,314,649.24	146,668,747.33	34,255,261.52
	Payment of interest expenses		(7,070,395.28)	(8,304,724.79)	-	-
	Payment of Corporate income tax		(29,895,930.44)	(39,594,049.38)	(5,314,303.84)	(5,919,256.88)
	Net cash provided by (Used in) operating activities		88,623,505.27	144,415,875.07	141,354,443.49	28,336,004.64

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

		B A H T				
		Consolidated Financial Statement		Separarate Financial Statement		
		For the six - month period ended June 30		For the six - month period ended June 30		
NOTE		2014	2013	2014	2013	
CASH FLOWS FROM INVESTING ACTIVITIES :						
	Cash proceed (paid) on sales (purchase)					
	- for temporary investment	5.1	(7,237,200.57)	19,940,410.53	(7,237,200.57)	19,940,410.53
	Cash paid for short-term loan to subsidiary	3.2	-	-	(108,000,000.00)	(25,000,000.00)
	Acquisition of property, plant and equipment	8	(15,680,542.19)	(24,634,884.84)	(1,884,010.49)	(2,119,208.93)
	Cash received from sales of property and equipment		1,395,187.86	904,409.39	1,113,241.13	248,811.21
	Acquisition of intangible assets	9 , 10	(1,173,000.00)	(16,152,096.00)	-	-
	Net cash provide by (Used in) investing activities		(22,695,554.90)	(19,942,160.92)	(116,007,969.93)	(6,929,987.19)
CASH FLOWS FROM FINANCING ACTIVITIES						
	Dividend Paid	16	(22,587,500.00)	(17,375,000.00)	(22,587,500.00)	(17,375,000.00)
	Bank overdrafts and short-term loans received from					
	- financial institutions increase(decrease)		(50,000,000.00)	(101,000,000.00)	-	-
	Net Cash Provided by (Used in) Financing Activities		(72,587,500.00)	(118,375,000.00)	(22,587,500.00)	(17,375,000.00)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET			(6,659,549.63)	6,098,714.15	2,758,973.56	4,031,017.45
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIODS		4	44,197,669.38	23,882,384.65	14,612,617.79	4,488,306.44
CASH AND CASH EQUIVALENTS, END OF PERIODS		4	37,538,119.75	29,981,098.80	17,371,591.35	8,519,323.89

*The accompanying notes to interim financial statements are an integral part of these interim financial statements.*

(Signed).....Director

(Signed).....Director

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014**

**1. GENERAL INFORMATION**

**1.1 General matter**

SABINA PUBLIC COMPANY LIMITED (Formerly J & D Apparel Company Limited) was incorporated as a limited company under the Civil and Commercial Code on August 17, 1995, and changed its status to a Public Company Limited under the Public Company Limited Act and changed its name to be SABINA PUBLIC COMPANY LIMITED on May 18, 2007. The address of the head office is 177 Moo 8, Wang kaituen Sub-district, Han- ka District, Chai-nart Province. There is a plant as its branch at 236 Moo 10, Doo Tung Sub-district, Mueng District, Yasothon Province. The company gets privilege in investment promotion from The Board of Investment. On December 28, 2010, the company established two factory's branches which located at 81 and 106 Moo 6 , Nhong-Boht Sub-district, Nang-Rong District, Burirum province The company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

SABINA FAREAST COMPANY LIMITED which is a subsidiary, was incorporated as a limited company under the Civil and Commercial Code on January 11, 1977. The address of the head office is 12 Arun-Amarin Road , Arun-Amarin Sub-district, Bangkok Noi District, Bangkok Province. There are plants, which Ta Pra plant located at 93/8 Soi Pet Ka Seam 7, Pet Ka Seam Road, TA PA Sub-district, Bangkok Yai District, Bangkok Province, and Budhamonthon Sai 5 plant located at Rai Keing Sub-district, Sam Pran District, Nakhonpathom Province. The subsidiary company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

**1.2 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2012) "Interim Financial Reporting", which the Company and its subsidiaries choose to present condensed interim financial statements. However, the Company and its subsidiaries have presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements. The interim financial statements provide the update information. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2013.

An English language version of the interim financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the interim financial statements in Thai language shall prevail.

**1.3 Basis for preparation of consolidated of interim financial statements**

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabine Fareast Company Limited, its subsidiary, which 99.90 % of share hold by the Company (treated 100% in the consolidate preparation), and being under common controls with the Company. For the purpose of the consolidation, all significant inter-company transactions and all inter-company account balances have been eliminated.

**1.4 Related parties**

Enterprises that directly or indirectly control by the Company, or are under common shareholders/ director controls are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiary</u>			
- Sabina Fareast Co., Ltd.	Producing and distributing ready made clothes and lady's underwear	Shares holding and joint directors	99.90%

**1.5 Restructure of company and its subsidiary's shareholders structure**

In March 2007, the Company acquired 448,495 shares of a subsidiary's capital shares from its existing shareholder, who is the related parson, at par value of Baht 100 per share, while the book value of the share as of December 31, 2006 is approximately Baht 247.29 million and booked as investment in subsidiary amounting to Baht 44.85 million, which equivalent to 99.67% of share holding in the subsidiary. Since January 1, 2007, in preparation of consolidated financial statement, the Company assumed that its interest in the subsidiary is equivalent to 100.00%. The Company has presented the difference of Baht 202.44 million, between book value of the subsidiary company of Baht 247.29 million and cost of the investment of Baht 44.85 million as "net book value of subsidiary company which exceed cost of investment" in shareholders' equity of consolidated financial statements.

Subsequently, in April 2007 the subsidiary has increased its registered capital for another Baht 100 million. The Company bought for the whole increased capital of subsidiary of 1 million shares at par value of Baht 100 per share, totaling of Baht 100 million. As a result, the company's investment in subsidiary increased from Baht 44.85 million to Baht 144.85 million. There for the proportion of shareholding in the subsidiary increased to be 99.99%.

## **1.6 Adoption of new financial reporting standards**

### **1.6.1 Financial reporting standards which are effective for the current year**

During the year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, which are effective for financial statement year beginning on or after January 1, 2014 and relevant to the Group business as follows :

#### **Accounting Standard**

- TAS 1 Presentation of Financial Statements (revised 2012)
- TAS 7 Statement of Cash Flows (revised 2012)
- TAS 12 Income Taxes (revised 2012)
- TAS 17 Leases (revised 2012)
- TAS 18 Revenue (revised 2012)
- TAS 19 Employee Benefits (revised 2012)
- TAS 21 The Effects of Changes in Foreign Exchange Rate (revised 2012)
- TAS 24 Related Party Disclosures (revised 2012)
- TAS 28 Investments in Associates (revised 2012)
- TAS 31 Interests in Joint Venture (revised 2012)
- TAS 34 Interim Financial Reporting (revised 2012)
- TAS 36 Impairment of Assets (revised 2012)
- TAS 38 Intangible Assets (revised 2012)

#### **Financial Reporting Standard**

- TFRS 2 Share - Based Payments (revised 2012)
- TFRS 3 Business Combinations (revised 2012)
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2012)
- TFRS 8 Operating Segments (revised 2012)

#### **Accounting Standard Interpretations**

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

**Financial Reporting Standard Interpretations**

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangements contains a Lease
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 13 Customer Loyalty Programmers
- TFRIC 17 Distributions of Non - cash Assets to Owners
- TFRIC 18 Transfers of Assets from Customers

Adoption of the above financial reporting standards in the current year does not have material effect on the financial statements.

**1.6.2 Financial reporting standards which are not effective for the current year**

The Federation of Accounting Professions has issued TFRS 4 Insurance Contracts (revised 2012) to be effective for financial statements period beginning on or after January 1, 2016, which the management of the Company and its subsidiaries have assessed that the said financial reporting standard has no impact on the financial statement due to it is not relevant to the Group's business.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared in accordance with the accounting policies and calculation method used in the preparation of the financial statements for the year ended December 31, 2013.

**3. RELATED PARTY TRANSACTIONS**

The Company had certain accounting transactions with its subsidiary and related persons, which were considered as a normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets and liabilities, accounting and business transactions with subsidiary and related person presented in the statements of financial position as of June 30, 2014 and December 31, 2013 are as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	Jun-30, 2014	Dec-31, 2013	Jun-30, 2014	Dec-31, 2013
<b>ASSETS</b>				
<b>3.1 Trade Receivable</b>				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	301,331,312.93	425,739,171.78
Less : Allowance for doubtful account	-	-	-	-
Trade receivable – Related parties net	-	-	301,331,312.93	425,739,171.78

The outstanding balance of above trade receivable is undue amount.

### 3.2 Short-term loan to related party

Movement of short - term loan to related party is as follows;

	Baht				Transfer Pricing Policy
	Balance As of		Balance As of		
	December 31, 2013	Increase	Decrease	June 30, 2014	
<u>Subsidiary Company</u>					
Sabina Fareast Co., Ltd.	256,000,000.00	118,000,000.00	10,000,000.00	364,000,000.00	3.20% p.a.
	256,000,000.00	118,000,000.00	10,000,000.00	364,000,000.00	

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<b>Liability</b>				
<b>3.3 Account Payable</b>				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	2,556,835.91	1,329,135.15
Accounts payable – Related parties	-	-	2,556,835.91	1,329,135.15

**3.4 Related party transactions** for the six month periods ended June 30, 2014 and 2013 are as follows:

	BAHT				Transfer
	Consolidated Financial Statement		Separate Financial Statement		Pricing
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	Policy
<b><u>Subsidiary company</u></b>					
Sales of finished goods	-	-	318,236,359.84	349,977,630.23	Contract price
Sawing service cost	-	-	31,676,836.00	33,081,493.80	"
Purchase of raw materials	-	-	6,191,503.11	6,130,197.42	"
Rent of office space and warehouse	-	-	972,000.00	900,000.00	"
Cutting service cost	-	-	4,755,297.00	4,860,099.10	"
Interest income	-	-	4,483,317.70	4,401,531.48	"

**3.5 MANAGEMENT REMUNERATIONS**

Management remunerations consist of salary, bonus, director attendance fee etc.

Management remuneration for the six month periods ended June 30, 2014 and 2013 as follow;

**For the six-month period ended June 30, 2014**

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Benefits – Short-term	21,034,374.25	20,639,573.29	21,034,374.25	20,639,573.29
Benefits – After retirement	1,908,031.00	(75,653.93)	1,908,031.00	(75,653.93)
Benefits – Long-term	-	-	-	-
Total	<u>22,942,405.25</u>	<u>20,563,919.36</u>	<u>22,942,405.25</u>	<u>20,563,919.36</u>

**For the three-month period ended June 30, 2014**

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Benefits – Short-term	10,524,475.65	10,318,263.15	10,524,475.65	10,318,263.15
Benefits – After retirement	1,908,031.00	(37,826.97)	1,908,031.00	(37,826.97)
Benefits – Long-term	-	-	-	-
Total	<u>12,432,506.65</u>	<u>10,280,436.18</u>	<u>12,432,506.65</u>	<u>10,280,436.18</u>

**4. CASH AND CASH EQUIVALENTS**

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of June 30, 2014 and December 31, 2013 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Cash	1,274,764.50	1,052,237.50	312,209.50	252,682.00
Cash at banks and financial institutions	36,263,355.25	43,145,431.88	17,059,381.85	14,359,935.79
Total Cash and Cash Equivalents	<u>37,538,119.75</u>	<u>44,197,669.38</u>	<u>17,371,591.35</u>	<u>14,612,617.79</u>

**5. TEMPORARY INVESTMENT**

Temporary investment as of June 30, 2014 and December 31, 2013 are consisted as follows:

**5.1 INVESTMENT IN MUTUAL FUND**

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Investment in Commercial paper fund				
K-Treasury Fund	13,538,833.98	6,301,633.41	13,538,833.98	6,301,633.41
Total Temporary Investments	13,538,833.98	6,301,633.41	13,538,833.98	6,301,633.41

**5.2 INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES**

As of June 30, 2014 and December 31, 2013 Investment in available-for-sale securities of the Company and its subsidiary are as follow;

	BAHT					
	Consolidated Financial Statement / Separate Financial Statement					
	June 30, 2014			December 31, 2013		
	Cost	Unrealized Profit (loss)	Fair Value	Cost	Unrealized Profit (loss)	Fair Value
Marketable Security	100,260,000.00	(26,260,000.00)	74,000,000.00	100,260,000.00	(42,760,000.00)	57,500,000.00
Total	100,260,000.00	(26,260,000.00)	74,000,000.00	100,260,000.00	(42,760,000.00)	57,500,000.00

Movement of the unrealized profit (loss) of the available-for-sale securities for the six month periods ended

June 30, 2014 is as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2014	57,500,000.00	57,500,000.00
Movement during the period	16,500,000.00	16,500,000.00
Balance as of June 30, 2014	74,000,000.00	74,000,000.00

**6. TRADE RECEIVABLES – OTHER PARTIES - NET**

Trade receivables – other parties as of June 30, 2014 and December 31, 2013 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Trade receivables– other parties	298,998,854.11	360,908,499.29	249,640.46	-
<u>Less:</u> Allowance for doubtful account	(2,181,975.31)	(2,181,975.31)	-	-
Trade receivables–other parties -net	296,816,878.80	358,726,523.98	249,640.46	-

As of June 30, 2014 and December 31, 2013, trade receivables–other parties were classified by aging of debt outstanding as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Trade receivables– other parties				
- Current	286,599,631.26	357,776,707.45	249,640.46	-
- Overdue 0 - 3 months	4,177,320.35	3,131,791.84	-	-
- Overdue 4 - 6 months	4,032,437.50	-	-	-
- Overdue 7 - 12 months	4,189,465.00	-	-	-
- Overdue over 12 month	-	-	-	-
Total	298,998,854.11	360,908,499.29	249,640.46	-
<u>Less:</u> Allowance for doubtful accounts	(2,181,975.31)	(2,181,975.31)	-	-
Trade receivables–other parties -net	296,816,878.80	358,726,523.98	249,640.46	-

Movement of allowance for doubtful accounts for the six month periods ended June 30, 2014 is as follow;

	BAHT	
	Consolidated Financial Statement	Consolidated Financial Statement
Beginning balance	2,181,975.31	-
Increase during the period	-	-
Reversal due to collection	-	-
Decrease due to receivable written off	-	-
Ending balance	2,181,975.31	-

**7. INVENTORIES - NET**

As of June 30, 2014 and December 31, 2013, inventories – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Finished goods	991,674,487.26	962,726,244.21	-	-
Work in process	122,679,781.80	117,771,586.82	76,579,318.14	67,767,630.96
Raw materials	77,593,148.87	101,513,988.85	42,339,535.68	59,514,218.35
Supplies	10,992,277.05	12,965,826.21	6,105,396.19	8,175,788.13
Inventories in transit	11,422,232.32	46,098.04	-	-
Total	1,214,361,927.30	1,195,023,744.13	125,024,250.01	135,457,637.44
Less: Allowance for obsolete	(13,000,000.00)	(13,000,000.00)	-	-
Inventories – net	1,201,361,927.30	1,182,023,744.13	125,024,250.01	135,457,637.44

As of June 30, 2014 and December 31, 2013, the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 130,495,600.00 and Baht 117,020,547.54 respectively (eliminated in consolidated financial statement).

Movement of allowance for obsolete inventories account for the six month periods ended June 30, 2014 is as follow;

	BAHT	
	Consolidated	Separate
	Financial Statement	Financial Statement
Beginning balance	13,000,000.00	-
Increase during the period	-	-
Ending balance	13,000,000.00	-

**8. PROPERTY, PLANT AND EQUIPMENT - NET**

	BAHT					
	Consolidated Financial Statement					
	As of					As of
	Dec-31, 2013	Increase	Decrease	Transfer - In	Transfer –Out	Jun-30, 2014
<b><u>COST :</u></b>						
Land	117,316,674.50	-	-	-	-	117,316,674.50
Building & building improvement	310,020,988.93	3,500,000.00	-	257,500.00	-	313,778,488.93
Machinery & equipment	271,503,584.09	1,414,000.00	(853,284.00)	-	-	272,064,300.09
Tools & supplies	11,323,117.89	135,334.63	-	-	-	11,458,452.52
Furniture & fixture	89,595,130.13	121,334.48	-	9,857,976.00	-	99,574,440.61
Office equipments	51,786,155.43	602,872.15		-	-	51,765,737.58
Vehicles	54,764,129.58	-	(3,343,330.84)	-	-	51,420,798.74
Other equipments	891,977.77	-	-	-	-	891,977.77
Construction in progress	-	257,500.00	-	-	(257,500.00)	-
Computer & equipment	35,940,826.42	3,648,398.97	(1,271,065.16)	-	-	38,318,160.23
Assets installation in progress	4,606,846.00	6,001,101.96	-	-	(9,857,976.00)	749,971.96
Total cost	947,749,430.74	15,680,542.19	(6,090,970.00)	10,115,476.00	(10,115,476.00)	957,339,002.93
<b><u>Less: Accumulated depreciation</u></b>						
Building & building improvement	(181,144,089.57)	(7,458,989.00)	-	-	-	(188,603,078.57)
Machinery & equipment	(226,352,320.53)	(5,158,436.60)	852,649.00	-	-	(230,658,108.13)
Tools & supplies	(10,321,346.24)	(198,762.04)	-	-	-	(10,520,108.28)
Furniture & fixture	(32,865,002.38)	(8,894,222.96)	-	-	-	(41,759,225.34)
Office equipments	(48,445,825.76)	(677,975.40)	623,247.00	-	-	(48,500,554.16)
Vehicles	(51,444,953.19)	(782,424.65)	3,343,324.84	-	-	(48,884,053.00)
Other equipments	(887,833.52)	(1,314.86)	-	-	-	(889,148.38)
Computer & equipment	(27,852,257.50)	(2,378,297.90)	1,270,867.76	-	-	(28,959,687.64)
Total accumulated depreciation	(579,313,628.69)	(25,550,423.41)	6,090,088.60	-	-	(598,773,963.50)
Property, plants and equipment-net	368,435,802.05					358,565,039.43

Depreciation for the six month periods ended June 30, 2014 and 2013 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	June 30, 2014	June 30, 2013
Cost of goods sold	12,885,762.98	16,421,462.79
Selling and administrative expenses	12,664,660.43	9,525,960.64
Total	25,550,423.41	25,947,423.43

	BAHT				
	Separate Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Jun-30, 2014
COST :					
Land	17,424,744.50	-	-	-	17,424,744.50
Building & building improvement	143,477,160.57	-	-	257,500.00	143,734,660.57
Machinery & equipment	158,374,045.85	1,378,000.00	-	-	159,752,045.85
Tools & supplies	3,764,330.97	84,004.02	-	-	3,848,334.99
Furniture & fixture	10,020,393.81	12,938.87	-	-	10,033,332.68
Office equipments	7,993,736.78	151,567.60	(282,050.00)	-	7,863,254.38
Vehicles	20,950,876.87	-	(2,550,514.02)	-	18,400,362.85
Other equipments	891,977.77	-	-	-	891,977.77
Construction in progress	-	257,500.00	-	-	(257,500.00)
Assets installation in progress	-	-	-	-	-
Total cost	362,897,267.12	1,884,010.49	(2,832,564.02)	257,500.00	361,948,713.59
Less: Accumulated depreciation			-	-	
Building & building improvement	(76,570,654.95)	(3,558,119.81)	-	-	(80,128,774.76)
Machinery & equipment	(135,984,086.17)	(2,592,908.54)	-	-	(138,576,994.71)
Tools & supplies	(3,287,992.46)	(95,304.51)	-	-	(3,383,296.97)
Furniture & fixture	(9,418,884.34)	(292,411.80)	-	-	(9,711,296.14)
Office equipments	(7,362,286.74)	(170,921.82)	282,021.00	-	(7,251,187.56)
Vehicles	(20,662,862.81)	(61,688.67)	2,550,511.02	-	(18,174,040.46)
Other equipments	(887,833.52)	(1,314.86)	-	-	(889,148.38)
Total accumulated depreciation	(254,174,600.99)	(6,772,670.01)	2,832,532.02	-	(258,114,738.98)
Property, plants and equipment -net	108,722,666.13				103,833,974.61

Depreciation for the six month periods ended June 30, 2014 and 2013 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	June 30, 2014	June 30, 2013
Cost of goods sold	6,308,021.53	8,965,061.01
Selling and administrative expenses	464,648.48	964,484.90
Total	6,772,670.01	9,929,545.91

The Company has pledged a part of land, buildings and machineries owned by company and subsidiary as collateral with banks for the Company's credit facilities.

**9. INTANGIBLE ASSETS**

AS of June 30, 2014 and December 31, 2013 Intangible assets consisted of :

	BAHT				
	Consolidated Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Jun-30, 2014
Cost:					
Computer Software	26,248,594.09	-	-	-	26,248,594.09
Software under installation	234,000.00	468,000.00	-	-	702,000.00
Total	26,482,594.09	468,000.00	-	-	26,950,594.09
Less: Accumulated amortization expenses					
Computer Software	(18,941,254.89)	(630,178.37)	-	-	(19,571,433.26)
Total	(18,941,254.89)	(630,178.37)	-	-	(19,571,433.26)
Intangible assets – net	7,541,339.20				7,379,160.83

Amortization expenses for the six month periods ended June 30, 2014 and 2013 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	June 30, 2014	June 30, 2013
Cost of goods sold	100,309.60	100,309.60
Selling and administrative expenses	529,868.77	654,835.68
Total	630,178.37	755,145.28

	BAHT				
	Separate Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Jun-30, 2014
Cost:					
Computer Software	2,469,288.38	-	-	-	2,469,288.38
Total	2,469,288.38	-	-	-	2,469,288.38
Less: Accumulated amortization expenses					
Computer Software	(2,465,841.06)	(3,398.32)	-	-	(2,469,239.38)
Total	(2,465,841.06)	(3,398.32)	-	-	(2,469,239.38)
Intangible assets – net	3,447.32				49.00

Amortization expenses for the six month periods ended June 30, 2014 and 2013 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	June 30, 2014	June 30, 2013
Cost of goods sold	-	-
Selling and administrative expenses	3,398.32	144,665.72
Total	3,398.32	144,665.72

**10. LEASEHOLD RIGHT -NET**

As of June 30, 2014 and December 31, 2013, leasehold right – net are consisted as follows:

	BAHT				
	Consolidated Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Jun-30, 2014
<b><u>LEASEHOLD RIGHT</u></b>					
COST	72,963,916.67	705,000.00	-	-	73,668,916.67
<u>Less : Accumulated</u>					
Amortization	(37,011,234.03)	(2,597,768.18)	-	-	(39,609,002.21)
Intangible assets - net	35,952,682.64				34,059,914.46

Amortization for the six month periods ended June 30, 2014 and 2013, has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Selling expenses	2,597,768.18	3,250,683.26	-	-
Total	2,597,768.18	3,250,683.26	-	-

**11. BANK OVERDRAFTS AND SHORT TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts and short term loans from financial institution as of June 30, 2014 and December 31, 2013 were consisted of the follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Short term loan	482,000,000.00	532,000,000.00	-	-
Loan on trust receipt	-	-	-	-
Total	482,000,000.00	532,000,000.00	-	-

The Company and its subsidiary have entered into the bank overdraft and short term loan agreement with several banks. The interest rate was ranging from 2.60% to 8.125% per annum. The Company and its subsidiary pledged its land, buildings and machinery as collateral with the banks. Besides, the company's director and shareholder are also guarantor for the loans.

**12. OTHER PAYABLES**

As of June 30, 2014 and December 31, 2013, other payables are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Advance for merchandise	1,886,318.90	1,171,063.86	1,885,808.15	-
Accrued expenses	62,739,075.56	101,294,264.64	22,005,935.87	34,886,282.79
Accrued dividend	651,177.74	35,114.48	651,177.74	35,114.48
Total	65,276,572.20	102,500,442.98	24,542,921.76	34,921,397.27

**13. EMPLOYEES' BENEFIT OBLIGATION**

Movements of present value of employee benefit obligation for the six month period ended June 30, 2014 and for the year ended December 31, 2013 were as follows:

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the six month	For the year	For the six month	For the year
	periods ended	ended	periods ended	ended
	Jun-30, 2014	Dec-31, 2013	Jun-30, 2014	Dec-31, 2013
Employee benefits obligation as of beginning of periods	18,358,907.99	19,592,207.00	8,427,357.99	10,159,042.00
Payment of Employees' benefit	(280,900.00)	(4,320,880.00)	-	(2,580,780.00)
Current service cost and interest cost	6,490,050.00	3,087,580.99	3,829,359.00	849,095.99
Gain (loss) from estimate of actuarial assumptions	27,035,741.00	-	11,870,948.00	-
Employee benefits obligation as of ending of periods	51,603,798.99	18,358,907.99	24,127,664.99	8,427,357.99

Expenses recognized in statements of income for the six month periods ended June 30, 2014 and 2013 are as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Current service cost	5,456,654.00	1,362,981.64	3,306,035.00	375,583.60
Interest cost	1,033,396.00	180,808.85	523,324.00	48,964.37
Total	6,490,050.00	1,543,790.49	3,829,359.00	424,547.97

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of June 30, 2014 and 2013 are as follows:

	Consolidated	Separate
	Financial Statement	Financial Statement
Discount rate	3.6492 %	3.6492 %
Salary scale increase rate	3.00 %	3.00 %
Employee with voluntary resignation before retirement ratio	0-56 %*	0-56 %*
Mortality rate	TMO 2008 **	TMO 2008 **

\* Based on rate weighted by age group of employee

\*\* Reference to Thai Mortality ordinary Table of 2008 common type

#### 14. **REGISTERED CAPITAL**

14.1 On May 15, 2008 the Company common shares have been approved to be a registered security in SET and the share initial trading has been started since that date.

14.2 On July 26, 2012, an extra ordinary shareholder meeting no 1/2012 had approved a resolution to change number of shares and par value of the share capital from; a registered capital of Baht 347,500,000 with 69,500,000 shares at Baht 5.00 par value to a registered capital of Baht 347,500,000 with 347,500,000 shares at Baht 1.00 par value. The change was registered with the Ministry Commerce on July 27, 2012.

#### 15. **LEGAL RESERVE**

According to public company legislation 1992, the Company has to allocate a portion of net profit for the year to be Legal Reserve not less than 5% of profit of the year. The allocation of Legal Reserve should be deducted with the beginning balance of deficit (if any) until the balance of Legal Reserve not less than 10% of registered capital. The Company cannot pay dividend from the Legal Reserve.

#### 16. **DIVIDEND PAYMENT**

On April 10, 2013, the shareholder meeting no. 1/2013 has approved to pay dividend for the year 2012 to shareholders, at Baht 0.05 per share for the 347.5 million shares, total amount of Baht 17.375 million.

On August 14, 2013, the board of director meeting no. 3/2013 has approved to pay interim dividend for the first months operation of 2013 to shareholders, at Baht 0.065 per share for the 347.50 million shares, total amount of Baht 22.5875 million.

On April 9, 2014, the shareholder meeting no. 1/2014 has approved to pay dividend for the year 2013 to shareholders, at Baht 0.065 per share for the 347.5 million shares, total amount of Baht 22.5875 million.

On August 14, 2014, the board of director meeting no. 3/2014 has approved to pay interim dividend for retained earnings, at Baht 0.07 per share for the 347.50 million shares, total amount of Baht 24.3250 million.

**17. INCOME TAX EXPENSE**

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the years 2014 and 2013 at the rate 20%.

17.1 Income tax expense for the six month periods ended June 30, 2014 and 2013, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax charge of current periods	15,561,514.80	27,567,978.57	4,072,978.53	4,845,885.40
Deferred income tax Expense (Revenue)				
from temporary difference	1,149,063.19	2,416,147.37	( 765,871.80)	1,264,437.63
Effects of deferred income tax				
from change of tax rates	-	-	-	-
Income tax expense presented				
in the statement of income	16,710,577.99	29,984,125.94	3,307,106.73	6,110,323.07

17.2 Income tax relating to components of statements of comprehensive income – other for the six month periods ended June 30, 2014 and 2013 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred income tax relating to;				
- Investment in marketable securities	(3,300,000.00)	1,200,000.00	(3,300,000.00)	1,200,000.00
- actuarial estimates.	5,407,148.20	-	2,374,189.60	-
Deferred tax expense (income) presented				
in statement of comprehensive income	2,107,148.20	1,200,000.00	(925,810.40)	1,200,000.00

17.3 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the six month periods ended June 30, 2014 and 2013 are presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before corporate income	92,891,425.23	96,948,439.84	26,972,015.72	35,228,481.19
Corporate income tax rates	20%	20%	20%	20%
Accounting profit before corporate income				
Multiply by tax rates	18,578,285.05	19,389,687.97	5,394,403.14	7,045,696.24
Effects to deferred income tax				
From change of income tax rates	(4,258,085.01)	2,416,147.33	(3,140,061.41)	1,264,437.63
Income tax effects that is nondeductible in				
Calculation of profit:				
- BOI Privileges	(1,654,746.08)	(2,028,995.85)	(1,654,746.08)	(2,028,995.85)
- Revenue exempted in tax calculation	(2,739,943.21)	9,757,449.80	(349,050.00)	(370,899.02)
-Nondeductible expenses	1,377,919.05	449,836.68	682,371.48	200,084.07
Income tax expense presented in the -				
Statement of Income	11,303,429.80	29,984,125.94	932,917.13	6,110,323.07

17.4 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Jun-30, 2014	Dec-31, 2013	Jun-30, 2014	Dec-31, 2013
<u>Deferred tax assets</u>				
Investment in marketable securities	5,252,000.00	8,552,000.00	5,252,000.00	8,552,000.00
Allowance for doubtful account	436,395.06	436,395.06	-	-
Consignment receivable	182,154,159.10	190,175,712.55	-	-
Allowance for impairment of	2,600,000.00	2,600,000.00	-	-
Employee benefit obligation	10,320,759.80	3,671,781.60	4,825,533.00	1,685,471.60
Total	200,763,313.96	205,435,889.21	10,078,533.00	10,237,471.60
<u>Deferred tax liabilities</u>				
Consignment inventories	(76,696,488.04)	(82,327,148.29)	-	-
Total	(76,696,488.04)	(82,327,148.29)	-	-
<u>Deferred tax assets – net</u>	124,066,825.92	123,108,740.92	10,078,533.00	10,237,471.60

**18. PROVIDENT FUND**

During year 2005, the Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of not less than 3% from employee's salary and a portion that contributed at the same amount from the Company. Employees entitle to receive money from provident fund if he/she resign and comply with its regulation. The provident fund is managed by MFC Public Co., Ltd.

**19. COMMITMENT****19.1 Lease agreement and long term services**

19.1.1 On June 1, 2010, company has entered into the lease of buildings agreement with Sabina Far East Co., Ltd., to use the buildings as company's office and warehouse for 3 years. The Company has a right to renew the lease agreement for 3 times at 3 years each. However the Company has to inform landlord by written in advance not less than 180 days. The rental is Baht 142,500 per month; landlord is responsible for municipal taxes. Landlord promised that it will not sell or dispose the assets in 12 years.

19.1.2 On June 12, 2009, the subsidiary has entered into another lease contract with the department store and for extension the lease period to another 10 years, which will expire in June 2019. The subsidiary had paid for the leasehold right for the 10 years approximately amounting to Baht 13.71 million.

The commitment for the long-term lease, which should be paid the rent and service in the future, is as on June 30, 2014 follow;

**The Company**

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	1.57
Over 1 year but not over 5 years	1.71
Over 5 years	-
Total	<u>3.28</u>

**The Subsidiary Company**

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	65.61
Over 1 year but not over 5 years	53.49
Over 5 years	2.23
Total	<u>121.33</u>

**19.2 Letter of bank guarantee**

As of June 30, 2014 and December 31, 2013, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

Objective	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
1. Guarantee for Custom Department	1.12	1.91	-	-
2. Others	3.25	2.12	1.34	1.34
Total	4.37	4.03	1.34	1.34

**20. DISCLOSURE FOR FINANCIAL INSTRUMENTS**Risk from foreign exchange rate

The Company and its subsidiary encounters risk in foreign exchange rate because company has foreign receivables and payables. However, the credit terms given or received from the receivables and payables are short period.

As of June 30, 2014 and December 31, 2013, the Company and its subsidiary have assets and liabilities in foreign currencies as follows:

	Amount in Foreign Currencies			
	Consolidated Financial Statement		Separate Financial Statement	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<b><u>ASSETS</u></b>				
US Dollar	134,106.63	96,722.06	10,913.08	655.40
Hong Kong Dollar	-	-	-	-
Euro Dollar	-	-	-	-
Pound Sterling	398,793.54	531,173.28	-	-
<b><u>LIABILITIES</u></b>				
US Dollar	562,142.50	317,740.60	154,798.76	89,687.91
Hong Kong Dollar	34,680.40	27,328.75	-	-
Euro Dollar	-	-	-	-
Pound Sterling	14,105.34	20,566.82	-	-

Risk from interest rate

The interest rate risk depends on the fluctuation of interest rate in financial market. The fluctuation of the interest rate may have impact on the company's operation and cash flows. However, management believes that risk is insignificant in the current financial market because company can generate enough income and cash flows to pay interest.

Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to company. However, since the company currently sells its products to creditworthy customers, it does not anticipate any material problem in collecting its debt. The concentration of credit risk with respect to trade receivable is limited because company's debtors are spread over in different area and type of business. Account receivable showed in the statement of financial position, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

Fair value

The management believes that the fair value of company's financial assets and liabilities does not materially differ from accounting carrying value.

**21. PRIVILEGES FROM BOARD OF INVESTMENT (BOI)**

The Company received privileges from BOI as stated in the BOI certificate number 1837/2538 and 1653(2)/2545 dated November 28, 1995 and October 24, 2002 respectively, which accordance with investment legislative 1977, for manufacturing of lingerie and related products. The privilege includes exempt of corporate income tax, but the Company has to comply with the conditions indicated in the BOI certificates.

**22. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS**

Statements of income segmented by business for the six month periods ended June 30, 2014 and 2013 as follows:

	Consolidated Financial Statement (Million Baht)					
	June 30, 2014			June 30, 2013		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	122.71	904.66	1,027.37	106.95	1,031.81	1,138.76
Services income	-	-	-	-	-	-
	<u>122.71</u>	<u>904.66</u>	<u>1,027.37</u>	<u>106.95</u>	<u>1,031.81</u>	<u>1,138.76</u>
Cost of sales			(500.72)			(582.33)
Gross profit			526.65			556.43
Selling and administrative expenses			(445.69)			(472.56)
Net profit from operation			80.96			83.87
Other income and expenses						
Other income			5.61			7.14
Financial cost			(7.15)			(8.60)
Total other income and expenses			(1.54)			(1.46)
Profit before income tax			79.42			82.41
Income tax expense			(16.71)			(29.98)
Net profit			<u>62.71</u>			<u>52.43</u>

Property, plant and equipment of company have been commonly used for export and domestic operations.

Separate Financial Statement (million Baht)						
	June 30, 2014			June 30, 2013		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	0.25	318.23	318.48	-	349.98	349.98
Services income	-	31.68	31.68	-	33.08	33.08
Total revenue	<u>0.25</u>	<u>349.91</u>	<u>350.16</u>	<u>-</u>	<u>383.06</u>	<u>383.06</u>
Cost of sales			(288.37)			(313.16)
Gross profit			61.79			69.90
Selling and administrative			( 42.65)			(41.65)
Net profit from operation			19.14			28.25
Other income and expenses						
Other income			7.83			6.98
Financial cost			-			-
Total other income and expenses			7.83			6.98
Profit before income tax			26.97			35.23
Income tax expense			(3.31)			(6.11)
Net profit			<u>23.66</u>			<u>29.12</u>

Property, plant and equipment of the Company have been commonly used for export and domestic operations.

#### **Major customer information**

During quarter 2 of year 2014, the Company has earned from 3 major customers from Thailand and Overseas operating segment amounting to Baht 382.48 million.

**23. EXPENSE BY NATURE**

The significant expenses for the six month periods ended June 30, 2014 and 2013 classified by nature are as follow;

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Changes in finished goods -				
- and work in process	33,856,437.33	3,313,392.85	8,811,687.18	6,697,174.87
Purchase of finished goods	8,834,318.25	2,783,391.41	-	-
Raw material and supply usage	265,639,383.98	299,667,777.63	159,785,494.14	174,725,934.83
Employees' expenses -				
- (Exclude management)	260,171,348.30	262,635,789.69	50,721,841.35	50,635,939.92
Depreciation and Amortization	28,778,369.96	29,953,251.97	6,776,068.33	10,074,211.63
Transportation expense	5,710,834.50	6,097,824.39	6,127.00	7,160.00
Chemical supplies and cost of analysis	1,071,383.40	1,534,146.18	37,850.00	27,600.00
Advertising and promotion	22,464,734.26	35,793,018.34	540,801.31	24,800.00

**24. APPROVAL OF THE FINANCIAL STATEMENTS**

These interim financial statements have been approved by the authorize director on August 13, 2014.

(Signed) .....Director      (Signed).....Director