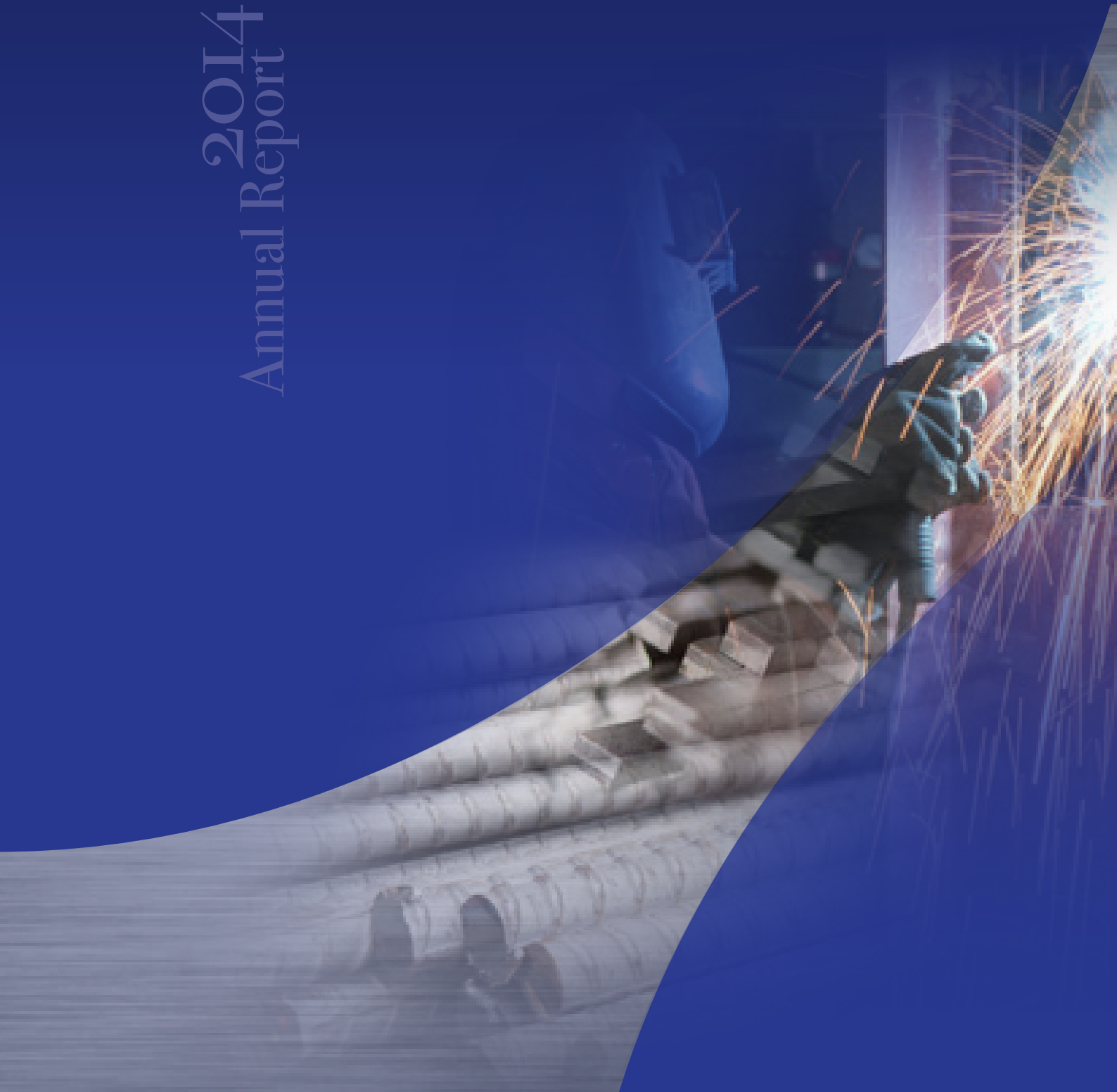




MILLCON STEEL
A PASSION FOR STEEL

2014 Annual Report






Annual Report 2014

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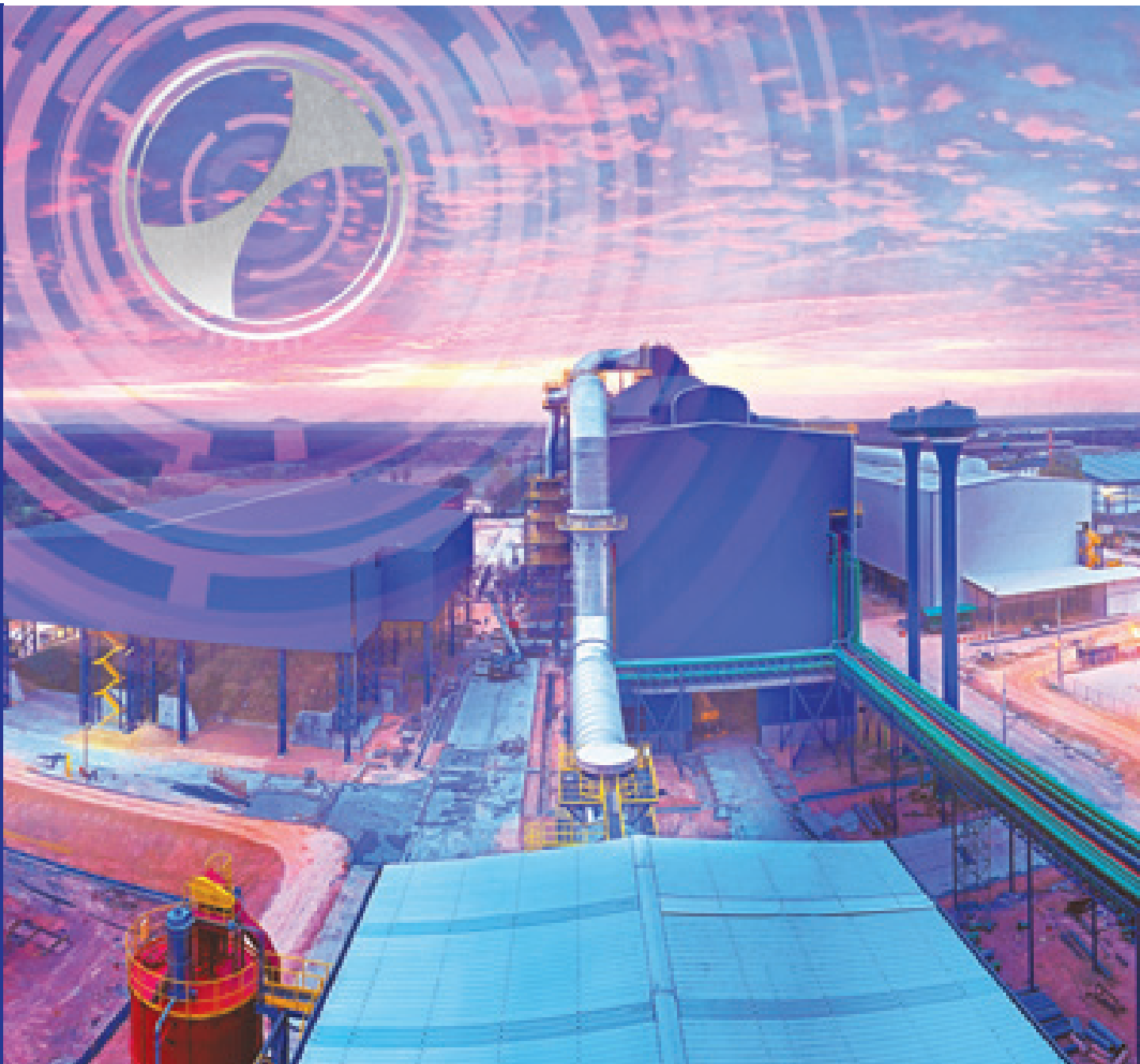
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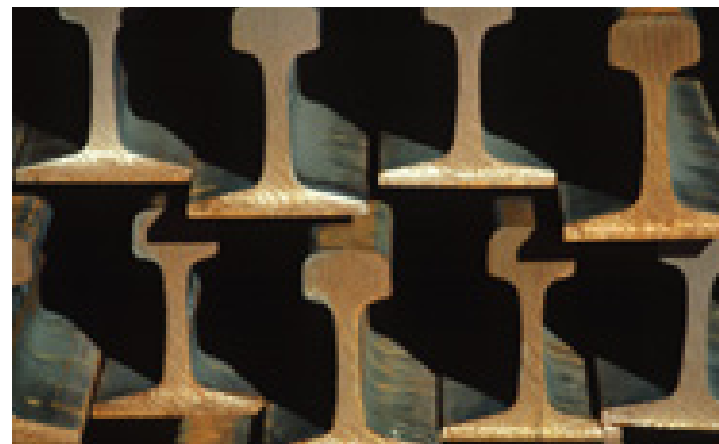


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MILLCON STEEL
A PASSION FOR STEEL







To ensure all relevant work units operating in alignment with one another and moving toward the same common goal, MILL has established clear Vision and Mission that is responsive to the Vision, as well as creating and instill strong Core Values in the work spirits of the employees of all levels to jointly drive the organization efficiently, firmly with sustainability toward the targets set forth.

» Vision

Determine to develop the steel products to serve every need of customers (Think Steel...Think Mill) with our knowledge, concern and understanding in the steel production (A Passion for Steel) to be a leader in the steel business globally.

» Mission

- **Our Steel :** Manufacture and distribute diversified type of steel products with standardized quality and service.
- **Our Customer :** Provide the best product and service to all customers and partners with sincere, transparency and fairness.
- **Our People :** Steady accumulate intellectual and develop personnel to be a mechanism in organization propulsion with efficiency.
- **Our Culture :** Indoctrinate thinking outside the box by not concerning to any obstacle. Create entrepreneurship and positive thinking in every occasion to be a robust organization.
- **Our Environment :** Pay attention to a quality of life building and an environment preservation in community for the sustainable happiness of co-existence between community and business.
- **Our Shareholder :** Operate the business by adhering to good governance for the benefit of interested person and create value added to long-term shareholders.



80 OPEN MIND OPERATION OPPORTUNITY

Core Value "30"

» Open Mind

- Be ready to accept different ideas and opinions.
- Be always prepared to learn and acquire beneficial knowledge and information.
- Think, say and express what is right and beneficial properly and courageously.
- Take part in expressing ideas and opinions without ignoring problems.
- Think "out of the box" allowing no obstacles and difficulties to disrupt ongoing improvement, development and innovation.

» Operation

- Recognize importance of prudent cost management in all work units.
- Take into account efficiency and effectiveness in operations.
- Be aware of and have mutual sense of ownership of the Company.

» Opportunity

- Keep positive thinking: Opportunity is everywhere.
- Be flexible in line with the circumstances.
- Ensure ongoing self-development to be prepared for any potential opportunities.



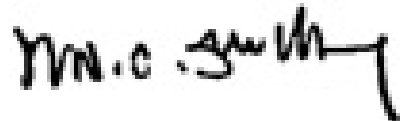
Message from Chairman of the board

In 2014, Thai economic has only expanded 0.07 percent from 2.90 percent of the preceding year because the limitation of the growth in both internal and external factors, especially in the first half of the year, however, in the second half of the year, Thai economic has recovered respectively. In overview of 2014, there was an impact on the Company's business from the construction sector which has been diminished from the previous year because of the ongoing decline of the production index of cements industry and construction materials throughout all year and in conformity with the decline of industrial status, development of immovable property and investment both from government and private sectors, the steel consumption therefore also declined. In addition, the stagnating world market of steel has also declined which led to the diminishing of overall

operation of the Company and its affiliates. Sale volume has decreased 25 percent approximately comparing to the preceding year (income from sales and service was Baht 10,369 Million and net loss was Baht 998.68 Million).

For Thai economic of 2015, Fiscal Policy Office predicts that it will be expanded 4.1 percent from impulsion of government sector's expenditure, especially from the development of national infrastructure on transportation and investment from state enterprise who can be continuously disbursing. As a result of the reasons above, the overall operation of the Company seems likely to be in a better direction, moreover we took over assets of Thai Special Steel Industry Public Co., Ltd. (TSSI) which able us to expand the business for special grade steel products.

Lastly, on behalf of board members, I wish to tender my sincere thanks to the shareholders and every stakeholder for their excellent support. The Board of Directors, the Management and the employees would try our best to ensure for having of outstanding performances and in consequence providing a good return from investment to our shareholders.



General Winai Phattiyakul
Chairman of the Board



Message from CEO of MILLCON Group

The overview of Thai steel industry in 2014, the domestic demand has decreased 17.3 million tons which lower than the preceding year 3.5 percent, meanwhile the demand of long steel product has expanded 1.5 percent. This was a result of the prolonged politic since 2013, however, in second half of the year, the situation has been recovered by management of the government who is supporting the construction on government sector. Nonetheless, the Office of National Economic and Social Development Board (NESDB) predicts that Thai economy will expand well in 2015 because of the restoration of world economic and trading volume, investment, reinstate in the normality of automobile industry in 2014 and the decreasing of petro price in global market. As a result from reason above, it can be predicted that the Gross Domestic Product (GDP) of industry will be expanded 2-3 percent and industrial production index will also be expand 3-4 percent.

In the past, the construction section has been supported from the approved construction project of government sector i.e. BTS sky train project and the investment of private sectors i.e. housing and condominium estate projects that seem to be growth continuously, the effect of ongoing political crisis caused the diminished investment volume of government sector e.g. the

development of national infrastructure 2 Trillion Baht project, water management project and etc. as well as the high competition in both prices and manufacturers in steel industries which caused to uncertainty of the Company profit. The Company, therefore, has emphasized on “value added policy” both in manufacture and service and “special grade policy” in order to expand to group of customers in other related industry which able to increase in profit potential, furthermore, the Company has already brought assets from Thai Special Steel Industry Public Co., Ltd. (TSSI) and will be able to manufacture special grade products to the market within this year which is the important factor to the growth of income in the future, including stepping into various service business i.e. cutting and bending steel with high technology machine, machine maintenance services and etc.. Those services will help customers to save their budgets and time and able to fulfill customers demand including strengthen the capacity of the group Company.

Business group of MILLCON Steel Public Company Limited is well operated the business under full awareness of risk management by operating inventory and not seeking for profit from the fluctuation of price and still remain focused on “3O” core value (open mind, operation and

opportunity) to drive as being leader of Thailand steel industries in order to provide a fully integrated steel production and distribution service under the concept of “Think Steel...Think Mill).

After all, we would like to convey our sincere gratitude to our valued shareholders, customers, business partners and stakeholders for the great support and our employees’ members at all level for their kind cooperation and hardworking with a passion for steel that drive MILLCON’s sustained growth to the next path of an international business leader in steel industry.

On behalf of Executive Committee



Mr. Sittichai Leeswadtrakul
Chief Executive Officer

General Information of Mill

MILLCON STEEL PUBLIC COMPANY LIMITED

Head Office Location (Rolling Mill - Bangkok, Factory Flat Product)	9,11,13 Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150 Tel. 0 2896 4444 Fax. 0 2896 9622, 0 2896 4420
Branch Office 1 (Admin Office)	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. 0 2652 3333 Fax. 0 2632 9899
Branch Office 2 (Rolling – Rayong)	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180 Tel. 0 386 6041-2 Fax. 0 3860 6043
Type of Business	Production and distribution of steel bar, deformed steel and structural steel
Registration no.	017550000076
Home Page	www.millconsteel.com

Registered Capital and Paid Up Capital

Registered Capital	Baht 2,047.31 million
• Ordinary shares	Baht 1,791.43 million
• Preferred shares	Baht 255.87 million
Paid Capital	Baht 1,501.67 million
• Ordinary shares	Baht 1,245.79 million
• Preferred shares	Baht 255.87 million
Share Type and Value	Ordinary shares / Preferred shares each of Baht 0.40 par value



Name and Location of Reference Parties

Share Registrar (Ordinary share)	Thailand Securities Depository Co., Ltd.
Location	62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. 0 2229 2800, Fax. 0 2359 1259 TSD Call Center 0 2229 2888
Website	www.tsd.co.th
Share Registrar (Preferred share)	Millcon Steel Public Company Limited
Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. 0 2652 3333 Fax. 0 2632 7800
Share Registrar (convertible debentures)	Millcon Steel Public Company Limited
Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. 0 2652 3333 Fax. 0 2632 7800
Auditor	Ms. Wanya Puttasatiarn C.P.A. (Thailand) Registration No. 4387 Ms. Jantra Wongsriudomporn C.P.A. (Thailand) Registration No. 4996(Subsidiaries)
Location	S.K. Accountant Services Company Limited. 128/150-153 Phayatai Plaza Building, 14th Floor, Phayatai Road., Thungphayatai, Ratchatavee, Bangkok 10400 Tel. 0 22214 6464, 0 2214 6465 - 70 Fax. 0 2215 4772, 0 2214 6065

General Information of Subsidiaries.

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Millcon Burapa Company Limited

Head Office Location (Factory)	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180 Tel. 0 3860 6041-2 Fax. 0 3860 6043
Branch Office 1 (Admin Office)	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. 0 2652 3333 Fax. 0 2632 9899
Type of Business	Production and distribution of Billet
Registration no.	0215537001304
Registered Capital	Baht 2,399.99 million
Paid Capital	Baht 2,399.99 million
Share Type and Value	Ordinary shares each of Baht 5.00 per share
Shareholding	98.73 %

Zentra-Wartung Engineering Company Limited

Head Office Location (Admin Office)	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. 0 2632 7786 Fax. 0 2632 8283
Branch Office 1 (Factory)	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180 Tel. 0 3860 6041-2 Fax. 0 3860 6043
Type of Business	<ul style="list-style-type: none"> • Engineering and Maintenance Service • Cut and Bend Service
Registration no.	0105551028657
Registered Capital	Baht 30 million
Paid Capital	Baht 30 million
Share Type and Value	Ordinary shares each of Baht 100 par value
Shareholding	99.99%

Millcon (HK) Limited

Head Office Location	WYNDHAM PLACE 26/F 44 WYNDHAM ST CENTRAL, HONGKONG.
Type of Business	Acquisition TSSI's assets
Registered Capital	\$32,000 USD
Shareholding	100 %

MILLCON THIHA LIMITED

Head Office Location	NO. 68/C SAYAR SAN ROAD. BAHAN TOWNSHIP, YANGON REGION, MYANMAR
Type of Business	Distribution Steel and construction equipment
Registration no.	NO.17FC of 2014-2015
Registered Capital	\$100,000 USD
Shareholding	51 %

MILLCON MAURITIUS COMPANY LIMITED

Head Office Location	10th FLOOR, RAFFLES TOWER 19 CYBERCITY, EBENE MAURITIUS
Type of Business	Build factory for production and distribution of structural steel
Registration no.	126011
Registered Capital	\$10,000 USD
Shareholding	100%

MILLCON SPECIAL STEEL LIMITED

Head Office Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Type of Business	Production and distribution of wire rod
Registration no.	0105557054161
Registered Capital	Baht 1,000,000
Shareholding	99.97 %

Summary of Financial Information

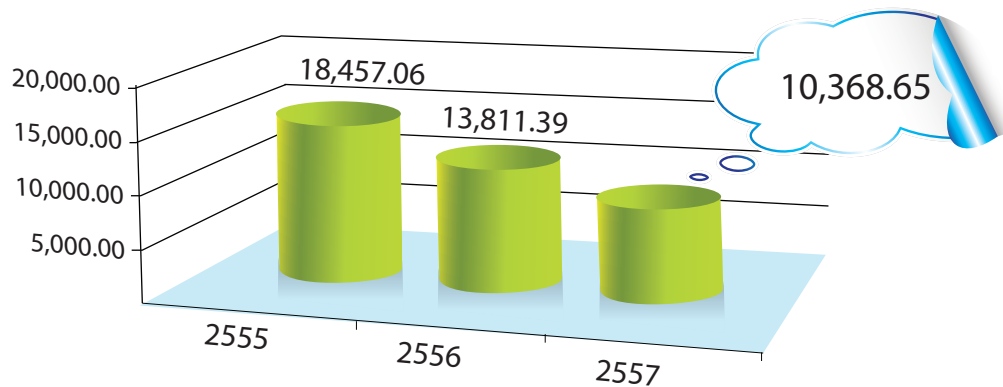
Summary of Financial Information of MILLCON STEEL Public Company Limited and its Subsidiaries
for Fiscal Years Ending December 31, 2012 to December 31, 2014

(unit : Baht million)

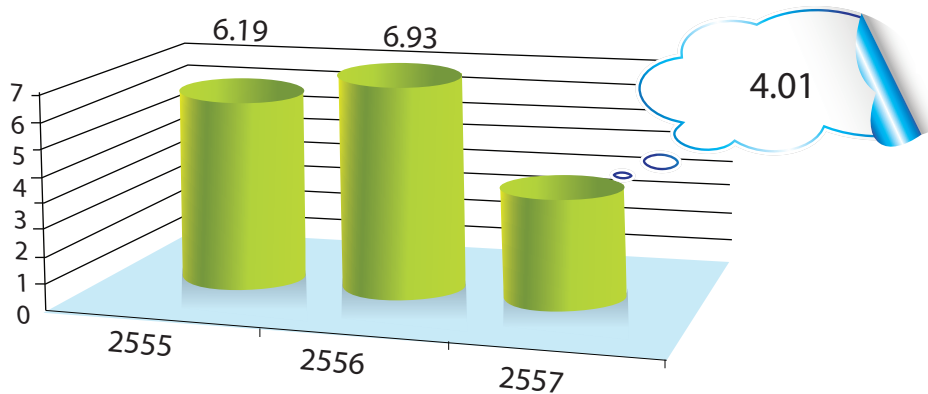
	Consolidated		
	2014	2013	2012
Consolidated Financial Statement			
Sales of goods and services	10,368.65	13,811.39	16,457.06
Total revenues	10,489.45	13,904.22	16,602.08
Profit for the year	(1,003.41)	(114.00)	143.39
Net cash in flows (out flows) from operating activities	945.94	1,651.26	41.20
Total assets	16,486.77	13,858.45	13,891.65
Total liabilities	11,990.37	10,345.95	10,598.59
Total shareholders 'equity	4,496.40	3,512.50	3,293.06
Investor ratio			
BVS	2.36	1.88	1.96
EPS	(0.57)	(0.09)	0.05
Financial Ratio			
Gross profit margin ratio	4.01	6.93	6.19
Operating profit margin	(2.53)	4.08	4.24
Net profit margin	(9.52)	(0.82)	0.85
Return on equity	(25.14)	(3.39)	4.46

Graph of Financial Information

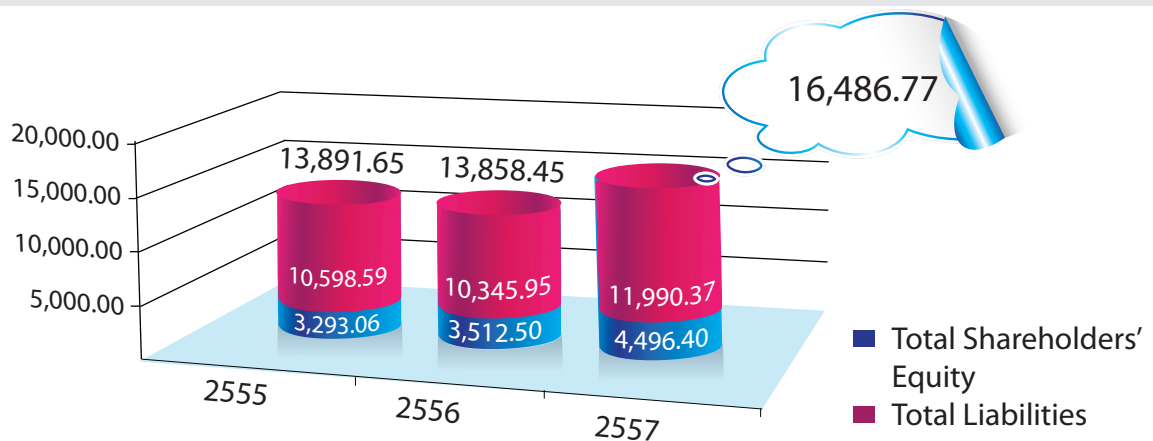
Sales of goods and services



Gross profit margin ratio



Total assets



Board of Directors name lists



- | | |
|--|---|
| 1. General Winai Phattiyakul | Chairman of the Board / Independent Director |
| 2. POL.Gen. Soontorn Saikwan | Vice Chairman of the Board / Independent Director |
| 3. Assoc.Prof.Dr. Yannakorn Warakunruk | Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director |
| 4. Mr. Pratana Bongkojmas | Director / Audit Committee Member/ Nomination and Remuneration Committee/ Independent Director |
| 5. Mr.Apichart Chirabandhu | Director / Audit Committee Member/ Independent Director |
| 6. Mr. Sakchai Tanaboonchai | Director / Independent Director |
| 7. Mr. Sittichai Leeswadtrakul | Director who are authorized signatories of the company/ Chief Executive Officer/ President |
| 8. Ms. Suttirat Leeswadtrakul | Director who are authorized signatories of the company / Vice President of Finance |
| 9. Mrs. Phatnaree Thitiariyakul | Director who are authorized signatories of the company/ Nomination and Remuneration Committee /Vice President of Accounting |
| 10. Mr. Vipoota Trakulhoon | Director / Independent Director |
| 11. Mrs. Duangkamol Sukmueng | Director who are authorized signatories of the company/ Nomination and Remuneration Committee /Vice President of General and Administration |
| 12. Mr.Sophon Pholprasith | Director / Independent Director |

Executive Officers name lists



- | | |
|-----------------------------------|--|
| 1. Mr. Sittichai Leeswadtrakul | Chief Executive Officer and President |
| 2. Ms. Suttirat Leeswadtrakul | Executive Director /Vice President of Finance |
| 3. Mrs. Phatnaree Thitiariyakul | Executive Director /Vice President of Accounting |
| 4. Mrs. Nantaphat Thinprateep | Executive Director /Vice President of Procurement |
| 5. Mrs. Duangkamol Sukmueng | Executive Director /Vice President of General and Administration |
| 6. Ms. Jureerat Lapanavanich | Executive Director / Head of CEO Office |
| 7. Mr. Kasem Juntaboon | Vice President of Human |
| 8. Mr. Taveechai Kittichanajaroen | Executive Director /Vice President of Flat Product Resource |
| 9. Mr. Puchong Jungwilikasem | Vice President of EAF and Business Development |
| 10. Mr. Theerayuth Lertsiraungsun | Vice President of Sales and Marketing |

Directors and Management Biography



General Winai Phattiyakul Age 67 Years

Current Position : Chairman of the Board / Independent Director

Position in Other Organization:

- Expert member of the King Prajadhipok's Institute Council
- Chairman of Thai San Miguel Liquor Co., Ltd.
- Director of Thai Life Insurance
- President of Thailand Practical Shooting Association
- Committee Chairman of Pituk Prachachart Foundation
- Committee and Secretary Than Puying Prapasri Foundation

Education:

- Armed Forces Academies Preparatory School
- Chulachomklao Royal Military Academy
- (Bachelor of Science) Class #57
- National Defense College Class #41
- Infantry Officer Advanced Course, US Army
- Ranger & Airborne Training, US Army
- Command and General Staff College, US Army

Working Experiences:

- Present Expert member of the King Prajadhipok's Institute Council
- Present Chairman of Thai San Miguel Liquor Co., Ltd.
- Present Director of Thai Life Insurance
- Present President of Thailand Practical Shooting Association
- Present Committee Chairman of Pituk Prachachart Foundation
- Present Committee and Secretary Than Puying Prapasri Foundation
- 1969 Infantry Platoon Leader, 3rd Infantry Battalion, 13th Infantry Regiment, RTA
- 1972 Instructor, Infantry School, RTA
- 1975 Ranger & Airborne Instructor, Special Force Department, Infantry Center, RTA
- 1976 Heavy Mortar Company Commander, 1st Infantry Regiment, King's Guard, RTA
- 1980 Assistant G-5, 1st Infantry Division, King's Guard, RTA
- 1982 ADC, Assistant C-in-C, RTA
- 1983 Deputy, Infantry Battalion Commander, 11th Military Circle, RTA

- 1985 Infantry Battalion Commander, 11th Military Circle, RTA
- 1989 Instructor, Army War College, RTA
- 1991 Chief, Division 4, Armed Forces Security Center, Supreme Command
- 1992 Staff Officer to The Minister of Defence
- 1995 Deputy Commanding General, Armed Forces Security Center, Supreme Command
- 1996 Deputy Director, Directorate of Joint Intelligence
- 1997 Director, Directorate of Joint Intelligence
- 2002 Force Commander, UNTAET/UNMISSET PKF
- 2002 Secretary General, the National Security Council
- 2006 Permanent Secretary for Defence

Relationship: -none-

Training Course:

- Capital Market Academy Class #8
- Public Director Certification Program Class #1
- Top Executive Program in Commerce and Trade (TEPCoT) Class #4
- Executive Program of Energy Literacy for Sustainable Future Class #1)

Meeting Attendance:

- Board of Directors' Meeting : Attending 5 Out of 9 meeting *

**According to the resolution of Board of Directors Meeting 5/2014, held on 22 September 2014, approved and appointed General Winai Phattiyakul to be the Chairman of Board and Independent Director of the Company. For this reason, he was not attend any Board of Director meeting and Annual Shareholders meeting, held before the date of appointment.*

(%) Shareholding (as at December 31, 2014) : -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



POL.Gen. Soontorn Saikwan Age 70 Years

Current Position: Vice Chairman of the Board / Independent Director

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Position in Other Organization:

- Director of Vanachai Group Plc
- Director of PTG Energy Plc.
- Chairman of the Board Millcon Burapa Co., Ltd.

Education:

- Master of Arts (Political Science), Ramkhamhaeng University
- Diploma, National Defence College (Class 36)
- Bachelor of Political administrative Science, Thai Police Cadet Academy

Working Experiences:

- 2013 - Present Vice Chairman of the Board Millcon Steel Plc.
- 2013 - Present Chairman of the Board Millcon Burapa Co., Ltd.
- 2012 - Present Chairman of the Board PTG Energy Plc.
- 2008 - 2011 Senator.
- 2007 - 2013 Chairman of the Board Millcon Steel Plc.
- 2005 - Present Director of Vanachai Group Plc.

Relationship : -none-

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 41/2005

Meeting Attendance:

- Board of Directors' Meeting : Attending 7 out of 9 meeting
(%) Shareholding (as at December 31, 2014) : 0.01

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Apichart Chirabandhu Age 56 Years

Current Position: Director / Audit Committee Member / Independent Director

Position in Other Organization:

- Independent Director and Audit Committee Nok Air Public Company Ltd.
- Executive Partner Siam Premier International Law Office Limited
- Executive Partner Lao Premier International Law Office Limited, Lao PDR
- Executive Partner Myanmar Premier International Law Office Limited, Myanmar
- Executive Consultant Haad Thip Public Company Ltd.
- Consultant of the Labour Exploitation Committee The Senate's Labour and Welfare Committee

Education:

- The National Defence College (NDC)
- LLB – Ramkamhaeng University

Working Experiences:

- 2008 – 2014 Chairman of the board, Wattana Capitol Plc.
- 2012 - 2014 Consultant of the Labour Exploitation Committee
The Senate's Labour and Welfare Committee
- 2011 - 2014 Honorary Advisory Committee of Thai Senate Standing
Committee on Corruption Investigation and Good
Governance Promotion
- 2008 - 2013 Specialist of The Committee on Human Rights, The Rights
and Liberties and Consumer Protection Committee on
Human Rights, The Rights and Liberties and Consumer
Protection
- 2006 – 2008 Member of the National Assembly
- 1981 – 1990 Associate Baker & McKenzie (Bangkok)

Relationship: -none-

Training Course:

- Director Accreditation program (DAP)

Meeting Attendance:

- Board of Directors' Meeting : attending 4 out of 9 meetings*
- Board of Audit Committee' Meeting : attending - out of 6 meetings*

** According to the resolution of Board of Directors Meeting 5/2014, held on 22 September 2014, approved and appointed Mr. Apichart Chirabundhu to be the Director Independent Director and Audit Committee Member of the Company. For this reason, he was not attend any Board of Director meeting and Annual Share holders meeting, held before the date of appointment.*

(%) Shareholding (as at December 31, 2014): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently: No



Mr. Sophon Pholprasith Age 62 Years

Current Position : Director / Independent Director

Position in Other Organization:

- Vice Chairman of the Board of General engineering PLC.

Education:

- Master of Business Administration, Ramkhamhaeng University
- Graduate Diploma in Public Law and Management (Class6)
- Bachelor of Environmental Engineering, Mapue Institute of Technology, Philippines

Working Experiences:

- 2014 Vice Chairman of the Board of General engineering PLC.
- 2013 Director-General of Department of Industry Promotion, Ministry of Industry.
- 2012 Director of the offices of industrial Economics.
- 2010 Inspector of Ministry of Industry.
- 2008 Deputy Permanent Secretary of Department of Industrial Works.

Relationship: -none-

Training Course: -none-

Meeting Attendance:

- Board of Directors' Meeting : attending 5 out of 9 meetings*

**According to the resolution of Board of Directors Meeting 4/2014, held on 14 August 2014, approved and appointed Mr. Sophon Pholprasith to be the Director, Independent Director of the Company. For this reason, he was not attend any Board of Director meeting and Annual Shareholders meeting, held before the date of appointment.*



(%) Shareholding (as at December 31, 2014): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Vipoota Trakulhoon Age 48 Years

Current Position : Director / Independent Director

Position in Other Organization: -

Education:

- Master of Business Administration Degree, Sasin Graduate Institute of Business Administration, CHULALONGKORN UNIVERSITY
- Bachelor of Business Administration degree, CHULALONGKORN UNIVERSITY

Working Experiences:

- | | |
|------|--|
| 2013 | Chairman of the Board of Directors, KT-IBJ LEASING CO., LTD. |
| 2011 | Senior Executive Vice President, Managing Director Corporate Banking Group, KRUNG THAI BANK PUBLIC CO., LTD. |
| 2010 | Deputy Chief Executive Officer, KTB ADVISORY CO., LTD. |
| 2007 | Advisor, IFAC ADVISORY CO., LTD. |
| 2002 | Managing Director, TURNAROUND ADVISORY CO., LTD. |
| 2000 | Head of Debt Capital Market, THE HONGKONG SHANGHAI BANKING CORPORATION |
| 1998 | Director Debt Capital Market, SG ASIA CREDIT PUBLIC COMPANY LIMITED |
| 1987 | Vice President, PHATRA THANAKIT PUBLIC COMPANY LIMITED |

Relationship: -none-

Training Course: -none-

Meeting Attendance:

- Board of Directors' Meeting : attending 1 out of 9 meetings*
*According to the resolution of Board of Directors Meeting 8/2014, held on 14 November 2014, approved and appointed Mr. Vipoota Trakulhoon to be the Director, Independent Director of the Company. For this reason, he was not attend any Board of Director meeting and Annual Shareholders meeting, held before the date of appointment.

(%) Shareholding (as at December 31, 2014): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Assoc. Prof. Dr. Yannakorn Warakunruk Age 48 Years

Current Position : Director / Chairman of audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director

Position in Other Organization:

- Lecturer of Business Administration Doctorate Program, Western University.

Education:

- PhD in Business Administration The United States International University, California, USA
- Master of Economics, Dhurakij Pundit University.
- Bachelor of Economics, Dhurakij Pundit University.

Working Experiences:

- 2013 - Present Chairman of Nomination and Remuneration Committee of Millcon Steel Industries Plc.
- 2010 – 2013 Nomination and Remuneration Committee of Millcon Steel Plc.
- 2007 - Present Director / Chairman of Audit Committee / Independent Director of Millcon Steel Plc.
- 2007 - Present Lecturer of Business Administration Doctorate Program, Western University.

- 2014 –Present Director of Polaris Capital PCL.
- 2014 –Present Director of Top Line Living Co., Ltd.
- 2014 – Present Director of Nanthapop Co., Ltd.
- 2014 –Present Director of Tangerine Property Co., Ltd.
- 2014 –Present Director of Platinum Auto Service Co., Ltd.
- 2014 –Present Director of Aqua Ad Co., Ltd.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 64/2007

Meeting Attendance:

- Board of Directors' Meeting : attending 7 out of 9 meetings
- Board of Audit Committee' Meeting : attending 6 out of 6 meetings
- Board of Nomination and Remuneration' Meeting: attending 6 out of 6 meetings

(%) Shareholding (as at December 31, 2014): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Pratana Bongkojmas Age 55 Years

Current Position : Director / Audit Committee Member / Nomination and Remuneration Committee/ Independent Director

Position in Other Organization:

- Managing Director of Unicor Advance Technology Co.,Ltd.

Education:

- Bachelor of Business Administration (Accounting),
Ramkhambaeng University

Working Experiences:

- 2010 - Present Nomination and Remuneration Committee of Millcon Steel Plc.
- 2007 - Present Director / Audit Committee Member of Millcon Steel Plc.
- 2001 - 2008 Managing Director of MPS Business and Accounting Co.,Ltd.
- 1993 - Present Managing Director of Unicor Advance Technology Co.,Ltd.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 61/2007

Meeting Attendance:

- Board of Directors' Meeting : attending 9 out of 9 meetings
- Board of Audit Committee' Meeting : attending 6 out of 6 meetings
- Board of Nomination and Remuneration' Meeting: attending 6 out of 6 meetings

(%) Shareholding (as at December 31, 2014): 0.02

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Sakchai Tanaboonthai Age 58 Years

Current Position : Director / Independent Director

Position in Other Organization:

- Director of Millcon Burapa Co., Ltd.
- Director of Sermsuk PCL.
- Vice Chairman of Board of Sikarin PCL.
- Executive Director of King Prajadhipok's Institute
- Committee of Meechai and Lady Amphorn Ruchuphan Foundation
- Secretary and Central Committee of Ramathibodi Foundation
- Advisor of Thailand – Vietnam Friendship Association

- Advisor of the Board of S.A.S CTAMAD Co.,Ltd.,
Malia Hanoi Hotel, Socialist Republic of Vietnam

Education:

- Honorary Doctor of Management, United State of America.
- Certificate of Applied Social Science, Thammasart University.
- Diploma for Advanced Trade and commerce Manager, Commerce Academy (Class 2)
- Certificate of Advanced Manager, Capital Market Academy (Class 9)

Working Experiences:

- 2013 – Present Director of Millcon Steel PCL.
- 2013 – Present Director of Millcon Burapa Co., Ltd.
- 2007 – Present Executive Director of King Prajadhipok's Institute
- 2007 – Present Advisor of Thailand – Vietnam Friendship Association
- 2007 – Present Advisor of the Board of S.A.S CTAMAD Co., Ltd.,
Malia Hanoi Hotel, Socialist Republic of Vietnam
- 2007 – Present Committee of Meechai and Lady Amphorn Ruchuphan
Foundation
- 2007 – Present Secretary and Central Committee of Ramathibodi
Foundation
- 2007 - Present Director of Sermsook PCL
- 2007 – Present Vice Chairman of Board of Sikarin PCL

Relationship: -none-

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 12/2004

Meeting Attendance:

- Board of Directors' Meeting : attending 8 out of 9 meetings

(%) Shareholding (as at December 31, 2014): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently: No



Mr. Sittichai Leeswadtrakul Age 36 Years

Current Position : Director who are authorized signatories of the company/
Chief Executive Officer/ President

Position in Other Organization:

- Director / Chief Executive Officer / Acting as Executive director of Millcon Burapa Co., Ltd.
- Director of Zentra-Wartung Engineering Co., Ltd.
- Director of Metal Tube and Cold-Forming Steel Association.
- Director of the Association of Thai Steel Industries.

Education:

- Master of Art, Department of Economic Law, Chulalongkorn University.
- Master of Managing Engineering, Warwick University, UK.
- Business Course, University of California of Berkeley, USA
- Bachelor of Business Administration, Mahidol University.

Working Experiences:

- 2013 – Present Acting as Executive Director of Millcon Burapa Co., Ltd.
- 2011 – Present Director of Zentra-Wartung Engineering Co., Ltd.
- 2010 – Sep. 2013 Director of Million Miles Co., Ltd.
- 2009 – 2012 Director of G STEEL Plc.
- 2009 – 2013 Director of GJ STEEL Plc.
- 2008 – Present Director of Millcon Burapa Co., Ltd.
- 2008 – Present Director of Metal Tube and Cold –Forming Steel Association.
- 2008 – Present Director of The Association of Thai Steel Industries.
- 2004 – Present Director/ Chief Executive Officer/ President of Millcon Steel PCL.

Relationship:

- Brother of Ms. Suttirat Leeswadtrakul

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 41/2005

Meeting Attendance:

- Board of Directors' Meeting : attending 9 out of 9 meetings

(%) Shareholding (as at December 30, 2014): 21.78

*Included Employee Joint Investment Program (EJIP)

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Ms. Suttirat Leeswadtrakul Age 33 Years

Current Position : Director who are authorized signatories of the company/
Executive Director / Vice President of Finance

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Position in Other Organization:

- Director of Millcon Burapa Co.,Ltd.

Education:

- Master of Business Economics, Thammasat University.
- Bachelor of Communication Arts, Bangkok University.

Working Experiences:

- 2010 – 2012 Director / Chief Executive Officer of Million Miles Co.,Ltd.
- 2008 - Present Director / Executive Director of Millcon Burapa Co., Ltd.
- 2007 - Present Director / Executive Director / Vice president of Financial of Millcon Steel Plc.

Relationship:

- Sister of Ms. Sittichai Leeswadtrakul

Training Course:

- Thailand Institute of Director Association Director Accreditation Program (DAP) Class 61/2007

Meeting Attendance:

- Board of Directors' Meeting : attending 8 out of 9 meetings

(%) Shareholding (as at December 31, 2014): 2.35

*Included Employee Joint Investment Program (EJIP)

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.



Mrs. Phatnaree Thitiariyakul Age 53 Years

Current Position : Director who are authorized signatories of the company/
Executive Director /Vice President of Accounting

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Position in Other Organization: -

Education:

- Master of Business Administration, Suan Sunit Rajabhat University.
- Bachelor of Business Administration (Accounting)
Ramkhamhaeng University.

Working Experiences:

- 2010 – Present Nomination and Remuneration Committee
of Millcon Steel Plc.
- 2010 – 2012 Director/ Executive Director of Million Miles Co.,Ltd.
- 2008 Director/ Executive Director of Millcon Burapa Co.,Ltd.
- 2007 – Present Director/ Executive Director / Vice president of
Accounting of Millcon Steel Plc.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association
Director Accreditation Program (DAP) Class 61/2007

Meeting Attendance:

- Board of Directors' Meeting : attending 7 out of 9 meetings*
** In year 2014, according to meeting of the Board of Director 8/2014 held on
December23, 2014, had approved resignation of Mrs. Phatnaree Thitiariyakul from
Director, Nomination and Remuneration Committee. She did not attend any Board
of Director meeting ,Audit Committee and Shareholders Meeting held before the
appointment.*

(%) Shareholding (as at December 31, 2013): 0.04

*Included Employee Joint Investment Program (EJIP)

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was
done in good faith.
- No any historical record of transactions that may be a conflict of interest
with the Company during the past year.



Mrs. Duangkamol Sukmueng Age 56 Years

Current Position : Director who are authorized signatories of the company/
Nomination and Remuneration Committee / Executive
Director /Vice President of General and Administration

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Position in Other Organization:

- Director of Million Miles Co., Ltd.

Education:

- Master Degree in Business Management, Siam University.
- Bachelor of Political Science, Ramkhamhaeng University.

Working Experiences:

- 2013 - Present Director of Million Miles Co.,Ltd.
- 2010 - Present Nomination and Remuneration Committee of
Millcon Steel Plc.
- 2010 – 2012 Director/ Executive Director of Million Miles Co., Ltd.
- 2007 - Present Director/ Executive Director /
Vice President of General and Administration
of Millcon Steel Plc.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association Director Accreditation Program
(DAP) Class 61/2007

Meeting Attendance:

- Board of Directors' Meeting : attending 8 out of 9 meetings
- Board of Nomination and Remuneration' Meeting: attending 6 out of
6 meetings

(%) Shareholding (as at December 31, 2014): 0.03

*Included Employee Joint Investment Program (EJIP)

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was
done in good faith.
- No any historical record of transactions that may be a conflict of interest
with the Company during the past year.



Mrs. Nantaphat Thinprateep Age 49 years

Current Position : Executive Director/ Vice President of Procurement

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Position in Other Organization:

- Director of Millcon Burapa Co.,Ltd.

Education:

- Master of Business Administration, Siam University.
- Bachelor of Business Administration, Thongsook College.

Working Experiences:

- 2011- Present Vice President of Procurement of Millcon Steel Plc.
- 2009 - Present Executive director of Millcon Steel Plc.
- 2007 – Present Director of Millcon Burapa Co.,Ltd
- 2007-2011 Manager of Procurement of Millcon Burapa Co.,Ltd.

Relationship: -none-

(%) Shareholding (as at December 31, 2014): 0.00

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Taveechai Kittichanajaroen Age 57 years

Current Position: Executive Director / Vice President of Flat Product

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Position in Other Organization: -none-

Education:

- Diploma of Marketing of Chetupon Commercial College.
- Bachelor degree of Political Science, Ramkhamhaeng University

Working Experiences:

- 2011-Present Vice President of Flat Product of Millcon Steel Plc.
- 2009-Present Executive Director of Millcon Steel Plc.
- 2007-2011 Manager of Flat Product of Millcon Steel Plc



Relationship: -none-

(%) Shareholding (as at December 31, 2014): 0.03

*Included Employee Joint Investment Program (EJIP)

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Ms. Jureerat Lapanavanich Age 38 Years

Current Position : Executive Director / Head of CEO Office

Position in Other Organization:

- Director of Millcon Burapa Co., Ltd.
- Director of Zentra-Wartung Engineering Co., Ltd.

Education:

- Master of General Management, Mahidol University.
- Bachelor of Internation Management, Chulalongkorn University.

Working Experiences:

- 2012-present Director of Zentra-wartung Engineering Co., Ltd.
- 2011-present Head of CEO Office of Millcon Steel Plc
- 2010-present Director of Millcon Burapa Co.,Ltd.
- 2009-present Executive Director of Millcon Steel Plc.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association Director Accreditation Program (DAP) Class 106/2013

(%) Shareholding (as at December 31, 2014): 0.01

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Kasem Juntaboon Age 61 Years

Current Position: Director / Vice President of Human Resource

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Position in Other Organization: - None-

Education:

- Master of Business Administration, Ramkhamheang University.
- Bachelor of Political Science, Ramkhamheang University.

Working Experiences:

- 2013 – Present Director of Millcon Steel Plc.
- 2011 – Present Vice President of Human Resource of Millcon Steel Plc.
- 1994 – 2011 Manager of Human Resource of Millcon Burapa Co.,Ltd.

Relationship: -none-

Training Course:

- Thailand Institute of Director Association Director Accreditation Program (DAP) Class 106/2013

Meeting Attendance: -

(%) Shareholding (as at December 31, 2013): 0.01

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Puchong Jungwilikasem Age 48 Years

Current Position : Vice President of EAF and Business Development

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Position in Other Organization: - None-

Education:

- Bachelor of Engineering, Chulalongkorn University.

Working Experiences:

- 2011-present Vice President of EAF and Business Development of Millcon Steel Plc.
- 2007-2011 Manager of Green Mill Project of Millcon Burapa Co.,Ltd.
- 1990-2007 Manager of EAF of Tata Steel (Thailand) Plc.

Relationship: -none-

Training Course: -none-

(%) Shareholding (as at December 31, 2014) : 0.01

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Theerayuth Lertsirarungsun Age 58 Years

Current Position : Vice President of Sale and Marketing

Position in Other Organization:

- Director of Zentra-Wartung Engineering Co., Ltd.

Education:

- Master of Metallurgical Engineering, Henry Krumb, Shool of Mines, Columbia University, United States.
- Bachelor of Mechanical Engineering, Chulalongkorn University.

Working Experiences:

- 2012 - present Director of Zentra-Wartung Engineering Co., Ltd.
- 2011 - present Vice President of Sale and Marketing of Millcon Steel Plc.
- 2006-2011 Vice President-Engineering and Product Development of Tata Steel (Thailand) Plc.

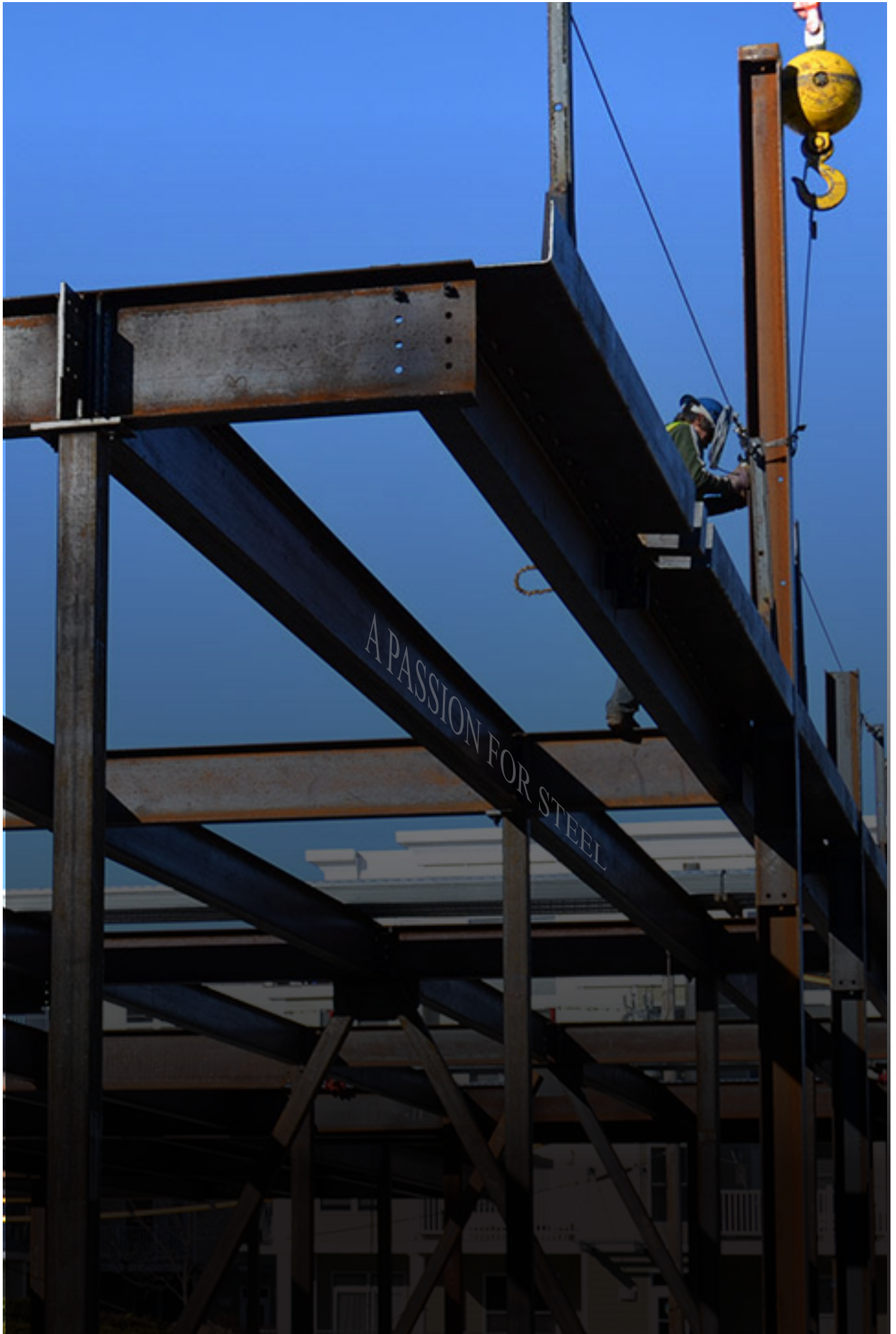
Relationship: -none-

Training Course: -none-

(%) Shareholding (as at December 31, 2014): -None-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.





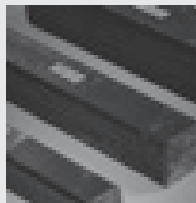
Nature of Business of the Company and Subsidiary



For main product of the Company

can be classified three groups as follows.

- **Steel Bar**
 - Rolled Steel
 - High Tensile Thread Steel Bar
- **Structural Steel**
- **Billet**



1. Steel Bar

1.1 Round Bar and Steel Bar

Group produces and distributes plain round steel bar in conformity to the industrial standards with a diameter of 6 - 40 mm. and a length of 10-12 m. at SR 24 quality, and deformed bar with a diameter of 10-63.5 mm. and a length of 10-12 m. at SD 30 SD 40 and SD 50 quality. Steel at each quality level is different in chemical and mechanical properties and has undergone both domestic and international quality standard certification, thus enabling applications for construction works with the specifications and quality as required by customers.

For reinforcing steel produced by the Group, which is major raw material for all types of concrete structure works, the types and sizes to be used depend on the design and structure of such construction works. The Group can serve all types of construction works with its diversified products from sophisticated machinery; hence responding to demand of customers at all levels.

In addition, the Group also produces thread deformed bar called One Bar as the latest innovation developed to remove steel joining problem. One Bar is generated through the hot rolling process with threading made along the entire length. Steel can splice with coupler because of such thread. This will better strengthen the steel joining than fastening or welding and reduce waste of steel texture during the process. One Bar can be used in substitution for deformed bar in general. However, it will help save time and cost of construction. The Group's deformed bar is offered in two quality levels, i.e. SD 40 and SD 50, and compliance with TIS 24-2548.

1.2 High Tensile Thread Steel Bar

The Group can produce high tensile thread steel bar according to the ASTM A 722 ISO 6934-5 for use in large construction works and geological constructions which require high tensile strength. These include construction of earthquake resistant buildings.

High tensile thread steel bar is the thread steel bar that splice with coupler the same as thread steel bar (One Bar) but it is specially produced to withstand weight and have high tensile strength suitable for large constructions that require high tensile strength than other construction in general such as electric train system, bridge, tunnel, deep sea port, dam, and others. At present, the Group is the sole local producer of high tensile thread steel bar which can achieve international standard.

2. Billet

This is a new line of business to produce billets for use as raw materials in the production of steel bars, deformed bars and other high quality steel products, both of general use grade for general construction and of special quality grade for linkage industries such as sling, welding wire, and automotive parts. The Company produces billets of standard sizes and shapes, with a dimension of 130 mm x 130 mm and 150 mm x 150 mm and a length as required by customers of 6 m. and 12 m



3. Structural Steel

The Company produces and distributes a variety of formed steel products, i.e. hot rolled coil (HRC), and cut steel of diversified sizes. Moreover, the Group also produces structural steel products that meet Thai industrial standard (TIS 1228-2549). Details are as below:

3.1 Hot rolled coil (HRC)

The Group distributes HRC to steel wholesalers and steel plants for processing into such steel work parts as steel sheet, C - channel steel, strip and structural steel, etc. The HRC widely used is in sizes of 4 feet in width and 5 feet in width; and has varied thickness depending on the types of products to be produced by the customers.

3.2 Cut steel and structural steel

The Group provides steel cutting service on customer orders and produces structural steel using its efficient machinery line. There are five product types as follows:

3.2.1 Slitting coil: The Group feeds HRC and has it stretched and cut by the slitting machine by the width specified by the customers. With the slitting finished, the HRC will be rolled back ready for distribution. The slitting machine can generate slitting coil with 50 mm. to 500 mm. in width. Customers mainly use slitting coil for further cutting or forming into other steel work parts and products such as C - channel steel, steel pipe, rail, etc.

3.2.2 Steel sheet: The Group feeds HRC and has it cut into different width and length of sheet. The HRC is stretched and cut by the cutting machine to get the standard size and shape of steel sheet. The steel sheet so generated will have standard sizes: 4 x 8 feet, 5 x 10 feet and 5 x 20 feet, with thickness of 1.2 – 12.00 mm., 2.90 – 12.00 mm. and 2.90 – 12.00 mm. respectively. End-users of steel sheet are mainly steel processing plants including automobile plants, etc.

3.2.3 Flat plate: The HRC is cut into sizes and shapes as required by the customers. Flat plate so generated has standard length of 6 m. but diversified width range from 1 inch to 36 inch 44 mm. and 1100 mm., with thickness from 1.90 mm. to 6 mm. depending on customer requirement. It can be processed in diversified products, such as wire mesh, gate, etc., and also as raw material for automobile, furniture and parts manufacturing, etc.

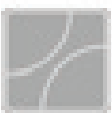





3.2.4 C - channel steel: It is a product that looks like alphabet C and with different thickness and width. The product is generated from forming (produced by cold forming) process the slitting coil of the required size into C-shape. C - channel steel is mainly used in construction works, particularly roof structure. It is.

3.2.5 Steel pipe: The Group produces and distributes steel pipe, i.e. round, square and flat, for use as raw material in various industries, such as construction materials, furniture parts and automotive parts. They can also be applied to other types of industries depending on customer requirements. Round steel pipe produced has a diameter range of ½ inch - 4 inches, thickness range of 1.2 mm. – 3.25 mm., and standard length of 6 m. Its square pipe has the size in a range of 1 x 1 inch 4 x 4 inch, thickness range of 1.2 mm. - 3 mm., and standard length of 6 m. Its flat pipe has the size in a range of 2 x 1 inch – 2 x 6 inch and thickness range of 1.2 mm. – 3 mm

	Millcon Steel Plc. (MILL)	Millcon Burapa Co., Ltd. (MB)
Production capacity (tons/year)		
• Round bars & deformed bars	550,000	-
• Structural Steel	300,000	-
• Billet	-	500,000
Total capacity	850,000	500,000

Shareholding Structure Group



					
98.73	99.99	100	51	100	99.97



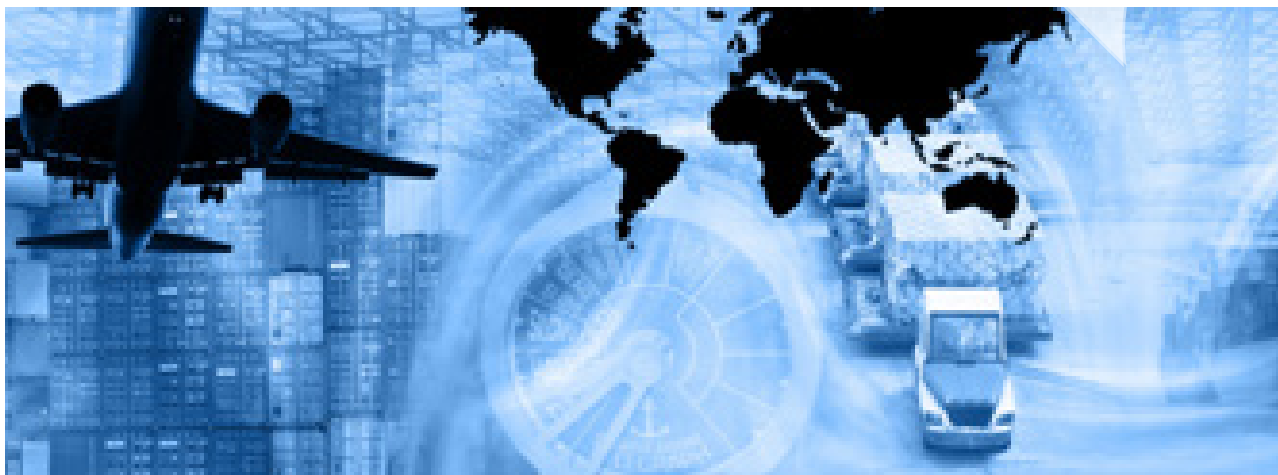
Revenue Structure

A Major Source of revenue from sale and service is as follows:

Revenue structure of company breakdown (Financial Statement of Company)							Unit: Million Baht	
Company	Business	Company Holding	2014		2013		2012	
			Value	%	Value	%	Value	%
Millcon Steel PCL.	Manufacturer and Distributor Steel Bar and Structural Steel	-	8,083	67.69	10,845	62.78	11,957	62.05
Millcon Burapa Co., Ltd.	Manufacturer and Distributor Billet	98.73	3,740	31.32	6,384	36.95	7,316	37.95
Zentra-Wartung Engineering Co.,Ltd	- Engineering & Maintenance Service - Cut & Bend Service	99.99	118	0.99	48	0.27	-	-
MILLCON (HK) LIMITED	Acquisition TSSI's assets	100.00	-	-	-	-	-	-
MILLCON THIHA LIMITED	Distributor steel and construction materials	51.00	-	-	-	-	-	-
MILLCON MAURITIUS COMPANY LIMITED	Build the factory for Manufacturer and Distributor Structural steel	100.00	-	-	-	-	-	-
Millcon Special Steel Ltd.	Manufacturer and Distributor Wire rod	99.97	-	-	-	-	-	-
Grand Total			11,941	100	17,277	100	19,273	100

Revenue by Product (Financial Statement of Consolidate)									Unit: Million Baht	
Product	2014			2013			2012			
	Ton	Value	%	Ton	Value	%	Ton	Value	%	
Steel Bar	377,408	7,520	72.52	436,369	8,755	63.40	386,890	8,426	51.20	
Structural Steel	18,710	449	4.33	67,417	1,553	11.24	58,323	1,432	8.70	
Billet	124,452	2,259	21.79	136,861	2,441	17.68	106,986	2,124	12.91	
Raw Material	3,167	56	0.54	53,425	902	6.53	230,991	4,097	24.89	
Other	3,118	8	0.08	4,062	46	0.33	504	10	0.06	
Income from Service	672	77	0.74	18,045	114	0.82	55,699	368	2.24	
Grand Total	527,527	10,369	100.00	716,179	13,811	100.00	839,393	16,457	100.00	

Situation of Steel Industry



The amount of iron and steel production in the year 2014, volume 6,941,850 metric tons, has reduced 1.42 percent comparing to the preceding year. It was found that the most decreased product was hot rolled coils, 0.83 percent, meanwhile the production of long products were increased 3.05 percent comparing to the preceding year. Because of the problem on politic situation continued until the beginning year of 2014, even the situation was extricated in the middle year, it was directly caused to the reduction of domestic sale volume, 17,395,724 metric tons, 1.88 percent Distribution of flat products were reduced to 5.50 percent but long products were increased 5.27 percent. Importation in 2014 was about Baht 273,692 Million which reduced 15.43 percent. Hot rolled coils were decreased 39.91 percent because of the slowdown in the related industries.

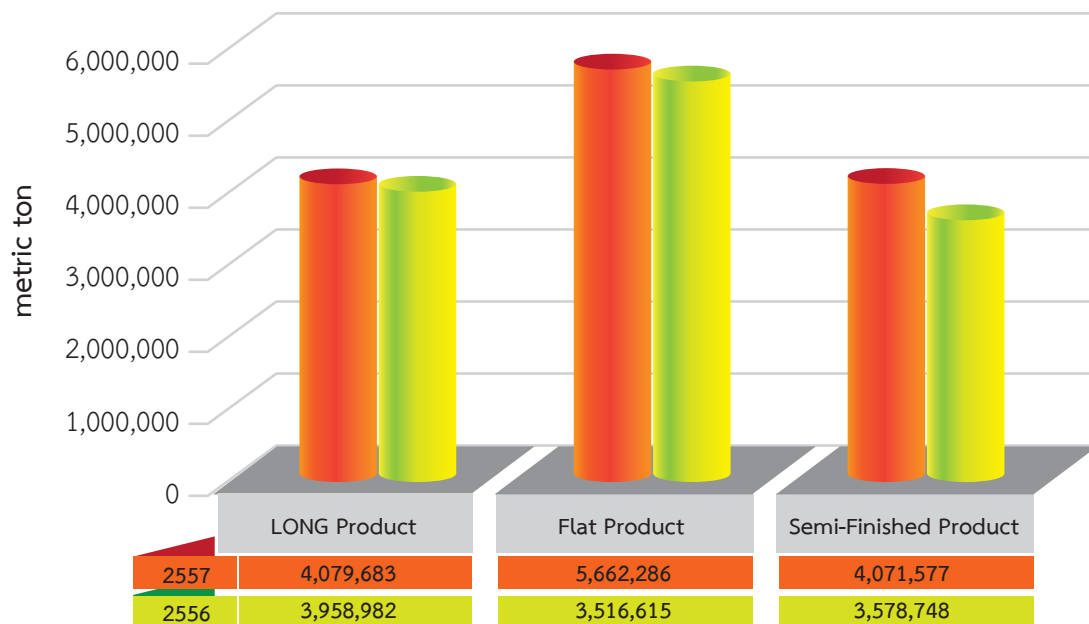
Production

Although, the politic situation has recovered in the middle year and having the government for national management in the end of August, the production of long products still not in good level which the construction may start in the end of 2015. Also the construction in private sectors is slow downed. Flat products slightly increased, 2.64 percent, coated steel has increased 10.18 percent and cold rolled steel has increased 4.18 percent, however, hot rolled coil has slightly decreased at the rate of 0.83 percent.

Domestic Sale

Domestic sale volume of iron and steel in 2014 was Baht 17,395,724 Million approximately excluding semi-products, cold rolled steel, coated steel and steel pipe which has reduced 1.88 percent comparing to the same period of the preceding year and when considering to each product, it seems that the most increased product was long products, 5.27 percent. For flat products industry has decreased 5.50 per cent as a consequent of the slowdown of the related industries.

The important part of the production quantity of iron and steel in 2014 comparing to 2013



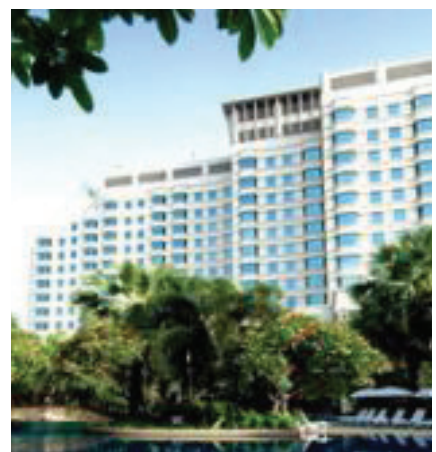
Source : Iron and Steel Institute of Thailand

Export

Export volume of iron and steel in 2014 was Baht 273,692 Million approximately which has decreased at the rate of 5.74 percent comparing to the preceding year. The most exportation product was long products at the rate of 3.17 percent which wire rod (LC/HC) has decreased 23.10 percent, bar has decreased 3.09 percent, flat shape steel has decreased 1.38 percent, hot rolled steel has decreased 20.43 percent, steel pipe has decreased 13.98 percent and cold rolled steel has decreased 9.32 percent.

Import

Import volume of iron and steel in 2014 was Baht 273,692 Million approximately which has decreased at the rate of 15.43 percent comparing to the preceding year. The product that has minimal volume of importation when comparing to the preceding year was flat products which reduced to 21.66 percent, hot rolled steel has decreased 39.91 percent, thick steel plate has decreased 84.16 percent and hot rolled steel sheet has decreased 25.63 percent due to the slowdown of related industries such as automobile. Secondly was coated steel which decreased to 9.83 percent. However, long products have slightly increased at the rate of 1.11 percent which wire rod (LC/HC) has increased 2.37 percent and bar has increased to 0.57 percent.

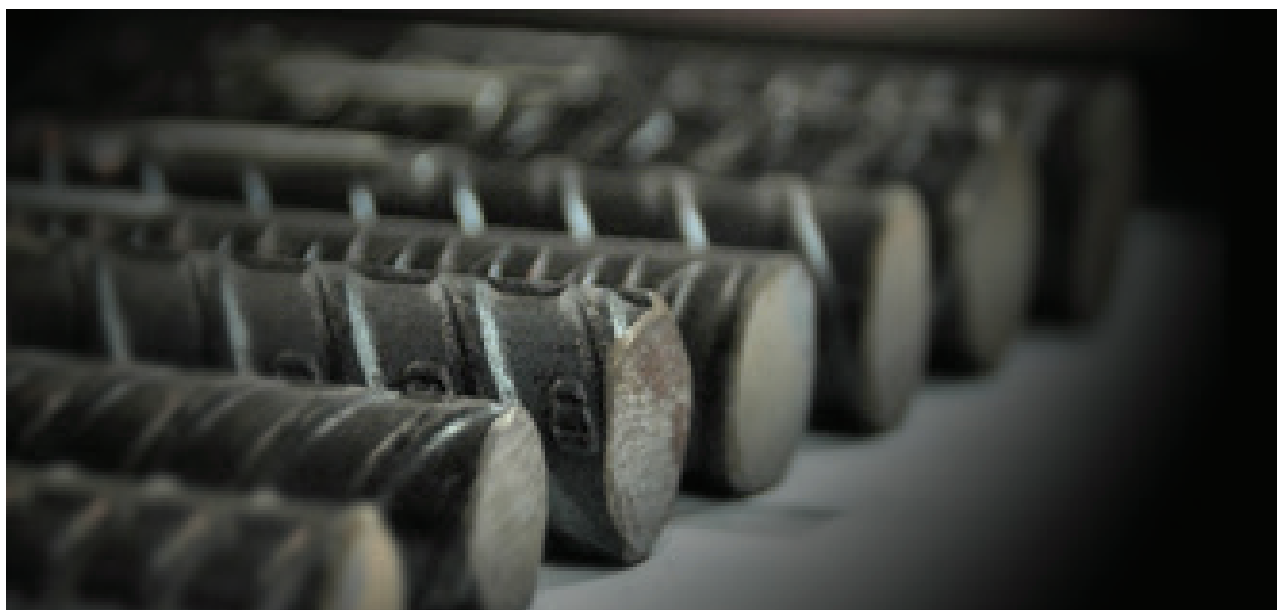


Product	Import (Million Baht)			Export (Million Baht)		
	2557	2556	Change ratio	2557	2556	Change ratio
Long Product	16,948	16,761	1.12%	12,958	13,382	-3.17%
Bar	8,255	8,208	0.57%	4,417	4,558	-3.09%
HR section	1,315	1,346	-2.30%	8,243	8,437	-2.30%
Wire rod	7,378	7,207	2.37%	298	387	-23.00%
Flat Product	173,465	221,427	-21.66%	9,392	9,524	-1.39%
Hot rolled flat products	60,176	100,152	-39.92%	734	923	-20.48%
Cold rolled flat products	33,365	32,641	2.22%	5,263	5,804	-9.32%
Coated Steel	79,924	88,634	-9.83%	3,395	2,797	21.38%
Semi-Finished Product	54,668	60,538	-9.70%	134	181	-25.97%
Billet	19,874	15,551	27.80%	0	3	-100.00%
Slab	28,800	39,817	-27.67%	0	0	0.00%
All other Semi-Product	5,994	5,170	15.94%	134	178	-24.72%

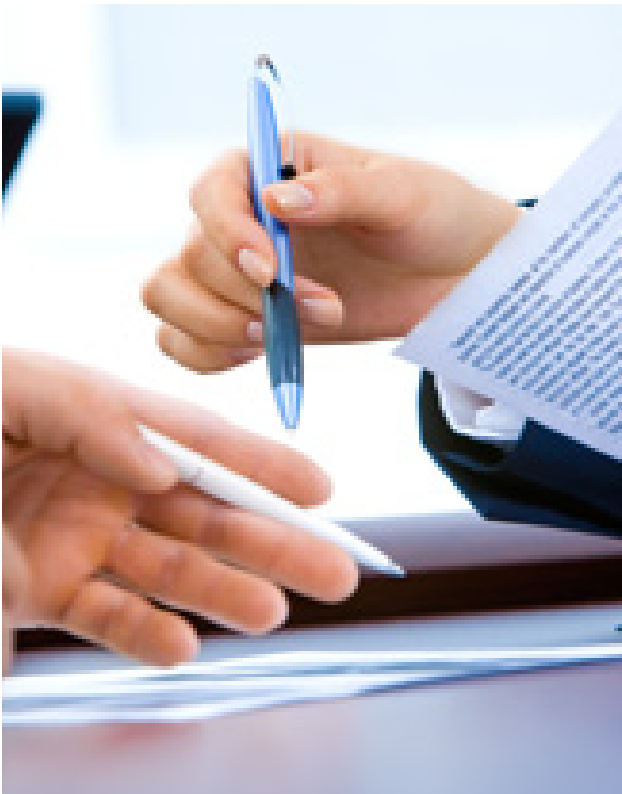
Source: Customs Department

Trend of 2015

Steel situation in 2015 has been predicted that manufacturing part will be maintained at the rate of 6.19 Million tons. The domestic demand of steel will be in a range of 0-3 percent. The main factor to drive the demand of steel is from investment of national infrastructure from the government sector because of the deceleration of construction in private sector as a consequence of consumers has slow down to purchase and invest in immovable property part.



Operational Plan for 2014



The direction of business operating of MILLCON's group in the year 2014 has been set by the executive committee to follow up with the situation to be assessed through the combination of factors that may affected to the business both in internal and external factors i.e. the preparation for political situation in the country to keep going on operating the business under the uncertainty situation by prepared the readiness of working location, personnel, information system and others or even the reduction of the risk on raw material price fluctuation by produced billet as a reserved raw materials for both in common quality level and special quality level which deems to be a core factor for steel bar, deformed bar and billet

manufacturers in order to fulfill long shape steel manufacturers both in domestic and international. Moreover, we have planned to be flexible on manufacturing process including developing new innovation to meet with the end users' demand and high quality steel manufacturers. This is also a result of the reduction of risk on transportation factor and cost in manufacturing process which leads to expand the customers market from construction industry to other linkage industries of automobile, electric appliances, furniture and packaging by delivering the quality products at the competitive fair value to customers on time in order to support their cost management and reduce the risk from transportation if they have to import steel from other countries with higher price and may suffer with the change in exchange rate and the delay.

Except the aforementioned above, the MILLCON's group will focus on customers' service more which may lead to provide in other kind services i.e. steel cutting and bending with high technology machinery controlled by computer accuracy system which we are able to provide the service as made to order to customers promptly.

The group Companies, therefore, have strongly confident with our executive committee's policy on efficient risk management including appropriate inventory and cost control system and our plan of seeking new markets in order to enhance competitiveness and will altogether help to boost up the group's business good performance and sustainable in the midst of highly competitive circumstance, thereby creating benefits to the group and shareholders.

Risk Management



Regarding to the arising risks over the last several years, Millcon Steel PCL's group have been developed the structure of risk management. Under this establishing in company's policy, this enables to manage and mitigate the risks by accordingly monitoring. Furthermore, the company and its group members have been held the meeting in each month. The risk management committee consists of knowledgeable people from various areas in our organization to create the measurements to control and mitigate all risks deliberately. To accept the control and manage risk for our group, this will use as approach of risk management to reach the objective efficiently.

1) Business Risk

1.1 Marketing Risk:

Thai Steel industries face the highest risk from the fluctuation on demand and seasonal price, which is the main effect for considering in this business. However, the Company has improved its production efficiency and developed its products for higher value added and product differentiation. For example, in addition to thread steel bar, high tensile thread steel bar is developed and produced to serve constructions that need special tensile strength such as mass transit electric train system, bridge, tunnel, deep-sea port, dam, etc. At present, MILL is the sole domestic producer of high tensile

thread steel bar with product quality certification by several global institutions. This has enabled the Company to better compete with its peers and mitigate demand fluctuation risk. It can even expand its market overseas where such special steel product is required for construction works.

In addition, the Company is committed to developing its product range to respond to the needs of customers in more diversified industries, especially linkage industries that have high growth potential. Upon the completion of the implementation of the Green MILL Project which employs world class production technology, MILL will be the sole producer in Southeast Asia that can produce special grade steel of smooth

surface which is of high demand among automobile producers. This will help drive the Company toward being part of the automobile and other related industries that require steel of special grade, and at the same time diversify its risk of dependence only on construction industry as the target customer.

2) Risk in Raw Material Procurement

2.1 Risk from uncertainty in raw material procurement

In the production of billet which is the raw material for production of steel bar and deformed steel, the Company may face risk of longer duration of time for procurement of raw material, i.e. steel scrap, for electric arc furnace (EAF) and inconsistency of the scrap so procured. The Company has minimized such risk by collaborating with business alliances including both direct suppliers which are large local distributors of steel scrap and suppliers of imported scrap, and also by recycling steel scrap which is by-product from its steel production into the EAF. Moreover, the Company has laid down prudent and definite production and raw material procurement plans, and created and managed relationship with steel scrap suppliers to



ensure that there are sufficient raw material supplies for the production.

2.2 Risk from fluctuation of raw material prices

Formerly MILL Group has to rely on imports for its raw material procurement to serve the steel production. They have thus risked facing raw material price fluctuations in line with global market mechanism; hence impact on raw material cost in production of steel bar and deformed steel. However, by the end of 2011, when the Group will be able to produce such primary raw material as billet upon the successful implementation of the Green MILL Project, the Company will be able to reduce its exposure to raw material price fluctuations.

3) Financial Risk

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

3.1 Financial risk

In its financial operations, the Company has worked out risk management plan with focus on mitigating risk from fluctuations of financial market and seeking ways to relieve any possible impact on its financial operations to the least possible. It has applied such derivatives as forward foreign exchange contracts, interest rate swap contracts and other financial tools which are in large diversity,



as well as such other measures as adopting policy of selling products and services only to customers with good creditability and setting proper credit limits for each of the customers, diversifying sources of funds to ensure adequate liquidity to serve operations, and having borrowing lines to serve future investments, to prevent any possible financial risk.

3.2 Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group hedges the interest rate exposure by using financial instruments such as foreign currency and interest rate forward contracts.

3.3 Credit Risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies to limit the amount of credit exposure to each financial institution.

3.4 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

4] Other Risk

4.1 Environmental risk

In view of environmental risk or risk associated with work environment, the Company may be exposed to danger related to manufacturing process. It has thus relieved such risk and stepped up safety for staff by enforcing the use of Personal Protective Equipment (PPE). There is medical check-up provided for staff and people in the community. It has also disseminated knowledge to people in the community nearby the factory for them to understand and be aware of how to protect themselves from surrounding dangers.

Moreover, the Group has carried out Health Impact Assessment (HIA) regarding any incidents arisen and possible incidents as one of the major issues of its Corporate Social Responsibility commitments and under the ISO and IPPC certification. It has installed the Fume Treatment Plant and Quenching Tower to relieve any environmental impact on the community

Shareholding Structure and Management

Securities of the Company

As at 31 December 2014, the Company's registered capital was at Baht 2,047,310,221 of which Baht 1,501,672,657 has been paid up. The paid-up capital comprises 3,114,489,886 ordinary shares and 639,691,757 preferred shares total of share 3,754,181,643 shares with a par value of Baht 0.40 per share.

Major shareholders	Shares			%
	Ordinary shares	Preferred shares	Total	
1. GENERAL ENGINEERING PLC.	480,344,788	249,555,211	729,899,999	19.44
2. Mr.Sittichai Leeswadtrakul	700,932,220	-	700,932,220	18.67
3. Danieli Co.,Ltd.	91,234,728	-	91,234,728	2.43
4. Mrs. Nathatai Sawatyanon	61,318,300	122,636,600	183,954,900	4.90
5. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	61,110,000	-	61,110,000	1.63
6. Mr. Wichai Wachiraphong	60,000,000	-	60,000,000	1.60
7. Mrs. Suchada Lisawattrakul	58,322,300	-	58,322,300	1.55
8. Advance Metal Fabrication Co.,Ltd	55,000,000	-	55,000,000	1.47
9. Ms. Suttirat Leeswadtrakul	53,348,259	19,704,433	73,052,692	1.95
10. Mr. Tanarat Pasawongse	51,848,043	73,891,626	125,739,669	3.35
11. Others	1,441,031,248	173,903,887	1,614,935,135	43.02
Grand Total	3,114,489,886	639,691,757	3,754,181,643	100.00

Dividend Payment Policy

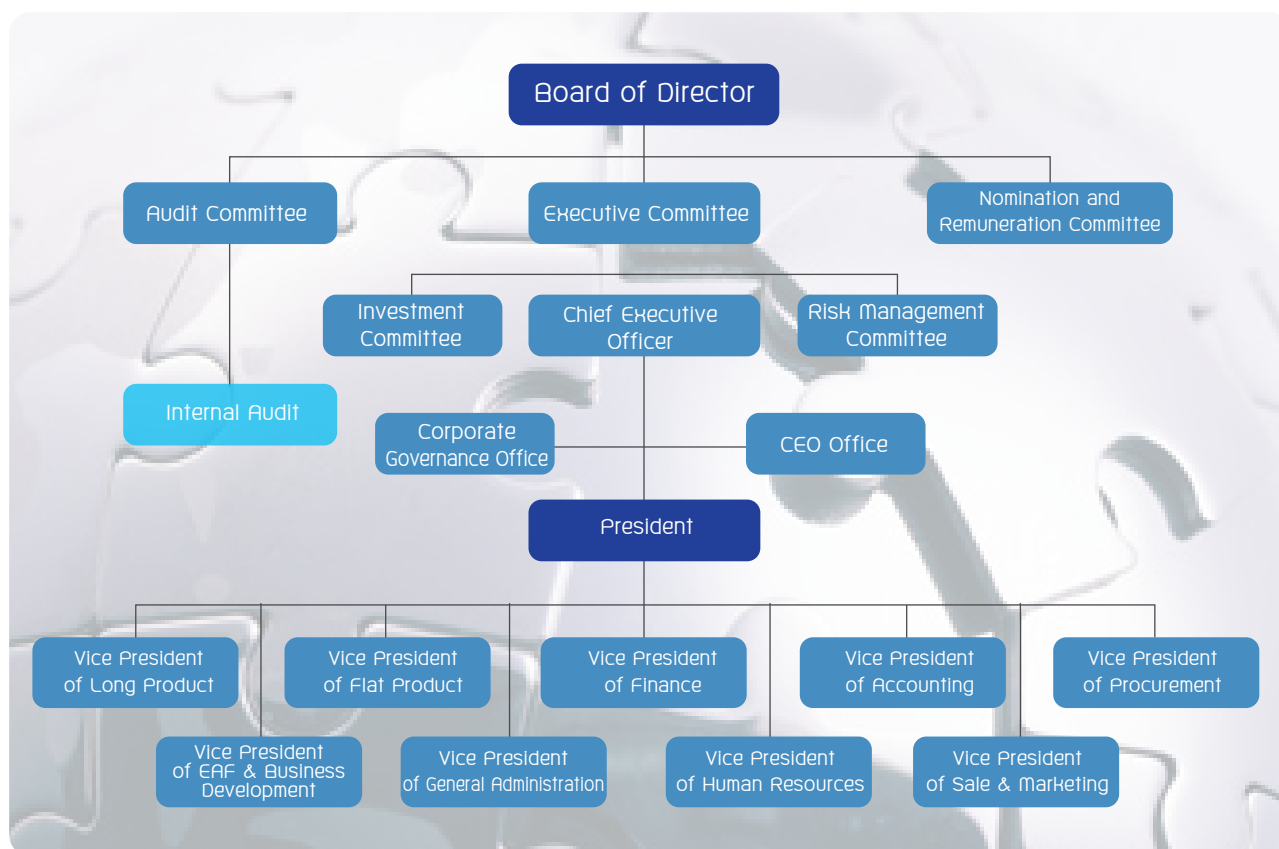
The Company has a policy to pay dividend to ordinary shareholders at the rate of at least 40 percent of net profit after corporate income tax according to company-only financial statements and after legal reserve and other accumulated amount as prescribed by the Company. Such dividend payment may change depending on the Company's financial status, operating results, investment plan, necessity and appropriateness in the future as deemed appropriate by the Board of Directors and/or shareholders of the Company.

In addition, pursuant to the resolution of the Board meeting, the Company was approved to issue preferred shares Type A, Type B and Type C. Rights and status of the preferred shares preferred shares Type A, Type B and Type C in relation to dividend payment shall be as below:

“In any year when the Company has profit after legal reserve and other reserves as deemed necessary, and in case where there is no accumulated loss, the Company shall pay dividend to preferred shareholders. Preferred shareholders have the right to receive accumulated dividend out of the Company’s profit at the rate of 5 percent per year of the investment amount duly paid by the shareholders on each of the preferred share held (“preferred dividend”). Preferred dividend shall rank in priority order to dividend entitled to by ordinary shareholders.”

Management Structure

As of December 31, 2014, the Company’s management structure was composed of the Board of Directors and five board committees, namely, Audit Committee, Executive Committee, Nomination and Remuneration Committee, Investment Committee, and Risk Management Committee, including the management team, details of which are shown in the diagram below:



MILL’s management structure is composed of Board of Directors, and four Board or supporting committees, namely (A) Board of Directors (B) Audit Committee (C) Nomination and Remuneration Committee (D) Executive Committee, (E) Risk Management Committee and (F) Investment Committee. The members of these committees are competent persons with full qualifications pursuant to Section 68 of the Public Companies Act, B.E. 2 535 (1992) and the Securities and Exchange Commission Notification No. KorJor. 12 / 2000 regarding application for and permission of offering of newly issued shares dated March 22, 2000 in all respects. Scope of authority and duties and responsibilities of each Board committee are as follows

[A] Board of Directors

MILL's Board of Directors is currently composed of 12 directors. Of the total, 8 are non-executives and 8 of whom are independent directors, and 4 are executives. This aims at ensuring efficient performance of duties. The Board meets at least four times a year, for each of which clear meeting agenda are set and details supporting the matters on the agenda are sent to the Board members in advance for their prior study. Consideration of each matter on the agenda is made taking into account the interests of the shareholders and concerned parties on a fair basis. Directors are allowed to express opinions independently. Chairman of the meeting is in charge of controlling allocation of time properly for each matter.

Member of the Board of Directors

1. General Winai	Phattiyakul	Chairman of the Board / Independent
2. Pol.Gen.Soonporn	Saikwan	Vice Chairman of the Board / Independent
3. Assoc.Prof.Dr.Yannakorn	Warakunruk	Director / Independent
4. Mr. Pratana	Bongkojmas	Director / Independent
5. Mr. Apivut	Thongkam	Director / Independent
6. Mr. Sakchai	Tanaboonchai	Director / Independent
7. Mr. Sittichai	Leeswadtrakul	Director who are authorized signatories of the company
8. Ms. Suttirat	Leeswadtrakul	Director who are authorized signatories of the company
9. Mrs. Phatnaree	Thitiariyakul	Director who are authorized signatories of the company
10. Mrs. Duangkamol	Sukmueng	Director who are authorized signatories of the company
11. Mr. Sophon	Pholprasith	Director / Independent
12. Mr. Vipoota	Trakulhoon	Director / Independent

Remark

**In year 2014, according to meeting of the board of directors 4/2014 held on 14 August 2014, 5/2014 held on 22 September 2014 and 8/2014 held on 14 November 2014 had approved to assigns new directors and independent directors ,as following names, Therefore, 4 directors who had resigned cannot attend any Board of Director meeting ,Audit Committee and Shareholders Meeting held before the appointment.*

- | | | |
|------------------|-------------|--|
| 1. Mr. Apichart | Chirabandhu | Director and Independent Director |
| 2. General Winai | Phattiyakul | Chairman of the Board of Director and Independent Director |
| 3. Mr. Sophon | Pholprasith | Director and Independent Director and Audit committee member |
| 4 Mr. Vipoota | Trakulhoon | Director and Independent Director |

*** In year 2014, according to meeting of the Board of Director 9/2014 held on December23, 2014, had approved resignation of Mrs. Phatnaree Thitiariyakul from Director, Nomination and Remuneration Committee. She did not attend any Board of Director meeting ,Audit Committee and Shareholders Meeting held before the appointment. With Ms. Jureerat Lapanavanich as Secretary to the Board of Directors.*

Directors authorized to sign and bind the Company Directors authorized to sign and bind on behalf of the Company:

Mr. Sittichai Leeswadtrakul or Ms. Suttirat Leeswadtrakul is authorized to sign jointly with Mrs. Duangkamol Sukmueng, with the Company seal affixed

Term of office of members of the Board of Directors

At each annual general meeting of shareholders, one-third of the total directors are due to retire by rotation. If the number of directors cannot be divided by three, the closest number to one-third shall apply. The directors who are in office the longest shall retire. The retiring directors may be re-elected to be in office for another term.

Selection of qualified persons as directors shall be made from among the competent persons with diversified background and expertise, leadership and vision, adherence to code of ethics and morality, and having transparent and flawless professional track records, as well as being able to give comments and opinions independently.

Scope of authority and duties and responsibilities of the Board of Directors

1. The Board has the power to administer the Company pursuant to the laws, and the Company's objectives, articles of association and shareholders' meeting resolutions with integrity, honesty and due regards of the interests of the Company.

2. The Board has the duty to set the Company's business targets, framework, policies, plans and budget, monitor and supervise the operations of the management or any persons as may be assigned to ensure their performance in accordance with the policies set forth by the Board.

3. The Board has the power to examine, consider and approve the policies, guidelines and action plans of the Company's large investment projects as proposed by the supporting committees and/or the management.

4. The Board has the power to appoint, assign or instruct the supporting committees or any working committees to consider or take action in any issues as may be deemed proper by the Board.

5. The Board has the power to follow up or monitor the business operations to be in line with the Company's operational plans and budget.

6. The Board has the duty to monitor and ensure that the Company has efficient internal control and audit systems in place, with the internal audit work unit designated to follow up and compile information thereon as well as coordinate with the Audit Committee.

7. The Board has the power to consider and approve any issues deemed necessary and related to the Company, or deemed proper for the interests of the Company

(B) Audit Committee

Audit committee consists of 3 members as following

Member of Audit committee		
1. Assoc. Prof. Dr. Yannakorn	Warakunruk	Chairman of Audit Committee
2. Mr. Apivut	Thongkum	Audit Committee Member
3. Mr. Pratana	Bongkojmas	Audit Committee Member

With Ms. Jureerat Lapanavanich as Secretary to the Board of Audit Committee

Scope of authority and duties and responsibilities of the Audit Committee

1. Review the Company's financial reports to ensure accuracy and adequacy, by coordinating with the external auditor and the executive in charge of preparing financial reports, both quarterly and yearly. The Audit Committee may suggest or recommend that the auditor review or examine any particular issues considered necessary and essential in the course of the auditing of the Company.

2. Review and ensure in collaboration with the external auditor and the internal auditors that the Company has proper and efficient internal control and audit systems in place.

3. Review and ensure that the Company operates and performs in compliance with the laws on securities and securities exchange, regulations of the Stock Exchange of Thailand, or any laws relevant to the business of the Company.

4. Select and propose the appointment of the auditor for the Company and the fixing of audit fee, based on the criteria of the reliability, sufficiency of resources and audit volume of the audit firm, as well as the experience of the personnel assigned to do the auditing of the Company.

5. Consider the Company's disclosure of information in case of a connected transaction or a transaction that may have conflict of interests to ensure accuracy and completeness, and give opinions as to the necessity and the reasonableness of the transaction.

6. Perform any other function as may be assigned by the Board of Directors and with consent of the Audit Committee.

7. Prepare and disclose the report of the Audit Committee in the Company's Annual Report.

8. Report the operations of the Audit Committee to the Board for acknowledgment at least once a year.

9. Have power to examine and investigate as deemed necessary any issues as well as seek independent opinions from professional advisors as deemed proper with the expenses on which to be borne by the Company to ensure the achievement of the performance of duties

(C) Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 4 members as following

Member of Nomination and remuneration Committee

1. Assoc. Prof. Dr. Yannakorn Warakunruk	Chairman of the Nomination and Remuneration Committee
2. Mr. Pratana Bongkojmas	Nomination and Remuneration Committee
3. Mrs. Duangkamol Sukmueng	Nomination and Remuneration Committee
4. Mrs. Phatnaree Thitiariyakul	Nomination and Remuneration Committee

With Mr. Kasem Janthaboon as Secretary to the Nomination and Remuneration Committee

Term of office of members of Nomination and Remuneration Committee

Term of office of Committee members is three years. Upon the completion of the term of office, the vacating members may be reappointed to be in office for another term.

Scope of Authority and Duties and Responsibilities of Board of Directors / Supporting Committees

Provide recommendation to the Board in selection of qualified persons for appointment as members of the Committee and in determination of remuneration for directors for proposal to the shareholders' meeting for approval, and also provide recommendation to the Board in appointment of top executives and take charge of determining remuneration including fringe benefits for top executives of the Company and its subsidiaries, as well as perform other duties as may be assigned by the Board.

Board and committee meetings are held regularly. In 2014, the Company convened 9 meetings of the Board of Directors, 6 meetings of the Audit Committee, 6 meetings of the Nomination and Remuneration Committee, and 2 shareholders' meetings, being one annual general meeting and one extraordinary general meeting, details of which are as follows:

Statistics of attendance of the various committees

List	Director Name	The Board of Directors Meetings	Audit Committee meetings	Nomination and Remuneration Committee meetings	Shareholders Meeting	
		(11 persons) Meeting by a total 9 timesครั้ง	(3 persons) Meeting by a total 6 times	(4 persons) Meeting by a total 6 timesครั้ง	Attendance of AGM	Attendance of EGM
1.	General Winai Phattiyakul	5/9*	-	-	- *	1/1
2.	Pol.Gen.Soonthorn Saikwan	7/9	-	-	-	1/1
3.	Assoc.Prof.Dr.Yannakorn Warakunruk	7/9	6/6	6/6	1/1	1/1
4.	Mr. Pratana Bongkojmas	9/9	6/6	6/6	1/1	1/1
5.	Mr. Apichart Chirabandhu	4/9*	- *	-	- *	1/1
6.	Mr. Sakchai Tanaboonchai	8/9	-	-	1/1	1/1
7.	Mr. Sittichai Leeswadtrakul	9/9	-	-	1/1	1/1
8.	Ms. Suttirat Leeswadtrakul	8/9	-	-	1/1	-
9.	Mrs. Phatnaree Thitiariyakul	7/9**	-	6/6	1/1	- **
10.	Mrs. Duangkamol Sukmueng	8/9	-	6/6	1/1	1/1
11.	Mr. Sophon Pholprasith	5/9*	-	-	- *	1/1
12.	Mr. Vipoota Trakulhoon	1/9*	-	-	- *	1/1

* In year 2014, according to Meeting of the Board of Directors 4/2014 held on August 14, 2014 , 5/2014 held on September 22, 2014 and 8/2014 held on November 14, 2014 , had approved and appointed 4 Directors and Independent Director, as following names, causing that they did not attended any Board of Director meeting and Shareholders meeting held before appointment.

1. General Winai	Phattiyakul	Chairman of the Board of Director and Independent Director
2. Mr. Apichart	Chirabandhu	Director and Independent Director
3. Mr. Sophon	Pholprasith	Director and Independent Director and Audit committee member
4 Mr. Vipoota	Trakulhoon	Director and Independent Director

** In year 2014, according to meeting of the Board of Director 9/2014 held on December 23, 2014, had approved resignation of Mrs. Phatnaree Thitiariyakul from Director, Nomination and Remuneration Committee. She did not attend any Board of Director meeting ,Audit Committee and Shareholders Meeting held before the appointment.

Company secretary

According to the Meeting of the Board of Director 6/2008 held on August 14, 2008 had approved and appointed Ms. Jureerat Lapanavanich to be a company secretary whose responsibilities as follows:

1. Prepare and keep following documents:
 - (a) Director Register
 - (b) A Board of Directors' Meeting Invitation and Report
 - (c) A Shareholders' meeting Invitation and Report
2. Keep Self Declaration (report of stakeholder) of Directors or Managers (Secretary should delivery copies of Declaration to Chairman of the Board of Directors and Chairman of Audit Committee within 7 days after acknowledged the Declaration)
3. Act in according to the Securities and Exchange Commission Announcement.

[D] Executive Committee

Executive Committee consists of 9 members as following

Member of Executive Committee

1. Mr. Sittichai	Leeswadtrakul	Chairman of Executive Committee
2. Ms. Suttirat	Leeswadtrakul	Committee Member
3. Mrs. Phatnaree	Thitiariyakul	Committee Member
4. Mrs. Nathaphat	Thianpratheap	Committee Member
5. Mrs. Duangkamol	Sukmueng	Committee Member
6. Mr. Taveechai	Kittichanajoen	Committee Member
7. Ms. Jureerat	Lapanavanich	Committee Member
8. Mr. Kasem	Jantaboon	Committee Member
9. Mr. Theerayuth	Lertsiraungsun	Committee Member

Scope of authority and duties and responsibilities of the Executive Committee

1. Consider and endorse the allocation of annual budget as proposed by the management before submitting to the Board for approval, and consider and approve the change in or addition to the annual expenditure budget during the period when no Board meeting is held and such case is considered urgent and submit it for the upcoming Board meeting's acknowledgment.
2. Approve the purchase or sale of goods that are in the normal course of business operations of the Company in the amount up to Baht 1,000 million.
3. Approve the amount for the purchase of assets in the manner of investment in the normal course of business operations of the Company other than that indicated in the annual budget up to Baht 20 million.
4. Approve the amount for the significant investment duly earmarked in the annual expenditure budget as assigned by the Board or as earlier resolved and approved in principle by the Board.
5. Perform as the advisory body to the management in the matters relating to policies on finance, investment, marketing, general administration and other aspects of operations.
6. Allocate bonus under the framework approved by the Board to the employees or contract employees or any persons performing duty for the business of the Company.
7. Monitor and supervise the day-to-day operations or administration of the Company, excluding the approval of any transactions that may have conflict of interest or those in which the Committee members or the related persons thereof have vested interests in the manner contradictory to the Company or subsidiary (if any) in compliance with the regulations of the Stock Exchange of Thailand, subject to the submission to the Board meeting and/or the shareholders' meeting for consideration and approval thereof as prescribed by the Company's articles of association or the relevant laws.

Executive Manager

At December 31, 2014, the Company's executive manager as follows:

Executive Manager		Position
1. Mr. Sittichai	Leeswadtrakul	President
2. Ms. Suttirat	Leeswadtrakul	Vice President of Finance
3. Mrs. Phatnaree	Thitiariyakul	Vice President of Accounting
4. Mrs. Nantaphat	Thianprateep	Vice President of Procurement
5. Mrs. Duangkamol	Sukmueng	Vice President of General and Administration
6. Ms. Jureerat	Lapanavanich	Head of CEO Office
7. Mr. Kasem	Juntaboon	Vice President of Human Resource
8. Mr. Taveechai	Kittichanajaroen	Vice President of Flat Product
9. Mr. Puchong	Jungwilikasem	Vice President of EAF and Business Development
10. Mr. Theerayuth	Lertsirarungsun	Vice President of Sales and Marketing

Scope and Power of President

1. Control and advice in operating and management business.
2. Conduct and operate pursuant to the Company's policy and budget plan, approved by the meeting of the Board of Directors.
3. Operate the business pursuant to objectives, policy, regulation, agreement, order, and resolution of Board of Directors Meeting and/or of Shareholders Meeting.
4. Order, regulate or announce for the purpose of pursuant policy and interest of the Company and to maintain discipline of organization
5. Review and estimate operation results of the Company to be prepared and manage any risk occurred by any factor.
6. Approve any act relating to the Company's business, including, buy and sell contract, procurement a material for production, operation cost relating business, investment, supplying and providing of equipment, asset, and services, or authorize other person to act for the profit of the Company, provided that the approve and authorize is under limit, set by the Company.
7. Act or represent as representative of the Company to third person, necessarily of operating the business.
8. Operate any duty assigned by the Board of Directors.

In case the power of an executive committee conflicts with interest of the Company, as stated in regulation and announcement of Stock and Exchange Commission or Stock Exchange of Thailand, that executive committee shall not has the power or right to vote or to assign a person in any act doing relating to the conflict. To do the conflicting acts, shall be approved, with prior approval of Audit Committee, by the Board of Directors or the Shareholder's Meeting, according to the Laws and the regulation of the Company.

(E) Risk Management Committee

Risk management Committee consists of 8 members as following

Member of Risk Management Committee

- | | | | |
|----|----------------|------------------|--|
| 1. | Mr. Sittichai | Leeswadtrakul | Chairman of Risk Management Committee |
| 2. | Mr. Vipoota | Trakulhoon | Committee Member |
| 3. | Mr. Puchong | Jungwilikasem | Committee Member |
| 4. | Mrs. Nathaphat | Thianpratheap | Committee Member |
| 5. | Ms. Jureerat | Lapanavanich | Committee Member |
| 6. | Mr. Taveechai | Kittichanajaroen | Committee Member |
| 7. | Mr. Supasith | Sae Lee | Committee Member |
| 8. | Ms.Yupawadee | Jantarakka | Secretary to the Risk Management Committee |
-

Scope of authority and duties and responsibilities of the Risk Management Committee

1. Map out policy to consider overall risk management issues, involving risks of such significant perspectives as financial risk, operational risk, business risk, external risk, etc.
2. Monitor, control, follow up and assess the operations in order to review and develop risk management system to ensure efficiency in assessing possible risks that may impact the Company's business operations, covering both internal and external risks.
3. Report the operations of the Risk Management Committee to the Board.
4. Perform other functions as may be assigned by the Board.

(F) Investment Committee

Investment Committee consists of 5 members as following

Member of Investment Committee

- | | | | |
|----|----------------|-----------------|--|
| 1. | Mr. Vipoota | Trakulhoon | Chairman of Investment Committee |
| 2. | Mr. Puchong | Jungwilikasem | Committee Member |
| 3. | Mr. Theerayuth | Lertsirarungsun | Committee Member |
| 4. | Ms. Jureerat | Lapanavanich | Committee Member |
| 5. | Ms. Sukritta | Potiprasart | Committee Member and Secretary to the Investment Committee |
-

Scope of authority and duties and responsibilities of the Investment Committee

1. Determine the Company's investment policy, guidelines and scope, and monitor and supervise its investment activities to be in line with the policy, guidelines and scope set forth.
2. Follow up to ensure the investment activities comply with the regulatory criteria and regulations.
3. Assess investment risks.
4. Perform other functions as may be assigned by the Board.
5. Report the results of operations, rectifications and recommendations to the Board for acknowledgment



Remuneration for Board Members and Executives

(A) Cash Remuneration

The Company has a policy to remunerate the directors and the management on a fair and reasonable basis and in tandem with their roles and duties. In 2014, remuneration for the 17 board members totaled Baht 29.45million, divided into 1) Baht 2.16 million for 7 independent directors and non-executive directors and 2) Baht 18.00 million for executive 5 directors, and 3) remuneration for 5 managers was Baht 9.29 million, as follows:

Position	Type of Remuneration	Amount (Baht Million)
Chairman of the Board and Independent Director	Remuneration and Meeting Fee	0.79
Vice Chairman of the Board and Independent Director	Remuneration and Meeting Fee	0.34
Director, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Independent Director	Remuneration and Meeting Fee	0.42
Director, Audit Committee Member, Nomination and Remuneration Committee member and Independent Director	Remuneration and Meeting Fee	0.12
Director, Audit Committee Member and Independent Director	Remuneration and Meeting Fee	0.23
Director and Independent Director	Remuneration and Meeting Fee	0.26
Total Non-Executive Director 7 Persons	Remuneration and Meeting Fee	2.16
Executive Director 5 Persons	Remuneration, rewards, Provident Fund subsidy, EJIP subsidy, Social Security Fund, and other welfare in cash.	18.00
Total Director 12 Persons	Cash Remuneration	20.16
Total 5 Executives	Remuneration, rewards, Provident Fund subsidy, EJIP subsidy, Social Security Fund, and other welfare in cash	9.29
Total remuneration for directors and executives		29.45

(B) Other Remuneration

MILL's Extraordinary General Meeting of Shareholders No. 1 /2008 on October 9, 2 008 resolved for the Company to issue and allocate warrant to buy ordinary shares to its directors and employees in a total number of 5,000,000 units. The warrant would not be listed on the Stock Exchange of Thailand. The Warrant will be expired on February 24, 2014. This warrant issuance and offering has been aimed at rewarding and motivating the directors and staff for their dedication and contribution in the performance of duties in the long run. Summary of the warrant covenants is as below.

Name		Number of warrant (units)
Directors / Independent directors		
1. General Winai	Phattiyakul	-
2. Pol. Gen.Soontorn	Saikwan	245,000
3. Assoc.Prof.Dr. Yannakorn	Warakunruk	245,000
4. Mr.Pratana	Bongkojmas	245,000
5. Mr. Apichart	Chirabandhu	-
6. Mr. Sakchai	Tanaboonchai	-
7. Mr. Vipoota	Trakulhoon	-
8. Mr. Sophon	Pholprasith	-
Directors / executives		
1. Mr. Sittichai	Leeswadtrakul	245,000
2. Ms. Suttirat	Leeswadtrakul	245,000
3. Mrs. Phatnaree	Thitiariyakul	245,000
4. Mrs. Duangkamol	Sukmueng	245,000
5. Mr. Taveechai	Kittichanajaroen	245,000
6. Mrs. Nathaphat	Thianpratheep	120,000
7. Ms. Jureerat	Lapanavanich	125,000
8. Mr. Kasem	Juntaboon	-
9. Mr. Puchong	Jungwilikasem	-
10. Mr. Theerayuth	Lersiraungsun	-
Employees		
56 employees		1,511,500
Number of executives and employees who resigned amount	fifty people	1,283,500
Grand Total		5,000,000

Shareholdings of the Company by Directors and Management

As of December 31, 2013, securities holding of Mill Con Steel Public Company Limited “MILL” had been changed as shown here:

(A) Change in securities holding of directors

Name		Shareholding in MILL (Shares)		
		As of Dec 31,14	As of Dec 31,13	Change + (-)
1. General Winai	Phattiyakul	-	-	-
2. Pol.Gen. Soontorn	Saikwan	55	167,457	(167,402)
3. Assoc.Prof.Dr.Yannakorn	Sanpakij	-	-	-
4. Mr. Pratana	Bongkojmas	782,974	442,457	349,517
5. Mr. Apichart	Chirabandhu	-	-	-
6. Mr. Sakchai	Tanaboonchai	-	-	-
7. Mr. Sittichai	Leeswadtrakul	700,932,220	448,752,397	251,616,694
8. Ms. Suttirat	Leeswadtrakul	53,348,259	28,480,551	4,927,551
9. Mr. Sophon	Pholprasith	-	-	-
10. Mrs. Duangkamol	Sukmueng	885,935	502,089	318,027
11. Mr. Vipoota	Trakulhoon	-	-	-

(B) Change in securities holding of executives*

รายชื่อ		Shareholding in MILL (Shares)		
		As of Dec 31,14	As of Dec 31,13	Change + (-)
1. Mr. Taveechai	Kittichanajaroen	429,000	567,851	(138,851)
2. Mr. Kasem	Juntaboon	304,565	292,851	11,714
3. Mr. Puchong	Jungwilikasem	413	188,090	(187,677)
4. Mrs. Nantaphat	Thinprateep	-	78,551	(78,551)
5. Ms. Jureerat	Lapanavanich	380,671	244,021	136,650
6. Mr. Theerayuth	Lersiraungsun	-	-	-
7. Mrs. Phatnaree	Thitiariyakul	1,144,759	733,821	410,938

* Information above only presents an executive committee who did not be Directors.

Auditor's Remuneration

(A) Audit Fee

In 2014, the Company paid a total audit fee of Baht 1,458,000 to its auditor, Ms. Wanya Puttasatiarn, CPA License No. 4387, of S.K. Accountant Services Co., Ltd. In addition, S.K. Accountant Services Co., Ltd. also served as auditor for two subsidiaries of the Company, Mill Con Burapa Co., Ltd. and Zentra-Wartung Engineering Co., Ltd., with a combined audit fee of Baht 1,284,000.

(B) Non-audit Service

In year 2014, the Company group's cost for other service of Auditors, as follows:

- Millcon Steel Public Limited Company
 - 1) Audit fee for English version financial statement, 60,000 Baht
 - 2) Transportation fee relating to providing service, 27,629 Baht
- Millcon Burapa Company Limited (a subsidiary)
 - 1) Service fee for examining compliance conditions of promotion, 60,000 Baht.

Yearly Summary of Auditor's Remuneration from 2012- 2014, as follows:

Auditor's Remuneration	Year 2014	Year 2013	Year 2012
1) Audit Fee of the Company and its Subsidiary	2,742,000 Baht	2,505,000 Baht	2,710,000 Baht
2) Other Services Charge	147,629 Baht	1,063,170 Baht	350,000 Baht

Manpower

2014 (as of December 31,2014)	
Operating staff (persons)	641
Office staff (persons)	180
Total (persons)	821
Total employee remuneration (Baht million)	143.32



Compliance with Good Corporate Governance Principles



The Committee of Millcon Steel Public Co., Ltd. and its group companies have operated the business with responsibility and equitability in compliance with the guideline of SEC which called compliance with good corporate governance principles. This principle can help the Company to have efficiency on the business operation with transparency and thinking of the benefit for all interested person and able to inspect which it can help the Company to increase the ability of competitiveness, products and added value to long term shareholders. The board of company and management division has made compliance with good corporate governance principles in writing and disseminates it to employees and group companies to be their guideline of working in the Company's website www.millconsteel.com.

In addition, group company has set the policy of business operation system with the intention of enhance the ability especially of manufacturing and distributing, including with care of environment and social which the Company has disseminated to interested persons for notice, adhere and keep reviewing regularly and take it as main part of business operation.

Purpose of Business Operation

Our Company is one of topflight as steel manufacturer and trading, and being one stop center of steel products with several type of products such as Hot Rolled Coil, Slitting Coil, Steel Sheet, Flat Plate, Lip-Channel Steel, Steel Pipe and also expand to Rolled Steel, Round Bar, Deformed Bar, High Tensile Thread Steel Bar and High Value Added Steel such as One Bar which is our latest innovation on deformed bar that help us to save cost for 20% and other products. Our products have been certified from the agency at the national and international level and we also keep developing in service by adding new service business line i.e. cut & bend and maintenance for being the real one stop center of steel products.

Furthermore, we have new products from our group companies' i.e. long shape steel or billet which support us to compete with the steel industry in intermediate level under the project of Green Mill. This project is for construct Electric Arc Furnace (EAF) with the intention to impel us to be the real one stop center of steel products. By the highest technology from Italy, the Company has an intention to produce billet for both general use and special high quality for being raw material in manufacture of round bar and deformed bar and other special high quality steel. Technology of Electric Arc Technology (FASTARCTM) and Vacuum Degassing Technology (VD) are used for product genuine and delicate skin of steel which is different from products produced from using other general technology. These technologies are required from the related industries that have to use high quality of raw materials for their manufacture such as automobile industry. And because of high-technology of our machines including with good delivery system, we are able to fulfill our customers' demand.

Corporate Governance Policy

The Board of Directors has set policy and measures in treatment of stakeholders as detailed below:

1. Shareholders

The Board of Directors has set policy in treatment of shareholders as follows:

1) The Company is duty-bound to protect and observe the basic rights of the shareholders, comprising right to buy, sell or transfer shares, right to profit sharing, right to adequately access news or information on the Company, right to attend shareholders' meeting to approve businesses on the agenda as prescribed by law, to elect or remove directors, to appoint auditor, to allocate dividend, and other businesses related to the basic rights of the shareholders.

2) The Company is duty-bound to support and encourage the shareholders to exercise their rights in the businesses on the agenda of the annual general meeting of shareholders, i.e. right to propose matters to be put on the agenda in advance, right to make prior nomination of qualified persons for election of directors, right to send questions to the meeting in advance, right to raise questions and comments at the meeting, etc.

3) The Company shall commit no acts that will be violation or restriction to the rights of shareholders.

2. Employees

The Board of Directors has set policy in treatment of employees as follows:

- 1) The Company shall give remuneration to employees performance-based, with fairness and generally accepted and adopted evaluation method and justifiable to the nature of the job of each employee. Remuneration comprises monthly salary/wage, overtime payment off-office hours and on holidays, annual bonus and extra payment, life insurance, health insurance, provident fund, and so on.
- 2) The Company shall promote and develop its personnel's skill and knowledge on a consistent basis, e.g. participation in training and seminars of executives and staff at all levels, etc.
- 3) The Company shall treat all its employees on a fair and equitable basis as regards performance evaluation, safeguarding of confidential personal and professional data, exercise of rights to fringe benefits, etc.
- 4) The Company shall observe the rights of all employees and treat them with honor and respect for individual right, and allow them to voice complaints through various channels in case they are treated unfairly.
- 5) The Company shall observe the employees' rights to set up and participate in labor organizations, labor unions, or other organizations, and give them opportunity to negotiate employment conditions.
- 6) The Company shall be duty-bound to manage and make available good working environment with safety, sanitation and contribution to work efficiency and effectiveness.
- 7) The Company shall respect and observe the basic right of employment, i.e. no forced labor, no child labor, or no employment of children aged lower than the minimum prescribed by law.
- 8) There shall be no discrimination of employees on the grounds of gender, religion, race, nationality or origination. All employees shall be treated equitably.
- 9) The Company shall determine employment conditions for employees of all levels and titles no inferior to the minimum set by law.

3. Customers

The Board of Directors has set policy in treatment of customers as follows:

- 1) The Company is duty-bound to build long-term relationship and cooperation with customers, with integrity, trust and reliability for one another.
- 2) The Company is duty-bound to create maximum customer satisfaction, with high sense of accountability and care and with priority concern about customers' demand and problems.
- 3) Adhere to offering and delivery of products and services of standard quality and meeting customer demand.
- 4) Fulfill all conditions agreed upon with customers to the best of their ability.
- 5) Offer equitable prices and business terms to customers classified or ranked in the same group.
- 6) Provide true information to customers about properties and quality of the products and services to ensure fairness and customer confidence.
- 7) Be ready to answer questions from customers and take relevant actions in dealing with their complaints, as well as give suggestions and follow up the progress thereof.

4. Business partners

The Board of Directors has set policy in treatment of trade partners as follows:

- 1) The Company shall be duty-bound to create good relationship with all business partners.
- 2) The Company shall be duty-bound to give equitable opportunity for all business partners to introduce or offer their products / services.
- 3) Transact with business partners with integrity and on equitable term.
- 4) Consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account.
- 5) Safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.
- 6) The Company shall be duty-bound to procure or engage business partners that perform according to all rules and regulations relating to environmental protection and pollution control, and treatment of employees of business partners in relation to labor and employment on a fair basis and without discrimination.
- 7) The Company shall be duty-bound to provide training and give suggestions to business partners in performing duty in the premises of the Company and/or any other places as designated by the Company to ensure compliance with rules, regulations and criteria relating to safety and sanitation.

5. Creditors

The Board of Directors has set policy in treatment of creditors as follows:

- 1) The Company shall be duty-bound to nurture relationship and treat creditors on the basis of integrity, trust and reliability.
- 2) The Company shall be duty-bound to take responsibility for, take care of and observe the conditions agreed upon with the creditors' best as possible.

6. Community

The Board of Directors has set policy in treatment of community as follows:

- 1) The Company and employees shall strictly behave as good citizens, observe human right and treat the nearby community and surrounding locality with friendship and have good relationship with the community in the locality, as well as pay attention to, do no discrimination, or bar away the people who need special care, such as children, women, the disabled and the elderly.
- 2) The Company shall be duty-bound to treat the community in the locality by allowing the community to participate, giving support and developing the community in various areas for their proper well-being, i.e. education, culture, public health, economy, and creation of jobs and income, etc.
- 3) The Company shall be duty-bound to open up opportunity for residents in the nearby community to work with the Company as appropriate and at the Company's discretion, and have the policy to hire or employ people there as necessary and proper.
- 4) The Company shall be duty-bound to take care of and support activities that are beneficial to the society and give cooperation to the public sector and various agencies with willingness and sacrifice for public interests.

Code of Ethics and Practice Guidelines

1. Organization governance

The Company is determined to operate its business with integrity and taking public and national interests into account, and in compliance with the relevant rules, regulations and criteria, as well as observe the interests of others to whom the Company has relations. All executives and staff must perform duties with adherence to the Company's rules and regulations together with provisions of the laws; assistance, support and cooperation with other private agencies and public sector or organizations that are regulators or supervisors of the Company. Moreover, executives and staff shall perform duty with due prudence, and they shall be prevented from participating or getting involved in any activity in an illegitimate manner that may impair the business of the Company.

2. Fair competition

The Company has confidence that fair competition will empower the Company to develop consistently. It sets its policy for all the executives and staff to have self-learning and self-development all the time, and use no unfair method or no method that contradicts the business ethics to take advantage of competitors by whatsoever means.

3. Equitable treatment

The Company has a policy for all executives and staff to treat all the people with whom they have transactions fairly and equitably, namely staff in the organization, customers, business partners, shareholders, investors, government agencies, other private agencies and surrounding community and society, with due consideration of basic rights and interests of these people; and have no special treatment of any person or group of persons because of personal relationship or personal benefits.

4. Employee relations

The Company sets a policy to treat all employees equitably and with respect for human right under international standard, and to have all employees treat one another with respect for individual dignity and rights having information on personal profile of the employees only as required for work performance and by law gathered and kept in confidence, which may be allowed for disclosure only when required by the persons with lawful rights to access such information.

The Company sets a policy to promote learning and potential development of employees of all levels so that they have progress in their career path on an equitable and non-discriminatory basis as appropriate.

In addition, the Company sets guidelines for arranging work environment that is safe, sanitary and conducive to efficient and effective work performance. Each employee shall be responsible for and render support to the colleagues and the organizations in his/her work performance, and not behave in a way that will cause deterioration of the work environment.

5. Customer relations

The Company sets a policy to create long-term relationship and cooperation with the customers, with adherence to principles of integrity, trust and reliability among one another, and most importantly, customers' maximum satisfaction in their use of products and/or services of the Company with due care and responsibility, and awareness of customers' demand and problems as the first

priority. Executives and staff shall:

- 5.1 Adhere to offer and deliver products and services that are of standard quality and meet customers' demand.
- 5.2 Comply with all conditions agreed upon with the customers to the best of their ability.
- 5.3 Offer fair and equitable price and conditions to and among customers in the same group.
- 5.4 Give the customers true and correct information regarding features and quality of products and services to ensure confidence among and fairness to the customers.
- 5.5 Be prepared to answer the questions of the customers, and handle the customers' complaints and suggestions, as well as follow up the progress of all such issues.

6. Business partner relations

The Company sets a policy to create good relationship with its business partners by giving equitable opportunity for all business partners to introduce or offer their products / services, and all executives and staff to transact with business partners with integrity and on equitable term, and consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account; as well as safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.

7. Conflict of interest

The Company expects all executives and staff to make business decision by taking into consideration the maximum benefits of the Company and those of the Company's customers, without being influenced by personal reasons or those of family members to deviate from the above principle, or falling in the purview of matters of personal interests that are in conflict with those of the Company and the customers, thereby

- 7.1 Executives and staff shall not perform in a way to seek benefits or to take over assets that are or should have been under ownership of the Company or the customers.
- 7.2 Executives and staff should avoid inducing any situation or having personal activity and having financial benefits that may conflict with the duty and function in their engagement.
- 7.3 Executives and staff should not participate in making decision on the matters from which their positions and duties and responsibilities can contribute directly or indirectly to making benefits to such executives and staff or to their family members and relatives or to any outside parties.
- 7.4 The Company shall avoid delegating duties and responsibilities to executives and staff in case that may lead to conflict of interest with the Company or contradict the interests of the customers of the Company.
- 7.5 In the event where executives and staff participate in any outside activity or hold position outside the organization, such as being directors, advisors, representatives or employees of the entities outside the organization, such activity must cause no conflict of interest with the Company and the customers of the Company, either directly or indirectly, no damage to the Company, and no impact on the performance of duties of such persons.

7.6 Executives and staff are prohibited from participating in or taking any position in the organization engaging in the business of the same nature as the Company and the business in competition with that of the Company and companies in the Group or the business that may have conflict of interest with the Company.

8. Confidentiality

The Company shall have commitment in and responsibility for safeguarding confidentiality of the customers and business partners as regards information on transactions between customers or business partners of the Company, including personal data received from customers and/or business partners. Use of such information shall accord with the Company's normal business objectives. No confidential information shall be used for personal interests of any person. Executives and staff shall have the duty to safeguard confidentiality of the information of the customers and/or business partners. Consideration with due prudence shall always be made when such information is going to be used. Safeguarding of confidentiality of the information of customers and/or business partners shall remain the duty of executives and staff even after the end of their employment with the Company.

9. Misuse of information

The Company sets a policy for executives and staff to have duty to control, monitor and maintain all information inside the organization relating to the Company and the business of the Company in strict confidence. Executives and staff shall not use such information they may have obtained during their performance of duties to seek interests, either directly or indirectly, for themselves, their family members, their relatives or any other persons, without prior consent from the Company. The responsibility for no misuse of information shall be binding on them during their employment and after the end of their employment with the Company for a period of time as prescribed. Disclosure of information to external parties shall be under monitoring and responsibility of the supervisors and top executives.

10. Insider trading of stocks

The company recognizes the importance of inside information, which is a significant factor to decision making of investors, whether it is information on operational performance, business expansion plan, or other information related to the Company. There may be any person who has access to and uses inside information for the benefit of trading of the Company stock while such information has not yet been disclosed to the Stock Exchange of Thailand (SET) and the public. The Company has thus set a policy prohibiting any use of inside information not yet disclosed to the SET and the public for the benefit of trading of the Company stock, including:

- 10.1 Executives and staff shall strictly perform in compliance with the Securities and Exchange (SEC) Act B.E. 2535 (1992), rules and regulations of the Office of the SEC, the SEC, the SET and rules and regulations of other relevant agencies.
- 10.2 Use of inside information that is of material essence and may impact the Company's stock price and has not yet been disclosed to the public for the benefits either of oneself or others shall be regarded as an offense against the law and the work regulations of the Company.
- 10.3 Executives and staff as well as their family members shall not trade the Company stock during the time of their possession of inside information that has not yet been disclosed to the public in general.

10.4 Executives and staff shall not disclose to any uninvolved persons the inside information that is of material essence and that may affect the Company's stock price.

11. Bribery and incentive

The Company sets a policy prohibiting executives and staff from receiving or calling for any bribe or incentives in whatsoever form and from assigning any person to do the same on his/her behalf that will lead to business advantage, privileges or financial benefits, as well as from offering bribe either directly or indirectly to government officials or politicians or any other person to induce them to commit any act that will benefit the Company in a way that contradicts the code of ethics, rule of law or moral principles.

12. Gift, reward and entertainment offer

The Company has instituted no policy for executives and staff to receive any gift, reward or entertainment offered by business partners or prospective business partners of the Company in a manner beyond the normal gesture of compliment in business operations. Executives and staff who receive gift, reward or entertainment shall give explanation on their proper reasons for the receipt thereof including detailed information thereon, and report the matter for the supervisor's acknowledgment. The gift or reward so received shall also be sent to be kept to relevant work unit for further management.

13. Monitoring and review of compliance with code of ethics

Internal Audit Department of the Company shall be in charge of monitoring and ensuring compliance with code of ethics and reporting result thereof to Audit Committee, as well as recording or keeping all information on any acts conducted in violation to or in breach of this code of ethics. All executives and staff shall be duty-bound to give cooperation in ensuring and providing correct and complete information to Internal Audit Department.

The Company expects all its executives and staff to take part in the responsibility for monitoring the compliance with this code of ethics, as any contradicting act to this code of ethics shall be deemed disciplinary offense as prescribed in the work regulations, and may be deemed legal offense, which will impair and do damage to the good values of the organization, which will in turn cause damage to the organization both short term and long term. Executives and staff thus have duty to forthwith report to Internal Audit Department or supervisors or top executives when seeing or learning about any acts that are seen as violation or suspicious of violation to this code of ethics.

14. Penalty

The Company shall take penal action against the employees who breach this code of ethics, thereby the supervisor in the supervision line is authorized to consider such offense and take penal action against such employee who has been in misconduct or in breach of this code of ethics. The consideration of penal action shall be made based on the nature and the severity of the offense on a case by case basis. Such penal action is classified as below:

- Verbal warning
- Written warning
- Employment suspension without pay
- Employment termination, removal or dismissal

Internal Control



The audit committee of Millcon steel Plc. (Mill) assessed the adequacy of the internal control system of the Company based on the Internal Control Assessment Form prescribed by the Securities and Exchange Commission with enquiries of data made with the management in charge of the following five areas:

Organization and environment

- The Board has monitored and supervised the determination of operational targets, covering short-term, medium-term and long-term, and setting of annual budget, with follow-up of results made from time to time, and having operational plan reviewed and revised during implementation to suit the circumstances at the moment as appropriate. Such issues are submitted to the Board for approval.
- The Board has considered setting of operational targets prudently and with review made to ensure the targets can be achieved and also analysis undertaken on the reasonableness of incentive or compensation scheme for the employees.
- The Company has mapped out clear organization structure with administration classified into two sections, one at the managing section and the operating plants section, which will facilitate and contribute to the efficient management of the management team.
- The Company has worked out ethical criteria and procedure, covering prohibition of the management and employees from performing in a way that may cause conflict of interest with the Company and the business partners of the Company, and clear determination of penal provisions in case of violation.
- The Company has instituted written work policy and procedure regarding financial transactions, procurement and general administration on a prudent basis in order to fend off any fraud. Procurement manual worked out has been consistent with such quality standard certification as ISO 9001: 2008 and 14001: 20004. Regarding financial and administrative operations, flow chart and delegation of approval authority with clearly set approval amount are put in place. The Company has also developed its IT system consistently for use to control and prevent fraud.

- To determine operational policy and plan, the Company has taken into account fairness to business partners for mutual benefits in the long run, which are prescribed as code of ethics for the management and employees.

Risk management

- The Company has established Risk Management Committee to review risk management system and assess the effectiveness thereof at least once a year and every time when a change of risk level has been found. It also gives importance to the institution of any alert signal and identification of risk events.
- Risk Management Committee will analyze and report progress of risk profile and risk management guidelines to Audit Committee within the specified time for the maximum benefit of the Company.
- Risk Management Committee has set measures for risk control effectiveness assessment in various perspectives and worked out risk mitigation methodology to prevent loss to the organization.
- Risk Management Committee has formulated annual risk management plan and follow up implementation thereof, together with reporting relevant progress to Audit Committee.

Oversight of management

- The Company has segregated duties and responsibilities concerning (1) approval, (2) recording book items and information memorandum, (3) safekeeping of assets with clear classification and work flow of operational procedure.
- The Company has drawn up measures and procedures for related party transactions and set as a policy on conflict of interest integrated as part of code of ethics for executives and staff. Internal Audit Department is assigned to conduct the audit work and report directly and consistently to Audit Committee. Persons with beneficial interest are prohibited from participating in consideration and approval of transactions that may have conflict of interest. In making decision to approve any transactions, the Company mainly brings into account long-term maximum benefits. Transactions with possible conflict of interest shall be reported for Audit Committee's acknowledgment or comments, as the case may be.
- The Company has monitored compliance with contracts or agreements in transactions with related parties that are in a manner with long-term binding and continued commitment of contractual clauses. It is evident that the Company has never been faced with any bad debt problem so far. In this regard, measures on making transactions have been set forth and integrated in the code of ethics for executives and staff.
- The Company has regularly monitored the business operations of subsidiary companies in case of having investments in subsidiary companies thereby representative directors will be appointed as authorized directors of such subsidiary companies.
- The Company has measures in place to ensure compliance with the relevant laws as risk mitigation in its operations. It has engaged external legal advisor with specialized expertise to assist in the review of documents and give advice on various areas of operations. It also had engaged Internal Audit Service of specialize and non-related/beneficial person in charge of examining compliance with relevant rules, regulations, criteria and laws.
- The Company has no past records of performance in breach of the law and has duly instituted preventive and remedy measures.

Information and communications infrastructure

- For each Board meeting, Board Secretary and the management have made available before the meeting information and documents as well as details of the businesses on the agenda so that Board members can study in advance and use such resources to support decision making. Any additional information thereafter (if any) will be sent to them before the meeting or provided on the meeting date.
- The Company has sent Board meeting invitation notice and minutes of the previous Board meeting together documents for the businesses on the agenda to the Board members for them to study averagely at least seven days before the meeting.
- The Company has prepared minutes of the meeting which include material information of the businesses tabled at the meeting together with recommendations, suggestions, remarks and objection (if any) raised at the meeting, and have the following Board meeting certify such minutes of the previous meeting. The Chairman have allowed Board members to independently propose amendment or addition to such minutes.
- The Company has made available specific place at Office of the Chairman, Head Office, for safekeeping documents relating to book recording and other accounts in an orderly manner. No remark of deficiency in safekeeping of documents has been made by the Auditor so far.
- The Company has adopted accounting policy in accordance with the generally accepted accounting principles under the monitoring and examination by external Auditor that is certified public accountant, without using any policy that allows for exhibition of deviated operating performance.

Follow-up and monitoring system

- The management has reported operating results to Executive Committee and Board of Directors on a quarterly basis. The Company has prepared annual budget plan for the following year operations and also for use as criteria in performance evaluation and gap analysis report systematically to Executive Committee.
- The Company has made available executive management meeting every month to track operational performance and compare it with the targets set forth in form of KPI (Key Performance Indicator), as well as to discuss rectification guidelines in case there remain gaps compared with the targets. Structure Committee has also been appointed to support operations vis-à-vis the targets with focus on development of operational work systems in order to control production cost under the budget.
- The Company has made available audit of performance in compliance with the internal control system on a regular basis. Internal Audit Department is in charge of working out annual audit plan covering finance, operations and compliance with relevant laws, rules and regulations to assess efficiency and effectiveness, as well as audit of compliance with the internal control system in place. Internal Audit Department has been assigned to making audit result report and audit progress report directly to Audit Committee on a quarterly basis. For 2013, there have been no findings of any material irregularities. However, to prevent any future deficiencies, Internal Audit Department has examined and followed up work performance of each work unit regularly.

- The Company has a policy for its management to forthwith report to the Board of Directors in case of finding of or suspicion of fraud event, violation to the law and any other irregularities, which may tarnish the reputation and the financial status of the Company.

After the assessment, the Board has viewed that, under the current circumstances, the Company has put in place the internal control system that is adequate and consistent with the Internal Control Assessment Form of the Office of the SEC, especially on the part of internal control relating to transactions with major shareholders, directors, executives and related persons thereof (as per clause 3.3 to clause 3.7 of the Internal Control Assessment Form). The Company has instituted the rigorous internal control system and appointed Internal Audit Department to take charge of reporting audit result to Audit Committee. Independent internal auditor has also been engaged from outside to survey and assess the internal control system of the Company.

The Securities and Exchange Commission Office has issued the letter No. Gor.Chor.. 2694/2556 on August 8, 2013 to have Special Audit for the Company on the suspicious point of the management relating to the commercial with compliances companies who are individuals or entities that has relationship with the Company as relatives of the management or ex-employees and the point of decreasing business part in subsidiary named Million Miles Co., Ltd. (Million miles), therefore the meeting of the audit committee No. 8/2013 on August 9, 2013 has considered the proposal and the qualification of a special auditor and has a unanimously to appoint KPMG Co., Ltd. as the special auditor. Later, KPMG has proposed the audited report to the DEC office on October 31, 2013 which SEC has considered the report and the explanation of director and management of the Company, the SEC then has issued the letter No. Gorlortor Porsor 2559/2014 on October 14, 2014 for additional explanation and invited Ms. Kamolwan Chunhakasikarn, an executive director of KPMG, to attend such meeting to prescribe the commercial process and the price fixing having the details as follows:-

The process of product purchase

Every purchasing shall be approved by the authority about pricing, quantity and seller. The consideration of purchasing have to be meet with the demand in the best advantageous way to the Company, in addition, the Company also thought about quality, due date of delivery and condition of payment. Furthermore, the Company also has purchasing policy to compare at least 3 sellers, except the special products that the Company could not find more than 1 distributor.

The Fixing Price

In the present, the Company has considered and approved the selling price by the board of sale division in cooperation with the chief executive director as a signer every month under the market price standard. The main reason of selling the products under the market price may be from many factors such as the transportation, the demand from the purchaser and the condition of payment.

Moreover, it can be seen from the report that there are many internal weakness points such as no clear policy on the amount of financial credit, condition and method of payment, no documents and evidence of customers' financial status and ability of payment and no method of fixing financial amount or

condition of purchasing order including with no clear method of pre-order and delivery which found that the Company sometimes delivery the products incorrectly for more than 2 years from the date of ordering that led to risk of management and it can be indirect way of supporting customer that has relationship as relative or other kinds with related person or company. The board, therefore, would like the Company set the solution way to improve the method of internal control and having check and balance system to prevent any risk transaction to the Company.

Presently, the Company has already improved the internal control and the meeting of the board of audit committee No. 10/2014 on 29 October 2013 has appointed internal auditor from I.A.P Plus Co., Ltd. for internal inspection in main systems of the Company. The internal inspector shall report such inspection in each system to the board of audit committee and shall report to the management division for their further improvement which such step of improvement shall be reported to the board of audit committee periodically. Furthermore, the meeting of the board of audit committee No. 2/2014 on 15 May 2014 has resolution to hire Pornsirin Service Group Co., Ltd. (name has been changed to SPG Internal Audit Co., Ltd. presently) to provide manual of trading system of the Company, including with purchasing and selling policy, process of internal control and controlling system on documentary relating on purchasing and selling which able to prevent any risk situation of the Company.

As from the resolution of the board of audit committee No. 1/2015 on February 12, 2015 to hire KPMG to verify trading policy prepared by Pornsirin Co., Ltd. for more efficiency of the preparation Company's manual on trading operation, policy, step of operation and process of internal control.



Corporate and Social Responsibility

Operation with fairness and anti-corruption

The Company has set the policies, business ethics and related guidelines for the fairness business operation and for anti-corruption which will be disseminated for understanding, including specifying the guidelines to all employee levels starting from orientation of new employees and/or the conference of each division. The dissemination has been done on website for all stakeholders at www.millconsteel.com, also provide stakeholders the various channels to complain to the group company if saw any unfair treats or corruption i.e. complaint box, telephone, e-mail, Company website, letter and other channels. The received complaints will be gathered and transferred to related division for consideration and resolve them respectively.

The operations affecting to social responsibility

The Company is emphasize on enhancing the quality of life of the community along with an environmental conservation and always has responsibility to social. Regardless with any factors from inbound or outbound, the Company still carries on the business with awareness of unstable situations in order to move forward steadily by upholding good governance principles for the extremely advantages to the Company and shareholders.



Principle and way to accomplish the Company goals in social responsibility management

1. To operate with integrity and concerning on common interest and nation, including comply with regulations and rules relating to the business operating.
2. To uphold the principle of equality in each group relationship among internal employees, customers, partners, shareholders, investors, government sectors, other private sectors as well as nearby community and society.
3. To have equality practice to employees, maintain the confidential, enhance the acquisition of knowledge and potentiality of all employees level in order to provide opportunities for better career and provide safety and sanitary in working surrounded.
4. To have the operation in reducing the environmental impacts and concerning on developing the quality of life and preserve the surrounding environment.
5. To support the fair operation by not using unfair competition methods or conflict with business morality in order to take advantage from competitors.
6. To maintain standardize of propose, transfer products and services to meet customer's requirements.
7. To support the participation between the Company and community including participating in continue development of community as appropriated i.e. education, culture, and public health and Job creation.

Activities to social and environment

Good management is the key factor to the business. Thinking of the business eternity, paying attention to social, community, customers and environmental shall be kept in mind which help the Company able to run the business along with society and community in the future. Besides the global standardize (ISO 2600 : Social Responsibility), we have an intention to have activities for benefit society with the continued projects and new projects emphasizing on quality of life, spirit and coordinate from all relating parts, including being a supporter and participator on public event.

Education and development Activities

Creative activities for children with Millcon Group has encouraged Thai children grow up efficiently for the nation by preparing them to be ready to learn and growth, therefore they shall be getting ready for the growth of Physical Emotional, psychological, society, morality and intelligence through any activities supported by the Company.



Source : Children day



Source : The project for teenagers

The project for teenagers, the Company has participated as an advisor for the future educational of teenagers. We are supporting teenagers to study in subject what they are interest and aptitude, furthermore, we are also supporting them to make a good relationship with other and society which is an important point that has been specified as fundamental of morality 8 factors i.e. Economy, honesty, diligence, discipline, unity, clean, polite and thoughtful in order to develop them to be a good personal for the community.

To Inherit the religious, culture and traditional

Millcon group has set the activities to inherit religious, culture and traditional and being a part to preserve Buddhism flourished, disseminating doctrine to employees which the intention to develop their personal working style.



The project of supporting the religion in 2014 of Millcon Group, we offered our steel product to Sakpukgood Temple, Nikompattana sub-district, Rayong province for construction of the new community monk's cell instead of the former cell that has been fired. The following picture shows the sheriff and the community leader was attending the open ceremony of the label.

Source : The project of supporting the religion

The project of supporting the religion, the Company and employees has help to renovate the pavilion for monks' activities and also other zones in the temple in order to support people who come for making merit at Bangkradi Temple, Bangkradi Road, Samaedum District, Bangkhuntiean Sub-District, Bangkok Metropolis



The project to support Thai culture in Songkran day



Songkran day is Thai New Year, the Company therefore would like to continue this culture by having the activity of splashing water to elderly who leave in the community for making good relationship between them and our Company.

Environmental Conservation

The project of planting mangroves and creating green zone for Rayong Province

Since mangroves are the significant source for forestry, fishery and environmental preservation, the Company then would like to expand green zone for increasing the world oxygen and to support both in government and private project to increase the numbers of trees in an area that has been ruined from discontinued mining, shrimp farm or farm. Additionally, mangroves can be well growth in the coastal land area.



Related Transactions



Nature of Relationship

The Company has related transactions with related party which might have conflict of interest. The transactions occur, which the transactions with shareholders and/or directors of the Company and related party which might have conflict of interest who are shareholders and/or directors of the Company which are summarize nature relation as follow as:

Related party which might have Conflict of Interest	Nature of Relationship
Mr. Somphop Leeswadtrakul	Mr. Sittichai Leeswadtrakul's father who is major shareholders and Board of Director of Millcon Steel PCL.
Mr. Sittichai Leeswadtrakul	Major shareholders and Board of Director of Millcon Steel PCL. and Ms. Suttirat Leeswadtrakul's brother
Ms. Suttirat Leeswadtrakul	Mr. Sittichai Leeswadtrakul's sister who is major shareholders and Board of Director of Millcon Steel PCL.

Nature of related transactions

In 2014, The Company has related transactions which the Company summarize nature and amount of the related transaction as follow as

- Guarantee loan from financial institutions/Creditors

Millcon Steel PCL.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2013	As of Dec 31, 2014	
<ul style="list-style-type: none"> • Mr. Somphop Leeswadtrakul • Mr. Sittichai Leeswadtrakul 	Guarantee Long- term loans in domestic	88.42	54.82	The transaction is beneficial to the Company. As the Company will has long-term capital for support the Company's business.
<ul style="list-style-type: none"> • Mr. Somphop Leeswadtrakul • Mr. Sittichai Leeswadtrakul 	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	4,208.69	6,434.97	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business.

Millcon Burapa Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million)		Opinion and Conditions
		As of Dec 31, 2013	As of Dec 31, 2014	
<ul style="list-style-type: none"> • Mr. Somphop Leeswadtrakul • Mr. Sittichai Leeswadtrakul • Millcon Steel PCL. 	Guarantee Overdraft	-	-	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business.
<ul style="list-style-type: none"> • Mr. Somphop Leeswadtrakul • Mr. Sittichai Leeswadtrakul 	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	2,488.44	1,951.87	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business.
<ul style="list-style-type: none"> • Mr. Somphop Leeswadtrakul • Mr. Sittichai Leeswadtrakul • Millcon Steel PCL. 	Guarantee Long- term loans domestic	1,463.10	1,184.41	The transaction is beneficial to the Company. As the Company will has working capital for Green Mill Project.

The opinion of audit committee;

A consideration of the list as above did by the administrator who is a major shareholder. The audit committee has checked list as above and saw that it necessary and reasonable because of the condition of Commercial Bank loan and loan creditor use it for business that will make benefits for the company and subsidiaries without any fee of loan insure.

Measure or procedure of the approval related transacctions.

Nowadays, procedure of the approval related party transactions of the company must ensue compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand by the committee or a person who might have conflict of interate or might have conflict of interest in any benefit with the company or subsidiaries, they will not have the right to vote for the approval consideration in any related transactions

Related transactions policy

The company policy for the approval related transactions, generally classify follow these.

- General business account and General Business support account with general merchandise condition such as purchasing or distribute products and service etc. The company has determined the related transaction policy to any conditions follow a general merchandise character in the price market that could compared with the price happening to outside person and must practice follow the agreement contract by strictly including price determined and other conditions with clearly, fairness and do not cause to transfer any benefits. So that, the internal audit will check the information and do the report to the audit committee to consider and comments for the appropriate of the price and a reasonable of every three months.
- General business account and General Business support account without general merchandise condition and other related transaction. The company has a policy for the audit committee to consider and comments about a reasonable and a necessary of a transaction before do it and must practice to ensue compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand including practicing follow the regulation of the information disclose involving and received or distribute a very important asset of the company or subsidiaries (if have), Related transactions such as a transaction involved the asset or other services such as assets' rented or rental and acquisition or sale of asset ect., and a transaction for received or given a financial fund such as loan, guarantee and using asset as a guarantee ect. In case of the audit committee have no expertise in a consideration related transactions; the company will hire a freelance expert to comments related transactions to consist of a decision of the committee or a shareholder depends on the case and the company will disclose related transactions in the remarkable with financial budget which pass the check by the company accounting audit including Form 56-1 and annual report. So that, a person who might have conflict of interate or gain or loss any related transactions will not have the right to vote in related transaction.

So that, related transaction may happen in the future, the committee must practice follow the regulations that determined and the committee must not approve any transaction which themselves or a person who might have a conflict of interest in other character with the company and must disclose the above transaction to the company committee for a consideration.

Transactions between the Company and its subsidiaries, subsidiaries and subsidiaries, Company and related companies and subsidiaries and related companies. Transactions with business alliances, Transactions between the Millcon Burapa Co., Ltd. and business alliances

In 2014, the Company had transactions with its subsidiaries and related companies at the same conditions and prices as it had with any third party. Details on December 31, 2014 are as followings.

1) Transactions between the Company and its subsidiaries

Transactions	Millcon Burapa Co., Ltd. Amount (Baht)	Zentra-Wartung Engineering Co., Ltd. Amount (Baht)	Millcon (HK) Limited Amount (Baht)	Millcon Special Steel Co., Ltd. Amount (Baht)	Amount (Baht)
1. Revenues					
1.1 Sales of goods and services	49,169,557	15,417,485	-	-	-
2. Expenses					
2.1 Purchase of goods	1,480,513,592	11,607,621	-	-	-
2.2 Rental expenses of factory buildings and machine	23,012,880	-	-	-	-
3. Outstanding balances arising from purchases and sale of goods and services					
3.1 Account Receivable	87,171,574	16,850,587	-	-	-
3.2 Short-term loans	-	-	879,440,059	-	-
3.3 Advance payment	2,040,453,665	10,092,100	-	3,328,517	285,708
3.4 Other current assets	76,055,237	-	-	-	-
3.5 Account payable	-	2,357,526	-	-	-

2) Transactions between the company and related companies

Transaction	Suntech metal co., Ltd. Amount (Baht)	Million Miles co., Ltd. Amount (Baht)	RSP Steel Co., Ltd. Amount (Baht)	GENERAL ENGINEERING plc. Amount (Baht)
1. Revenues				
1.1 Sale of goods and Services.	103,755,475	68,600	334,025,191	56,749,224
1.2 Rental Income	-	48,000	-	-
2. Expenses				
2.1 Purchase of goods.	9,518,960	79,065,651	4,270,104	-
2.2 Office Rent	-	-	561,792	-

2) Transactions between the company and related companies (Con)

Transaction	Suntech metal co., Ltd. Amount (Baht)	Million Miles co., Ltd. Amount (Baht)	RSP Steel Co., Ltd. Amount (Baht)	GENERAL ENGINEERING plc. Amount (Baht)
3. Outstanding balance arising from purchases and sale of goods and services.				
3.1 Account Receivable	-	-	45,600,103	8,108,660
3.2 Account Payable	5,383,406	-	125,693	-
3.3 Others current liabilities	-	3,689,535	-	-

3) Transactions between the Millcon Burapa Co., Ltd. and related companies.

Transaction	Suntech metal co., Ltd. Amount (Baht)	Million Miles co., Ltd. Amount (Baht)	RSP Steel Co., Ltd. Amount (Baht)	GENERAL ENGINEERING plc. Amount (Baht)
1. Revenues				
1.1 Sale of Good and Service	-	-	-	3,566,902
1.2 Rental Income	-	1,920,000	-	-
2. Expenses				
2.1 Purchase of goods	236,131,543	16,303,312	-	-
3. Outstanding balance arising from purchases and sale of goods and services				
3.1 Account Receivables	-	-	-	3,332,952
3.2 Dividend Income - Receivables	-	-	-	8,250,000
3.3 Guarantees	-	1,280,000	-	-
3.4 Advance	-	36,000	-	-
3.5 Account Payables	83,324,786	132,132	-	2,651,161
3.6 Other Payables	-	-	-	1,003,946
3.7 Deferred Revenue from Rental Fee	-	11,520,000	-	-
3.8 Finance Lease Liabilities	-	8,916,226	-	-

4) Transactions with business alliances

Transactions	Insight Steel Co., Ltd (Million Baht)	Simba Inter Co., Ltd (Million Baht)	Triple O Trading Co., Ltd. (Million Baht)	Jaras- rungsroj Co., Ltd. (Million Baht)	Deesinchai Steel Co., Ltd. (Million Baht)	Platinum Auto Services Co., Ltd. (Million Baht)
1. Sales of goods	1,715.36	-	-	144.05	-	-
2. Purchase of goods and services						
2.1 Purchase of goods	30.55	-	-	-	11.27	-
2.2 Purchase of services	-	-	-	-	-	4.15
3. Outstanding balances arising from purchases and sales of goods and Services						
3.1 Accounts receivable	370.68	-	-	25.07	-	-
3.2 Other assets (deposit for rental cars)	-	-	-	-	-	1.23
3.3 Other current liabilities (accrued expenses)	-	-	-	-	1.05	0.34

5) Transactions between the Millcon Burapa Co., Ltd. and business alliances

Transactions	Platinum Auto Services Co., Ltd. (Million Baht)
1. Purchase of services	3.26
2. Other assets (deposit for rental cars)	2.64
3. Other current liabilities (accrued expenses)	1.83

Pricing Condition and Policy

The above related party transactions were executed between MILL and its subsidiaries and related companies, using the trading policy that was based on market mechanism.

Necessity and Reasonableness of Related Party Transactions

The said related party transactions were entered into under the usual course of business between MILL and its subsidiaries and related companies and were subject to the similar terms and conditions for non-related party transactions. That is, in executing the transactions on raw material procurement, the Company was confident in quality and consistency of raw material supply, while the transactions on product selling were a means of broadening the Company's distribution channels.

Measure or Procedure for Approval of Related Party Transactions

The individual member companies of MILLCON Group have clearly defined rules on delegation of approval authority for entering into related party transactions. Under the rules, the transactions are subject to approval from the president or board of directors of each subsidiary or from the Executive Committee Chairman or the management or the Board of Directors of the Company within the specified approval limits and under an adequate internal control system that could prevent frauds. Such approval authority is regularly reviewed to ensure smoothness and flexibility in the business operation.

If there are any future transactions that may involve a conflict of interest, the Company will strictly abide by all measures and procedures under the notifications and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, in relation to the seeking of approval from the Board of Directors and/or the shareholders of the Company under recommendation from the Audit Committee. The director/s and executive/s who has/have a conflict of interest is/are not entitled to participate in the meeting or must abstain from voting to ensure that a decision is made with fairness by the Board of Directors and the management.



Discussion and Analysis of Financial Position and Operating Results

Thailand's economic situations in the first half year 2014 has received the pressure from the domestic political situations affected the consumption and the private investment are in a recession consist of the exporting still have unclear recovering signal, make a decelerate in the first half of the year when compared with the same period in the past year and compared with the second half of the year is a reverse image. Due to the solutions in the politics problems and the attempt to solved the economic crisis of NCPO for 2 months ago help public and business sector gain more confidence, including the exporting which has more extended in the first half year and the tourism became popular again in the end of this year that push the economic recovered in the second half of the year by the three positive supporting factors which drive the government sector's expense, consume and investment of private sector especially, a continuing expense of the government sector has a better recovery respectively.

However, the overall of Thailand industry in year 2015 expect for the better extension from a recover trending of economic and a world tracing's quantity. The investment recovery, a normality adjustment of the automobile industry and a decreasing of fuel price in the world market, expecting that in 2015, GDP of these industries will extend for 2-3 percentages and the production industry's index will extend 3-4 percentages.

Operating Performance – Consolidated Financial Statements

Revenues from sales and services

Revenues from sale and service of the company was 10,368.65 million baht, decreasing from the last year 3,442.74 million baht or 24.93 percentage, as the quantity of sale has decreased 26.34 percentage compared with the last year. According to a market's recession resulted to the demand of iron was lower and the price trend was lower, also the decelerate of economy due to the politic problem since early of the year reflected to the slowdown of domestic market, especially, a real estate problem. Iron situation in year 2015, the very important key to drive the business has a higher demand such as a plant structure's investment of the government and private sector.

The company's group has other income since year 2012-2014 were 144 million, 92 million and 121 million baht respectively; a proportion were 0.86, 0.66 and 1.16 percentages of the gross income as respectively. Nowadays, a significant changed is a profit from foreign exchange rate is 62 million baht, the interest income is 7 million baht, a profit from investment distribution is 17 million baht, a rental income is 2 million baht and miscellaneous income is 33 million baht.

A core income structure of the company has separate by the type of products in 3 years as shown in the table.

(Value: Million)

Products	Year 2014			Year 2013			Year 2012		
	Quantity (Ton)	Value	%	Quantity (Ton)	Value	%	Quantity (Ton)	Value	%
Steel Bar	377,408	7,520	72.52	436,369	8,755	63.40	386,890	8,426	51.20
Structural Steel	18,710	449	4.33	67,417	1,553	11.24	58,323	1,432	8.70
Billet	124,452	2,259	21.79	136,861	2,441	17.68	106,986	2,124	12.91
Raw Material	3,167	56	0.54	53,425	902	6.53	230,991	4,097	24.89
Other	3,118	8	0.08	4,062	46	0.33	504	10	0.06
Total	526,855	10,292	99.26	698,134	13,697	99.18	783,694	16,089	97.76
Revenues from services	672	77	0.74	18,045	114	0.82	55,699	368	2.24
Grand Total	527,527	10,369	100.00	716,179	13,811	100.00	839,393	16,457	100.00

From the above table, found that a proportion of the income structure in year 2014 has a decreased of the growing up rate compared with the last year that we can see from a proceeds sale, considered only year 2014 with the quantity was 526,855 tons, the value was 10,292 million baht compared with year 2013 and year 2012 found that the quantity of sale has decreased 25 and 33 percentages respectively and the value rate decreased 25 and 36 percentage respectively. This year (2014) the products which the production and distribution's company have a highest circulation is round bar and deformed bars steel, sale value in year 2012-2014 were 8,426 million baht, 8,755 million baht and 7,520 million baht respectively. The second is a Billet with the quantity of circulation was 124,452 tons with the value of 2,259 million baht. Structural products has decreased a circulation effected from the increasing of a market share in year 2012-2014, a value was 1,432, 1553 and 449 million baht respectively, and in year 2014, the group company has a Billet production service that a hire quantity is 672 tons, a value is 77 million baht to encourage more income through the company. Although a circulation income for year 2014 has decreasing compared with the last year because of decelerate of economic due to Thailand's politic problem's solving in the first half year. The company group still plan to gain more circulation and adjust the market's strategy into each situation that always changed, to gain more circulation and to make a higher benefit in the future.

Revenues from sales from a regional distribution as follows:

(Value: Million)

Revenues from sales of MILL Group	Year 2014		Year 2013		Year 2012	
	Million	%	Million	%	Million	%
Domestic	9,781	94	13,111	95	15,131	92
International	588	6	700	5	1,326	8
Total	10,369	100	13,811	100	16,457	100

In year 2012-2014, a circulation from a regional distribution of the company almost came from domestic distribution that a proportion of incomes from domestic distribution per gross circulation income were 92, 95 and 94 percentages respectively. But still extend business to the international market by continuing that has shown the company's international circulation which has a proportion of the income were 8,5 and 6 respectively. In additional, a proportion of the international circulation in year 2014 has decreased as the resulted from a decelerate of World economic 2014 , all products of the company exported to Australia, New Zealand, Myanmar, Hongkong and Taiwan.

Cost of sales

In year 2012-2014, the company has a cost of sales were 15,439, 12,855 and 9,953 million baht respectively, a proportion of cost of sales per sales income continue decreasing from year 2012 was 93.81, 93.07 and 95.99 percentages respectively. In additional, in year 2014, the increasing proportion has a result from a higher material both in the domestic and international. In case of a material importing from other country as the resulted of value of the Baht decrease, the factory cost was higher such as fuel and utilities cost has increasing in everyday with more competitors.

However, management team has determined the future policy to reduce a production cost as seriously and continuing whether the international quality standard such as the employee efficiency supporting and etc. or all things that can reduce the cost with the attention to operate it by the efficiency measure and the quality of management.

Selling expense and management

Selling expense and management of the company group in year 2012-2014 were 428, 407 and 552 million baht respectively, the proportion were 2.57, 2.92 and 5.26 percentages of gross income respectively. There found that a proportion in year 2014 was increasing compared with the last year cause a main expense such as losing from a value of baht in common stock purchasing of TSSI was 220 million baht, lose from the allowance for doubtful accounts effected from economic recession was 40 million baht and the expense to break a production process was 133 million baht that the first half year has a machinery quality adjustment and examined a special grade of the products.



Profit (lose) net

The company group gained a Net profit after taxation since year 2012-2014 were 143, 114 and 1,003 million baht respectively, the net profit rate per gross income were 0.86, 0.82 and 9.56 respectively. The decreasing of net profit proportion rate in year 2014 due to the allowance value of inventory, that has a lower price than inventory cost and the decreasing of a market price caused the delay in the government sector's investment and the pressure from sale price differentiation and material price from a reducing of ready-mad products.

Financial statement

Total assets

The company group has continued extending double of the assets since 31st December of year 2012-2014 with total assets were 13,892, 13,858 and 16,487 million baht respectively. In addition, in year 2014 has a proportion of total assets increasing 18.97 percentages compared with year 2013 by separate as a current assets increased 2,127 million baht with 32.63 percentages as the resulted from the assets for sales received from Assets Auction consist of land, building and machinery received from assets auction of some company in Thailand from Legal Execution Department, the purpose is to bring these assets for sale to subsidiary company in the nearly future. Non-current assets has increased from the last year with the value 501 million baht as 6.82 percentages as the resulted from the value record acknowledgement of Green Mill with more successful proportion and the investment with Wisdom Tree Investment (s) PTE.Limited that setting for the international investment, the company hold the stock for 45 percentages.

Account receivable and notes receivable

In 31st December of year 2012-2014, the company group has account receivable and notes receivable balance were 3,030, 2,017 and 1,466 million baht respectively. Account receivable and notes receivable in year 2014 has decreased proportion value was 551 million baht, almost of the debtors are the not due yet caused the company has more efficiency in debtor management, also give more credit for customers who have contact for a long time that have lots of order and they have a good payment record, this is a marketing strategy to attracted a customer and to stimulated a circulation in a high competition state and strongly. However, the company has considered, planning and control the credit for each customer by concisely to protect from any risk may caused a bad dept. Outstanding dept, the company has followed up and rush to clear the dept in every step to protect the company's benefits.

Trade accounts and notes receivable can be age since year 2012-2014 as follows:

	Financial Statement					
	Year 2014		Year 2013		Year 2012	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Not yet due	1,353,222,035	89.78%	1,796,823,122	88.59%	2,124,507,238	70.08%
Overdue not exceeding 3 months	68,270,668	4.53%	123,868,727	6.11%	737,248,633	24.32%
Overdue 3 to 6 months	62,483,700	4.15%	76,899,398	3.79%	136,534,824	4.50%
Overdue 6 to 12 months	938,513	0.06%	8,165,131	0.40%	32,132,903	1.06%
Overdue more than 12 months	22,395,242	1.48%	22,487,607	1.11%	1,201,672	0.04%
Total trade accounts and notes receivable	1,507,310,158	100.00%	2,028,243,985	100.00%	3,031,625,270	100.00%
Less Allowance for doubtful account	41,634,481	2.76%	10,765,967	0.53%	1,151,134	0.04%
Total trade accounts and notes receivable, net	1,465,675,677	97.24%	2,017,478,018	99.47%	3,030,474,136	99.96%

Inventories

The company's inventory in 31st December of year 2012-2014 were 2,632, 2,573 and 2,263 respectively, when considered from net- inventory list table found that at the end of 2014, the company has net-inventory decreased 12 percentages from the last year, separate to the material decreased 13 percentages, convenience products decreased 75 percentages and ready products decreased 33 percentages caused the construction sector has extending caused the dumping of products to the market more quick and the material in the stock since the end of 2013 also dump to the market at all. However, the stock of products and material in year 2014 still in the regular level, sufficiency and appropriate with the production and distribution planning.

Inventories, net as of 31 December 2012 – as of 31 December 2014

(Value:Million)

	Consolidated					
	2014		2013		2012	
	Value	%	Value	%	Value	%
Raw materials	1,181	49%	1,045	40%	1,330	50%
Semi-finished goods	3	0%	12	0%	21	1%
Finished goods	679	28%	1,017	40%	900	34%
Spare part and supplies	493	21%	428	17%	234	9%
Goods in transit	52	2%	81	3%	152	6%
Working in process	5	0%	-	0%	-	0%
Total	2,413	100%	2,583	100%	2,637	100%
Less Allowance for net realizable value of inventories	150	0%	10	0%	5	0%
Total inventories, net	2,263	100%	2,573	100%	2,632	100%

Land, building and material

31st December of 2012-2014, the company group has land; building and net-material were 6.779, 7,253 and 7,614 with 49, 52 and 46 respectively. By the end of 2014, the company has land, building and net-material increased from the last year as the value 361 million baht as the resulted from the value acknowledge record of assets by the evaluation compared with the market price.

Liquidity

From a conclusion of financial proportion table compared between 2013-2014 found that the liquidity of the company group has a better proportion compared with the last year, considered from a current ratio were 0.64 and 0.73 times respectively and the real liquidity has no change ratio compared with the last year, considered from quick ration were 0.39 and 0.54 times respectively. However, in 2014 has a little short circulation fund in the system compared with the last year. Due to the company has a high quantity of merchandising as a resulted of a long term credit for a customer but we considered the one who have long term contacted, lots of orders and good payment record which a market strategy is but the payment period will extend a bit longer than the last year.

The capability in profit gaining of the company, found that in 2014, the company has decreased in gross profit rate from the last year as a resulted from the record of loss profit acknowledge in reducing product 's value and sales volume. A proportion of debt per stock holder and return investment rate from permanent asset which decreasing compared with year 2013 as a resulted of the company group has increased the investment for business extending in other functions and using for the circulating fund in business.

Source of investment funds

Capital structure

The company structure of year 2012-2014 comes from shareholder's equity with the value 3,293, 3,512 and 4,496 million baht respectively. The increasing circulation in year 2014 resulted from offering shares to private placement for support business extending in other functions and working capital in business.

Liability

The ends of year 2012-2014, the company has gross liability were 10,599, 10,346 and 11,990 million baht respectively. A separately of current liability in each year were 10,409, 10,145 and 11,836 million baht respectively that increased current liability, compared with the last year due to the company has a higher advance receives for goods. Non-current liability were 190, 201 and 155 million baht respectively, the decreasing come from a long term loan payment and deferred income tax liability account record that do follow a new accounting standard issue 12 said about the income tax liability.

Shareholders' equity

The ends of year 2012-2013, the company has shareholders' equity were 3,293, 3,512 and 4,496 million baht, currently it has increased in 2014 since the increased of authorized capital.

Audit Committee's Report

Dear Shareholders,

The Board of Directors appointed an Audit Committee, which is composed of three independent directors, namely Dr. Yannakorn Warakunrak, as Chairman of the Audit Committee, Mr. Apichart Chirabandhu and Mr. Pratana Bongkojmas, as Audit Committee Members. All of Committee members are experts with skills in various fields such as accounting and finance and corporate management, and have met the qualifications as prescribed by the Stock Exchange of Thailand, with no shareholding, no involvement in the business operations and no vested interests in the Company.

The Audit Committee has performed duty and rendered opinion independently under the scope of duty and responsibility entrusted by the Board of Directors with respect to the oversight of the Company's operation to ensure transparency and compliance with the regulations, standards and requirements under relevant laws, with cooperation from the management, internal auditors and external auditors.

In 2014, six meetings were held, with details of meeting attendance of each Audit Committee member as shown below:

	Number of attendance	Number of absence
1. Dr. Yannakorn Warakunrak	6/6	-0-
2. Mr. Pratana Bongkojmas	6/6	-0-
3. Mr. Apivut Thongkum	2/6*	4

** In year 2014, according to meeting of the Board of Director 5/2014 held on September 22, 2014, had approved resignation of Mr. Apivut Thongkum from Directors, Audit committee and Independent Director, causing that he did not attend any Board of Director meeting and Shareholders meeting held before appointment.

At the meetings, consideration was made on various matters, of which material details together with the Audit Committee's opinion could be summed up as follows:

1. Opinion on the quarterly and yearly financial statements of the Company

Since, in Year 2012, Price Water House Cooper ABS Ltd., Year 2012's auditor of the Company, raised that there were significant number of sale and purchase transaction dealing with business alliance and reduction of investment in Million Miles Ltd. Then, in August, 2013, the Security and Exchange Commission ("SEC") had ordered the Company to provide Special Audit that, the Audit Committee, together with the Board of Director, had engaged KPMG Phoomchai Ltd. to be the Special Auditor. KPMG, after had examined and audited in Transactions with person that might be related, as raised above, did not find any abnormal transaction and the issuing Transaction can be compared with other transaction. The Company, then, reported the Report of Special Audit to SEC and publicize in SET.

Furthermore, in Year 2014, Audit Committee, after reviewed the Quarterly to Yearly Financial Statement, significant Accounting Policy of the Company, adequacy of Information Publicity, through the Auditing Plan, Method, and by working with the management team of the Company, the Audit Committee opine that Financial Statement of the Company is appropriated.

2. Consideration on appropriateness of internal control system

The Audit Committee held meetings with the internal auditors, who are independent, to follow up on the operation of all departments to ensure conformity with the established system, as well as to revise the Company's internal control system to be aligned and compatible with its current circumstance. The Audit Committee is of the opinion that the Company's internal control system is appropriate and adequate and has not discovered any material mistake in the past year.

In additional, the Audit Committee had reviewed the internal Audit' Plan, which was appropriated, independent and complied with COSO (the Committee of Sponsoring Organizations) policy.

3. Review of regulatory and legal compliance

The Company has engaged an internationally-recognized legal consultant to advise on compliance with regulations of concerned authorities, laws on securities and exchange, regulations of the Stock Exchange of Thailand, the Public Limited Companies Act, and other legislations related to the Company's business. The Company has exercised cautions to avoid any action that could violate rules and regulations of the concerned regulatory bodies.

4. Consideration and opinion on connected transactions or transactions with possible conflict of interest

The Audit Committee has examined the Company's related party transactions taking place during the past year and viewed that they were executed on an arm's-length basis, which is consistent with the auditor's opinion. Details of the transactions were correctly and completely disclosed and presented in the financial statements and notes to the financial statements.

5. Consideration on appropriation, and appointment of the auditors

The audit committee selected auditor for an accounting year 2015. CWWP Company Limited is an

appropriate and non-related/beneficial from the company/subsidiaries/management/major shareholder or individual. Ms. Wanya Puttasatien, Certified Public Accountant (Thailand) No. 4387 and/or Mr. Cherdsakul Aonmongkhol Certified Public Accountant (Thailand) No. 7195 and/or Ms. Jantra Wongsri-udomporn, Certified Public Accountant (Thailand) No. 4996 (subsidiaries) and/or Ms. Waraporn Intaraprasith Certified Public Accountant (Thailand) No. 7881 (subsidiaries) are appointed for the Financial year 2015.

The Annual General Meeting of Shareholder 1/2015 to appoint the Auditors will be held on April 27, 2015 2 P.M. at Mae Nam Grand Ballroom, 2nd Floors, 2074, Ramada Plaza Bangkok Me-Nam Riverside Hotel, Chareonkrung Road, Bangkolame Bangkok, 10120 or such other date, time and place as the Meeting may be held.

6. Opinion and self-estimate of Audit Committee

The Audit Committee had self-estimated their performance in Year 2014 in 2 parts which are 1. Overall Performance and 2. Specifically Performance which is 1) Review the adequacy and appropriation of Financial Statement, 2) Review the adequacy and efficiency of Internal Audit, 3) Review the adequacy and appropriation of Compliance to SEC Regulation and other relevant Laws, 4) Consider and Select the external Auditor, 5) Review the transaction with person might be related 6) Prepare and Report the Audit Committee's opinion, the Audit Committee estimated and opined that the performances were duly and efficient conducted.

On behalf of the Audit Committee



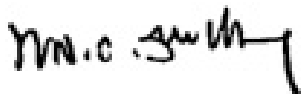
(Dr. Yannakorn Warakunrak)
Chairman of the Audit Committee

Board of Directors' Statement of Responsibility for Financial Reports

The Board of Directors of Millcon Steel Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2014, which are prepared according to Generally Accepted accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely and able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

Directors Believes that the Company's overall internal control system is able to create credibility and reliability for the financial and its subsidiaries for the period ended December 31, 2014.



(Mr. Sittichai Leeswadtrakul)
Chairman of Executive Committee / President



(General Winai Phattiyakul)
Chairman of the Board

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of Millcon Steel Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Millcon Steel Public Company Limited and its subsidiaries and of Millcon Steel Public Company Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flow for the year ended 31 December 2014, and a summary of significant accounting policies and other note to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial positions of Millcon Steel Public Company Limited and its subsidiaries and of Millcon Steel Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

Emphasized information and events

My opinion is not qualified in respect of this matter. I draw attention to disclosed in note as followings:

1) As disclosed in Note 2 to the financial statement that describes the factors that cast significant uncertainty, which may cause doubt about the ability to continue as a going concern of the group company.

2) As disclosed in Note 35 to the financial statement, the Company has considerable usual business commercial transactions that are mostly trade transactions with significance to the business alliances who are individuals or entities which have relationship as the management's relatives or the related company's former employees. And the organization structure of those business alliances are directly and indirectly linked to the management's relatives and some of the Company's certain shareholders, especially selling transactions which have 17.93% and 23.01% of the consolidated sales and services revenue and the company's sales and services revenue for year ended 31 December 2014 respectively. The outstanding balance in trade accounts receivable and receivable notes is 27.00% and 43.17% of total trade accounts receivable on the consolidated statement of financial position and trade accounts receivable and receivable notes on the company's financial position as at 31 December 2014, respectively.

Other Matters

The consolidated statement of financial position and the financial statements of Millcon Steel Public Company Limited and its subsidiaries and Millcon Steel Industries Public Company Limited as at December 31, 2013 and the consolidated statement of comprehensive income and the company's statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the company's statement of changes in shareholders' equity and the consolidated cash flows, and the company's cash flow statements for the year ended 31 December 2013 presented for comparative purpose were audited by another auditor in the same firm with me who expressed an unmodified opinion as presented and emphasized on information and events concerning on 1) results of special audit concerning on the trade transactions of the year 2012 with the Company's business alliances which may be considered as related parties and the share dilution of investment capital in a company which previously was a subsidiary of the company 2) Trade transactions with the Company's business alliances who are individuals or entities which have relationship as the management's relatives or the related company's former employees 3) Group's going concern and 4) Group's changing accounting policy according to the report dated 28 February 2014.



(Miss Wanraya Puttasatien)

Certified Public Accountant Registration No. 4387

S.K. Accountant Services Company Limited
Bangkok
27 February 2015

MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		Baht	Baht	Baht	Baht
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	223,810,867.76	320,412,508.11	210,340,403.11	295,430,375.06
Restricted deposits at financial institutions	9	456,969,969.22	646,462,080.16	416,769,969.22	606,362,080.16
Trade accounts and notes receivable - net	10	1,465,675,677.36	2,017,478,017.58	916,703,108.61	983,582,945.39
Short-term loans in subsidiary	36.3	-	-	879,440,059.20	-
The right to claim over the assets of receivable	11	880,425,000.00	-	-	-
Inventories - net	12	2,262,555,413.27	2,573,069,677.37	921,281,657.41	1,235,487,907.90
Advances to suppliers for purchases of goods		941,928,819.28	608,721,062.94	914,474,011.37	570,618,675.77
Derivative financial instruments	34.2	5,663,259.62	36,742,737.74	4,938,715.52	18,505,588.98
Advances to subsidiaries	36.3	-	-	2,054,159,990.42	808,972,387.00
Assets-held-for-sale	13	2,245,892,852.80	-	2,247,522,782.80	-
Other current assets		162,657,742.26	315,226,184.31	145,395,077.67	469,891,534.40
TOTAL CURRENT ASSETS		8,645,579,601.57	6,518,112,268.21	8,711,025,775.33	4,988,851,494.66
NON-CURRENT ASSETS					
Available-for-sale investments	14	-	14,000,000.00	-	14,000,000.00
Investments in subsidiaries - net	15	-	-	2,537,689,356.75	2,544,115,162.98
Investment in joint venture	16	177,305,048.82	-	177,553,448.10	-
Other long-term investment - net	17	19,249,817.00	23,075,608.83	18,149,990.00	18,149,990.00
Property, plant and equipment - net	18	7,614,303,628.03	7,253,084,764.76	1,243,509,665.71	1,255,699,455.61
Intangible assets - net	19	18,705,155.52	28,835,177.36	6,668,733.48	6,441,105.51
Deferred tax assets	20	-	14,897,279.35	-	10,783,263.36
Other non-current assets		11,626,754.97	6,441,869.20	2,756,900.00	2,749,500.00
TOTAL NON CURRENT ASSETS		7,841,190,404.34	7,340,334,699.50	3,986,328,094.04	3,851,938,477.46
TOTAL ASSETS		16,486,770,005.91	13,858,446,967.71	12,697,353,869.37	8,840,789,972.12

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Short-term loans from financial institutions - net	21.1	9,884,458,481.35	8,478,640,462.59	6,672,042,514.45	4,506,643,255.07
Trade accounts payable		514,044,642.30	1,231,073,923.37	152,980,708.86	641,962,865.71
Advances from customers for sales of goods		1,133,396,963.51	251,706,767.35	1,133,396,963.51	251,706,767.35
Current portion of long-term loans from financial institutions - net	21.2	33,600,000.00	33,600,000.00	33,600,000.00	33,600,000.00
Current portion of liabilities under finance leases - net	22	1,981,627.70	5,465,895.13	361,751.50	409,154.94
Derivative financial instruments	34.2	1,652,032.80	6,724,232.16	1,652,032.80	6,724,232.16
Accounts payable for purchase of fixed assets		133,214,065.36	7,072,794.95	23,374,282.12	808,514.95
Other current liabilities		133,412,723.67	130,252,532.42	64,583,689.13	53,616,447.52
TOTAL CURRENT LIABILITIES		11,835,760,536.69	10,144,536,607.97	8,081,991,942.37	5,495,471,237.70

NON-CURRENT LIABILITIES

Long-term loans - net	21.2	21,224,674.80	54,824,674.80	21,224,674.80	54,824,674.80
Liabilities under finance leases - net	22	9,128,760.05	11,110,387.71	-	361,751.46

Deferred tax liabilities	20	96,043,835.97	108,224,000.69	32,471,918.50	35,185,293.20
Retirement benefit obligations	23	18,613,779.00	15,732,065.00	15,249,814.00	13,359,320.00
Other non-current liabilities		9,600,000.00	11,520,000.00	-	-
TOTAL NON-CURRENT LIABILITIES		154,611,049.82	201,411,128.20	68,946,407.30	103,731,039.46
TOTAL LIABILITIES		11,990,371,586.51	10,345,947,736.17	8,150,938,349.67	5,599,202,277.16

SHAREHOLDERS' EQUITY

Share capital	24				
Authorized share capital					
- 639,691,757 preferred shares of par Baht 0.40 each		255,876,702.80		255,876,702.80	
- 4,478,583,796 ordinary shares of par Baht 0.40 each		1,791,433,518.40		1,791,433,518.40	
- 1,044,864,171 preferred shares of par Baht 0.40 each			417,945,668.40		417,945,668.40
- 3,554,346,497 ordinary shares of par Baht 0.40 each			1,421,738,598.80		1,421,738,598.80
		2,047,310,221.20	1,839,684,267.20	2,047,310,221.20	1,839,684,267.20
Issued and paid-up share capital					
- 639,691,757 preferred shares of par Baht 0.40 each		255,876,702.80		255,876,702.80	
- 3,114,489,886 ordinary shares of par Baht 0.40 each		1,245,795,954.40		1,245,795,954.40	
- 294,864,171 preferred shares of par Baht 0.40 each			117,945,668.40		117,945,668.40
- 1,682,005,065 ordinary shares of par Baht 0.40 each			672,802,026.00		672,802,026.00
Share Subscription		-	173,899,999.02	-	173,899,999.02
Convertible bonds		175,000,000.00	175,000,000.00	175,000,000.00	175,000,000.00
Premium on paid-up capital					
Premium on preferred shares		1,636,956,828.30	1,089,887,863.12	1,636,956,828.30	1,089,887,863.12
Premium on ordinary shares		1,735,860,677.69	734,860,978.14	1,735,860,677.69	734,860,978.14
Retained earnings					
Appropriated - legal reserve		32,442,514.77	32,442,514.77	32,442,514.77	32,442,514.77
Unappropriated		(753,307,368.56)	346,212,261.09	(661,453,859.86)	131,611,943.91
Other components of shareholders' equity		138,378,957.93	135,318,776.86	125,936,701.60	113,136,701.60
Equity attributable to owners of the parent		4,467,004,267.33	3,478,370,087.40	4,546,415,519.70	3,241,587,694.96
Non-controlling interests		29,394,152.07	34,129,144.14	-	-
TOTAL SHAREHOLDERS' EQUITY		4,496,398,419.40	3,512,499,231.54	4,546,415,519.70	3,241,587,694.96
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16,486,770,005.91	13,858,446,967.71	12,697,353,869.37	8,840,789,972.12



MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		Baht	Baht	Baht	Baht
Sales of goods and services	27.1	10,368,651,436.24	13,811,392,069.54	8,082,610,427.50	10,844,535,189.47
Cost of sales and services		(9,952,902,274.51)	(12,854,715,539.84)	(7,820,720,986.76)	(10,237,444,048.77)
Gross profit		415,749,161.73	956,676,529.70	261,889,440.74	607,091,140.70
Other income	27.2	120,796,691.25	92,431,862.85	80,600,031.80	285,629,964.55
Selling expenses		(119,156,296.38)	(153,957,568.49)	(103,173,262.18)	(128,296,231.11)
Administrative expenses		(300,491,364.81)	(252,029,642.67)	(157,094,306.66)	(163,133,153.99)
Cost of shutdown		(132,643,642.20)	(572,550.84)	(22,941,454.41)	(572,550.84)
Other expenses	28	(246,007,278.76)	(78,819,816.02)	(238,569,251.13)	(28,957,605.65)
Finance costs	29	(741,896,376.04)	(683,072,509.73)	(508,067,110.67)	(440,346,090.07)
Share of profit (losses) in profit of associated company		(248,399.28)	398,832.55	-	-
Profit (losses) before income tax		(1,003,897,504.49)	(118,944,862.65)	(687,355,912.51)	131,415,473.59
Tax (expenses) income	30	482,885.37	4,941,931.81	(4,869,888.66)	2,770.06
Profit (losses) for the year		(1,003,414,619.12)	(114,002,930.84)	(692,225,801.17)	131,418,243.65
Other comprehensive gain (losses)					
Gain (losses) on remeasuring available-for-sale investments - net of income tax	30	12,800,000.00	(3,868,000.00)	12,800,000.00	(3,868,000.00)
Gain (losses) on land revaluation - net of income tax		-	188,654,719.86	-	125,936,701.60
Exchange differences on translation of					

foreign operation - net of income tax	(9,739,818.93)	-	-	-
Other comprehensive Income (losses) for the year	3,060,181.07	184,786,719.86	12,800,000.00	122,068,701.60
Total comprehensive income (losses) for the year	(1,000,354,438.05)	70,783,789.02	(679,425,801.17)	253,486,945.25
Profit (losses) attributable to:				
- Owners of the parent company	(998,679,627.05)	(114,219,991.89)	(692,225,801.17)	131,418,243.65
- Non-controlling interests	(4,734,992.07)	217,061.05	-	-
Profit (losses) for the year	(1,003,414,619.12)	(114,002,930.84)	(692,225,801.17)	131,418,243.65
Total comprehensive income (losses) attributable to:				
- Owners of the parent company	(995,619,445.98)	69,770,209.14	(679,425,801.17)	253,486,945.25
- Non-controlling interests (losses)	(4,734,992.07)	1,013,579.88	-	-
Total comprehensive income (losses) for the year	(1,000,354,438.05)	70,783,789.02	(679,425,801.17)	253,486,945.25
Earnings (loss) per share for the year (Baht)				
Basic earnings (loss) per share (Baht)	31	(0.57)	(0.09)	(0.41)
Diluted earnings (loss) per share (Baht)	31	(0.48)	(0.09)	(0.35)

MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2014

CONSOLIDATED FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Share subscription	Convertible bonds	Premium on shares	Other components of equity					Total other components of shareholders' equity	Total owners of the parent	Non-controlling interest	Total shareholders' equity	
					Retained earnings		Gain (loss) on re-measuring available-for-sale investments - net of income tax	Revaluation Surplus from land - net of income tax	Exchange Differences on Translation of Foreign Operation- net of income tax					Discount from changes in shareholding interest in a subsidiary
					Appropriated	Unappropriated								
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Balance as at 1 January 2013	745,441,432.00	-	175,000,000.00	1,824,748,841.26	32,442,514.77	530,866,728.91	(8,932,800.00)	-	-	(39,759,424.17)	3,259,948,092.77	33,115,584.26	3,293,063,657.03	
Share subscription payables	-	173,899,999.02	-	-	-	-	-	-	-	-	173,899,999.02	-	173,899,999.02	
Stock dividends and cash dividends	45,306,262.40	-	-	-	-	(61,884,475.91)	-	-	-	-	(16,498,213.51)	-	(16,498,213.51)	
Interest expense of convertible bonds classified as equity instrument	-	-	-	-	-	(8,750,000.02)	-	-	-	-	-	-	(8,750,000.02)	
Total comprehensive income (loss) for the year	-	-	-	-	-	(114,219,901.89)	(3,868,000.00)	187,858,201.03	-	-	183,999,301.03	70,783,789.02	70,783,789.02	
Balance as at 31 December 2013	790,747,694.40	-	175,000,000.00	1,824,748,841.26	32,442,514.77	346,212,261.09	(12,800,000.00)	187,858,201.03	-	(39,759,424.17)	3,478,708,097.40	34,179,144.14	3,512,409,231.54	
Issue of preferred shares	137,931,034.40	-	-	547,068,965.18	-	-	-	-	-	-	511,100,000.56	-	511,100,000.56	
Issue of increase ordinary shares	500,557,552.40	-	-	1,000,315,104.80	-	-	-	-	-	-	1,500,872,657.20	-	1,500,872,657.20	
Issue of increase ordinary shares to the warrant	209,676.80	-	-	684,594.75	-	-	-	-	-	-	894,271.55	-	894,271.55	
Stock dividends and cash dividends	72,226,699.20	-	-	-	-	(92,090,002.59)	-	-	-	-	(18,863,303.39)	-	(18,863,303.39)	
Interest expense of convertible bonds classified as equity instrument	-	-	-	-	-	(8,750,000.01)	-	-	-	-	-	-	(8,750,000.01)	
Total comprehensive income (loss) for the year	-	-	-	-	-	(998,679,627.05)	12,800,000.00	-	-	-	3,660,181.07	(998,618,445.98)	(4,734,992.07)	
Balance as at 31 December 2014	1,501,672,657.20	-	175,000,000.00	3,372,817,206.50	32,442,514.77	(753,307,368.50)	-	187,858,201.03	(9,739,818.93)	(39,759,424.17)	4,467,068,267.33	29,394,123.07	4,496,308,490.40	

MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2014

SEPARATE FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Share subscription	Convertible bonds	Premium on shares	Retained earnings			Other components of equity			Total other components of shareholders' equity	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	Gain (loss) on remeasuring available-for-sale investments - net of income tax	Revaluation Surplus from land - net of income tax				
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2013	745,441,432.00	-	175,000,000.00	1,824,748,841.26	32,442,514.77	70,748,176.19	(8,932,000.00)	-	-	(8,932,000.00)	2,839,448,964.22	
Share subscription payables	-	173,899,999.02	-	-	-	-	-	-	-	-	173,899,999.02	
Stock dividends and cash dividends	45,306,262.40	-	-	-	-	(61,804,475.91)	-	-	-	-	(16,498,213.51)	
Interest expense of convertible bonds classified as equity instrument	-	-	-	-	-	(8,750,000.02)	-	-	-	-	(8,750,000.02)	
Total comprehensive income (losses) for the year	-	-	-	-	-	131,418,243.65	(3,868,000.00)	125,936,701.60	122,068,701.60	253,486,945.25		
Balance as at 31 December 2013	790,747,694.40	173,899,999.02	175,000,000.00	1,824,748,841.26	32,442,514.77	131,611,943.91	(12,800,000.00)	125,936,701.60	113,136,701.60	3,241,587,694.96		
Issue of preferred shares	137,931,034.40	(173,899,999.02)	-	547,068,965.18	-	-	-	-	-	511,100,000.56		
Issue of ordinary shares	500,557,552.40	-	-	1,000,315,104.80	-	-	-	-	-	1,500,872,657.20		
Issue of ordinary shares to the warrant	209,676.80	-	-	684,594.75	-	-	-	-	-	894,271.55		
Stock dividends and cash dividends	72,226,699.20	-	-	-	-	(92,090,002.59)	-	-	-	(19,863,303.39)		
Interest expense of convertible bonds classified as equity instrument	-	-	-	-	-	(8,750,000.01)	-	-	-	(8,750,000.01)		
Total comprehensive income (losses) for the year	-	-	-	-	-	(692,222,801.17)	12,800,000.00	-	12,800,000.00	(679,425,801.17)		
Balance as at 31 December 2014	1,501,672,657.20	-	175,000,000.00	3,372,817,505.99	32,442,514.77	(661,453,859.86)	-	125,936,701.60	125,936,701.60	4,536,415,519.70		

MILLCON STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the year ended 31 December 2014

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Notes	31 December 2014	31 December 2013	31 December 2014	31 December 2013
		Baht	Baht	Baht	Baht
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (losses) before income tax		(1,003,897,504.49)	(118,944,862.65)	(687,355,912.51)	131,415,473.59
Adjustment to reconcile profit (losses) before income tax					
with cash received (used) from operation					
Depreciation		200,608,779.36	191,791,626.18	31,847,488.98	26,557,152.12
Fixed Assets as Expenses		270,726.08	-	270,726.08	-
Amortisation		11,299,721.84	10,895,111.79	491,072.03	128,022.65
Doubtful debt (reversal)		30,868,514.14	9,614,833.24	18,706,308.45	9,614,833.24
Amortised premium of bond		3,825,791.83	38,893.89	-	-
Loss from allowance for net realisable value of inventories (reversal)		140,155,449.27	4,480,047.58	104,331,360.30	2,701,141.67
Loss from temporary investment		220,000,000.00	-	230,074,577.03	-
Profit from sales Available-for-sale investments		(16,916,372.00)	-	(16,916,372.00)	-
Share of profit (losses) in associated company		248,399.28	(398,832.55)	-	-
Profit from sales fixed assets		(214,268.73)	(2,734,357.00)	(13,514.25)	(991,322.00)
Loss from write-off fixed assets			-	-	-
Unrealised fair value gains on derivative					
financial instruments		26,007,278.76	(47,431,460.78)	8,494,674.10	(11,738,691.42)
Dividend Income		-	(1,000,000.00)	-	(249,802,708.00)
Unrealised (gains) losses on exchange rate		(6,390,614.56)	(36,061,737.60)	(6,354,106.41)	4,923,687.00
Retirement benefit expenses		3,025,354.00	2,867,995.00	2,034,134.00	1,966,504.00
Interest income		(7,081,838.67)	(9,321,028.00)	(6,280,933.51)	(7,877,989.00)
Finance costs - interest expenses		675,593,259.07	627,031,905.00	453,484,991.31	397,978,091.91
Profit from operating activities before changes in operating assets and liabilities		277,402,675.18	630,828,134.10	132,814,493.60	304,874,195.76
(Increase) Decrease in operating asset					
Trade accounts and notes receivables		520,948,784.16	1,003,046,837.00	17,028,204.46	821,485,546.00
Inventories		170,358,814.83	54,230,827.00	209,874,890.19	59,635,050.47
Advances to suppliers for purchases of goods		(333,370,407.20)	(293,654,927.29)	(343,855,335.60)	211,189,646.77
Advances to subsidiary		-	-	(1,857,398,629.81)	(537,307,788.14)
Other current assets		158,730,392.05	(88,013,045.38)	87,844,500.52	(65,123,644.32)
Other non-current assets		(5,184,885.77)	5,738,410.43	(7,400.00)	300,000.00
Increase (Decrease) in operating Liabilities					
Trade accounts payables		(716,294,724.68)	457,939,492.00	154,389,151.49	212,013,374.00
Advances from customers for sales of goods		881,690,196.16	(107,467,654.97)	881,690,196.16	(107,467,655.21)
Other current liabilities		(7,197,172.94)	(13,268,540.00)	(1,091,615.24)	(6,011,273.00)
Other non-current liabilities		(1,920,000.00)	(1,920,000.00)	-	-
Cash receipt (paid) from operating activities		945,163,671.79	1,647,459,532.89	(718,711,544.23)	893,587,452.33
CASH FLOWS FROM OPERATING ACTIVITIES (Continue)					
Cash received from interests		7,384,947.59	9,516,347.00	6,522,108.56	8,073,138.00
Cash Payment in Employee Benefit Obligation		(143,640.00)	-	(143,640.00)	-
Cash received from withholding tax		7,100,164.31	11,250,185.08	-	11,250,185.08
Cash paid for income tax		(13,565,222.99)	(16,967,915.88)	(12,381,216.61)	(15,871,758.07)
Net cash provided (used) from operating activities		945,939,920.70	1,651,258,149.09	(724,714,292.28)	897,039,017.34

CASH FLOW FROM INVESTING ACTIVITIES

Restricted deposits at financial institutions (Increase) Decrease	189,492,110.94	166,891,139.00	189,592,110.94	166,891,138.97
Cash paid for purchases of the right to claim the assets receivable	(1,042,795,591.40)	-	-	-
Cash paid for assets-held-for-sale	(2,014,943,842.75)	-	(2,014,943,842.75)	-
Cash paid for short-term loans to subsidiaries	-	-	(1,043,780,532.20)	-
Proceeds from Available-for-sale investments	46,916,372.00	-	46,916,372.00	-
Cash paid for Other long-term investment	(220,000,000.00)	-	(220,000,000.00)	-
Purchases of investment in subsidiaries	-	-	(3,648,770.80)	(20,000,000.00)
Purchases of investment in joint venture	(177,553,448.10)	-	(177,553,448.10)	-
Purchases of property, plant and equipment	(490,262,699.15)	(517,822,813.00)	(57,932,538.84)	(61,878,067.00)
Proceeds from disposal of machinery and equipment	228,254.48	20,829,620.00	27,500.00	10,865,070.00
Purchases of intangible assets	(1,169,700.00)	(240,000.00)	(718,700.00)	(240,000.00)
Proceeds from dividend	-	1,000,000.00	248,802,708.00	1,000,000.00
Net cash provided (used) form investing activities	(3,710,088,543.98)	(329,342,054.00)	(3,033,239,141.75)	96,638,141.97

CASH FLOW FROM FINANCING ACTIVITIES

Cash paid in payable for assets	(7,072,794.95)	(18,635,260.00)	(808,514.95)	(1,580,352.00)
Proceeds from loans from financial institutions	31,556,541,414.12	33,720,715,464.90	21,848,389,792.87	24,063,954,962.00
Cash paid for loans from financial institutions	(30,199,415,907.50)	(34,322,289,730.47)	(19,716,383,716.43)	(24,539,825,431.00)
Payments for liabilities under finance leases	(6,276,041.31)	(7,127,119.00)	(447,095.28)	(383,482.24)
Proceeds from shares capital	2,012,866,929.31	-	2,012,866,929.31	-
Cash received from stock	-	173,899,999.02	-	173,899,999.02
Dividend paid	(19,863,303.39)	(16,498,213.51)	(19,863,303.39)	(16,498,213.51)
Cash paid from interests	(659,493,494.42)	(582,365,553.69)	(450,890,630.05)	(396,382,022.52)
Net cash provided (used) from financing activities	2,677,286,801.86	(1,052,300,412.75)	3,672,863,462.08	(716,814,540.25)

Increase (Decrease) in Exchange differences on translation of

foreign operation	(9,739,818.93)	-	-	-
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	(96,601,640.35)	269,615,682.34	(85,089,971.95)	276,862,619.06
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8	320,412,508.11	50,796,825.77	295,430,375.06
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	223,810,867.76	320,412,508.11	210,340,403.11

MILLCON STEEL PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS
31 December 2014

1. General Information

MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED (the “Company”) is registered the company name was changed to be MILLCON STEEL PUBLIC COMPANY LIMITED (the “Company”) is a public limited company incorporated and resident in Thailand on 5 September 2013. The address of its registered office is:

Head office : 9, 11, 13, Soi Banggradee 32, Banggradee Road, Samaedum, Bangkhuntien, Bangkok 10150

Branch 1 : 52 Thaniya Plaza Building 29th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok 10500

Branch 2 : 99 Moo 3, T. Nikompattana, A. Nikompattana, Rayong 21180

The Company is principally engaged in manufacturing and trading steel products.

2. Operation Going Concern

As at 31 December 2014 and 2013, the Group has the consolidated current liabilities in excess of the consolidated current assets amounting Baht 3,190 million and Baht 3,626 million, respectively. The consolidated current liabilities mainly include 1) short-term loans in the term of promissory note and trust receipt and letter of credit total amounting to Baht 8,741 million and Baht 7,069 million, respectively, and 2) reclassified long-term loans from a financial institution to short-term loans amounting to Baht 1,174 million and Baht 1,440 million (Note 21.2), respectively, which is resulting from a subsidiary company has failed to comply with a significant financial ratio., however, because the Group has remaining of credit facilities that did not drawn out of Baht 6,297.25 million (Note 21.3). As well as the group has planned to increase a subsidiarys’ capital by Baht 1,000 million and the management is in the process of cooperation with financial institutions and Major shareholders to find ways to ensure adequate liquidity in the Group. Therefore, the management believes that the Group will continue its operations at least for the forthcoming 12 months. Accordingly, the Group’s financial information has been prepared on a going concern basis.

3. Basis of the Financial Statement Preparation

- 3.1 The financial statements have been prepared in accordance with Financial Reporting Standards of Thailand including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 3.2 The financial statements were presented in compliance with the notification of Department of Business Development regarding “Brief particulars must be contained in financial statements B.E. 2554” dated on 28 September, 2011 notified according to the Accounting Act B.E. 2543.
- 3.3 In order to prepare the financial statements to comply with financial reporting standards, the Company’s management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 3.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.

4. Basis of the Consolidation Financial Statement Preparation

- 4.1 In preparation of the consolidated financial statements, the Company will only take its subsidiary companies which are under the main control of MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED into account, after having eliminated the remaining balances and transactions among themselves. As at December 31, 2014 and 2013, the Company holds shares in subsidiary companies with the percentage of shareholdings in subsidiary companies as follows:

Company’s Name	Percentage of Shareholdings		Country of Registration	Category
	As at	As at		
	31 December 2014	31 December 2013		
MILLCON Burapa Co., Ltd.	98.73	98.73	Thailand	Manufacture and distribution of round bars, deformed bars
Zentra Watung Engineering Co., Ltd.	99.99	99.99	Thailand	Wholesale of steel products
MILLCON (HK) LIMITED	100.00	-	Hong Kong	Purchase of the right on claim for asset
MILLCON THIHA LIMITED	51.00	-	Myanmar	Trading of steel; products and construction material
MILLCON SPECIAL STEEL LIMITED	99.97	-	Thailand	Manufacture and distribution of steel and wire rod
Millcon Mauritius Company Limited	100.00	-	Republic of Mauritius	Holding Company for Investment in Wisdom Tree Investment (s) Pte Limited

- 4.2 In the preparation of the consolidated financial statements, the accounting period of subsidiary companies are ended at the same period of MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED.
- 4.3 Balances between the MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED with subsidiary companies, investments in subsidiaries and equity of subsidiaries are deferred transactions from the consolidated financial statements.
- 4.4 Accounting policy for subsidiary companies will utilize the same policy as the MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED.

5. The Adoption of New Accounting Policies

The Group adopted the new accounting standards, financial reporting standards, interpretations accounting standards, financial reporting standards interpretations and accounting guidance, which are effective for the accounting periods beginning on or after 1 January 2014, with no impact to the current financial statements.

6. New Financial Reporting Standards Not Yet Effective

Accounting standards, financial reporting standards, accounting standards interpretations and financial reporting standards interpretations, which are effective for the accounting periods beginning on or after 1 January 2015 and 2016, that the Company has not early applied are as follows:

Effective for the accounting period beginning on or after 1 January 2015

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share 16
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
SIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
SIC 15 (revised 2014)	Operating Leases - Incentives
SIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
SIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
SIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
SIC 31 (revised 2014)	Revenue-Barter Transactions involving Advertising Services
SIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining Whether an Arrangement Contains a Lease

TFRIC 5 (revised 2014)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Effective for the accounting period beginning on or after 1 January 2016

TFRS 4 (revised 2014)	Insurance Contracts
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Effective for the accounting period beginning on or after 1 January 2016

TFRS 4 (revised 2014) Insurance Contracts

The management of the Company is considering and assessing the impact on the financial statements when the above new financial reporting standards are applied.

7. Significant Accounting Policies

7.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

7.2 Items denominated in Foreign Currencies

Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the ended of period are converted into Baht at the prevailing exchange rate on that date. (Except for liabilities under rehabilitation plan on the exchange rate as defined in the plan). Profit or loss arising from such conversion is shown as revenues or expenses in the statements of comprehensive income for that period.

7.3 Financial Instruments

Financial assets and liabilities were shown in the statements of financial position composed of Cash and cash equivalents, investments, trade receivables, loans, other payables, liabilities under rehabilitation plan under restructuring and borrowings. The accounting policy of each item would be disclosed in separated items

7.4 Cash and Cash Equivalents

Cash and cash equivalents includes bank deposit in type of saving accounts, current accounts and 3-months fixed accounts without guarantee obligation and short-term highly liquid investments with maturities of three months or less from the date of acquisition and no restrictions on the withdrawal.

7.5 Trade Receivables and Allowance for doubtful debt

Trade and other receivables are stated at the net realizable value. The allowance for doubtful considering individual debtor is expected to be uncollectible.

7.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of raw materials (Billet) and other inventories are determined by the specific method and the first-in, first-out method, respectively. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprise raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excluded borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

7.7 Current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets are measured at the lower of their carrying value and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains or loss from disposal of non-current assets held for sale are recognized in profit or loss when disposal.

7.8 Investments

Investments other than investments in subsidiaries and an associate are classified into the following three categories: trading investments, held-to-maturity, and available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except those with maturities within 12 months from the end of the reporting period, which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in the profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income or loss. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains and losses from investment in securities.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

7.9 Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. All plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation is calculated on the straight-line method to write-off the cost of each asset, to its residual value over the estimated useful life as follows:

Land improvement	5 - 20 years
Buildings and buildings improvement	10 - 50 years
Machinery and equipment	5 - 50 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Utilities system	50 years

The Group review and adjust the assets' residual values and useful lives, if appropriate, at the end of each reporting period.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time

required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as expenses in profit or loss.

Land Revaluation

Since September 30, 2013, the Group Company has provided the assessment to its lands (in former using of cost basis) by an independent appraisal firm. The revaluation surplus is directly recognized into "Land account" against with "Revaluation surplus on land account" and also "Minority interest in subsidiaries - from revaluation surplus on land account" under shareholders' equity. The Group Company has a policy to review the revaluation in time to time in order to not allow the book value as of the date of the financial statement position to have significant variance from its current fair value.

The Group Company recognizes an increasing value of property from new revaluation into "Revaluation Surplus on Property" and also "Minority interest in subsidiaries - from revaluation surplus on property account" which are presented under shareholders' equity. However, if that asset is used to reduce the value and recognized the decreasing value as expenditure in the comprehensive income statement, then the surplus from new revaluation shall be recognized as income that does not exceed the amount that had been reduced as expenditure in the previous period.

The Group Company recognizes a decreasing value of property from new revaluation as expenditure in comprehensive income statement. However, if that asset is used to increase value and remains an outstanding amount in the account of "Revaluation Surplus on Property" and also "Minority interest in subsidiaries - from revaluation surplus on property account" in shareholders' equity, then the decreasing value from new revaluation shall be deducted from both accounts "Revaluation Surplus on Property" and "Minority interest in subsidiaries - from revaluation surplus on property" that do not exceed the amount that had been increased from prior revaluation and the remaining decreasing value shall be recognized as expenditure in the comprehensive income statement.

7.10 Intangible assets

7.10.1 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be a success

considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight line basis over the period of its expected benefit, not exceeding 10 years.

7.10.2 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives between 5 and 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

7.10.3 Relationship with customer

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship which is 6 years and 8 months.

7.10.4 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets and intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

7.11 Leases where a Group company is the lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the

lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

7.12 Leases where a Group company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

7.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

7.14 Employee benefit

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

7.14.1 Defined benefit plan - retirement benefit

The Group provides for post employment benefits, payable to employees under the labour laws applicable in Thailand and other countries in which the Group has its operations. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised in the profit or loss in the period to which they relate. The costs associated with providing these benefits are charged to the profit or loss so as to spread the cost over the employment period during which the entitlement to benefits is earned.

7.14.2 Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the profit or loss in the year to which they relate.

7.14.3 Defined contribution plan - Employee Joint Investment Program

Since 31 May 2011, the Group operates Employee Joint Investment Program for the Group's employees to purchase the Company's shares through Employee Joint Investment Program, being a defined contribution plan, the assets for which are held in a separate agent.

The Program is funded by payments from employees and by the Group. The Group's contributions to the Program are charged to the profit or loss in the year to which they relate.

7.15 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

7.16 Share capital

Ordinary shares and non-redeemable preferred shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options are shown in shareholders' equity as a deduction, net of tax, from the proceeds.

7.17 Recognition of Revenues

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognised on an accrual basis.

Dividend income is recognised when the shareholder's right to receive payment is established.

7.18 Recognition of Expenses

Expenses are recognized on an accrual basis

7.19 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.

7.20 Income tax

The Group calculates income taxes according to the Revenue Code and records them on accrual basis. The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences.

Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current Tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation, using the tax rates enacted at the end of reporting period.

Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that the related tax benefit will be realized.

7.21 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in financial statements and notes to financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

Allowance for Doubtful Accounts -Trade and Other Receivables

In determining an allowance for doubtful accounts-trade and other receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduction of Inventories to become Net Realizable Value

In estimating the reduction of inventories to become net realizable value, the management uses the discretion in estimating the net realizable value of inventories. The sum of money expected to receive from inventories is considered from the change in sale price or cost directly related to the events occurring after of report period.

Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered

an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, the difference between any consideration paid/received and the relevant share acquired/disposed of the carrying value of net assets of the subsidiary is recorded in shareholders' equity. Gains or losses on disposals to non-controlling interests are also recorded in shareholders' equity.

When the Group ceases to have control, any retained interest in the former subsidiary is re-measured at its fair value, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest. In addition, any amounts previously recognised in statement of comprehensive income in respect of the former subsidiary are accounted for in the income statement as if the Group had directly disposed of the related assets or liabilities.

Investment in Joint investment company

Joint investment company is an entity over which the Group has shareholding of 45% of the voting rights. Investment in joint company is initially recognised at cost and accounted for using the equity method of accounting in the consolidated financial statements.

The Group's share of its joint company's post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's

share of losses in joint company equals or exceeds its interest in the joint company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its joint company are eliminated to the extent of the Group's interest in the joint company. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint company have been changed to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in the investment in a joint company are recognised in the profit or loss.

In the Company's financial statements, the investment in a joint company is accounted for using the cost method.

A list of the Group's principal associate and the effects acquisition of the joint company are shown in Note 16.

Property, Plant and Equipment and Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post Employment Benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation, the mortality rates using mortality tables that reveal the country. Actual post-retirement costs may ultimately differ from these estimates.

8. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Cash on hand	415,752.87	498,238.67	150,000.00	434,619.92
Cash Deposit - Current Account	9,121,761.77	52,445,274.31	8,962,288.88	48,737,017.48
Cash Deposit - Savings Account	210,610,439.24	264,669,371.25	200,548,471.37	245,933,382.62
Cash Deposit - Fixed Account	3,662,913.88	2,799,623.88	679,642.86	325,355.04
Total	<u>223,810,867.76</u>	<u>320,412,508.11</u>	<u>210,340,403.11</u>	<u>295,430,375.06</u>

9. Restricted deposits at financial institutions

As at 31 December 2014 and 2013, the whole amount is fixed deposits carried interest rate 1.125% - 2.00% per annum which the Company used as collateral for credit facilities with the financial institutions as in Note 21.

10. Trade accounts and notes receivable - net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Trade accounts receivable	498,061,590.24	1,500,225,401.95	295,788,691.68	780,676,336.33
Notes receivable	1,009,248,568.50	528,018,582.63	641,385,942.62	213,672,576.06
Total	<u>1,507,310,158.74</u>	<u>2,028,243,984.58</u>	<u>937,174,634.30</u>	<u>994,348,912.39</u>
<u>Less</u> Allowance for doubtful debt	<u>(41,634,481.38)</u>	<u>(10,765,967.00)</u>	<u>(20,471,525.69)</u>	<u>(10,765,967.00)</u>
Net	<u>1,465,675,677.36</u>	<u>2,017,478,017.58</u>	<u>916,703,108.61</u>	<u>983,582,945.39</u>

Trade accounts and notes receivable were classified by aging as followings:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Not yet due	1,353,222,035.41	1,796,823,121.57	780,265,184.33	775,400,892.93
- Less than 3 months	68,270,667.82	123,868,727.43	73,355,450.21	127,200,088.48
- Over 3 months to 6 months	62,483,699.82	76,899,398.46	60,877,496.11	76,899,398.46
- Over 6 months to 12 months	938,513.79	8,165,130.56	2,535,657.35	8,165,130.56
- Over 12 months	22,395,241.90	22,487,606.56	20,140,846.30	6,683,401.96
Total	1,507,310,158.74	2,028,243,984.58	937,174,634.30	994,348,912.39
Less Allowance for doubtful debt	(41,634,481.38)	(10,765,967.00)	(20,471,525.69)	(10,765,967.00)
Net	1,465,675,677.36	2,017,478,017.58	916,703,108.61	983,582,945.39

For the years ended 31 December 2014 and 2013, the movement of allowance for doubtful accounts are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended	For the years ended	For the years ended	For the years ended
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Beginning Balance	(10,765,967.24)	(1,151,134.00)	(10,765,967.24)	(1,151,134.00)
Increased during the year	(35,306,810.76)	(11,022,251.24)	(14,613,111.98)	(11,022,251.24)
Decreased during the year	4,438,296.62	1,407,418.00	4,907,553.53	1,407,418.00
Ending Balance	(41,634,481.38)	(10,765,967.24)	(20,471,525.69)	(10,765,967.24)

11. The right to claim over the assets of receivable

The right to claim over the assets of receivable of Baht 1,051.65 million (USD 32,050,000) is the payment for purchases all the right to claim over the assets of a company in Thailand, held by an overseas investment company, by Millcon Hong Kong a subsidiary. The Company has the objective to establish the subsidiary in order to hold the right to claim over the assets of such Thai's company which is held by an overseas investment company (Hong Kong). Such subsidiary has entered into loan agreement with the parent company in the whole amount to pay the right to claim over the assets in full amount in this first quarter of 2014. The purchase of the right to claim has agreed to make in several agreements including: Loan agreement between the Company and the subsidiary, Share purchase

agreement between the subsidiary and an overseas seller company, and Sale and purchase of claims agreement between the subsidiary and an overseas seller company.

Since the first quaterly of 2014, the Company invested for such overseas subsidiary company. The subsidiary has issued a letter of guarantee by Baht 426 million to a Thai's financial institute payable to ensure the compliance with the loan agreement of Millcon Steel public company limited. This amount of loan shall be contributed to the Company's investment in acquirement of Millcon (HK) Limited.

As at 31 December 2014 , the subsidiary has acquired all ordinary shares and has held the right to claim the assets of a company in Thailand which are held by such overseas investment company. In addition, the subsidiary and the Company have to comply with the term and conditions set forth in these 3 agreements.

Since the third quaterly of 2014, the said investment company has been sued on the objection of entering into the compromise agreement between themselves and such Thai company which is a miner shareholder of the court's ordered company for selling their assets by the auction as mentioned in Note No.40. However, on 25 September 2014 the court has dismissed this issue and remaining the issue about claiming a compensation. However, the management has given the opinion on this claim that it will not result to have claim compensation. In the fact that the company is able to won such caution by acquiring of assets at Rayong legal execution office. As well as the Company is delivered the assets and transferred the right on the assets in October 2014 and December 2014, respectively. However, as at 31 December 2014, the subsidiary has recognized losses on impaired value of the right to claim over the assets of receivable of Baht 171.22 million and capitalized on the cost of assets-held-for-sale obtained by auction (see note 13).

12. Inventories - net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Raw materials	1,180,693,045.76	1,045,014,639.58	289,595,091.10	289,602,118.54
Semi-finished goods	2,554,053.96	12,376,423.52	2,554,053.96	12,376,423.52
Finished goods	679,218,229.18	1,016,703,840.79	633,731,654.90	846,110,720.76
Spare parts and supplies	492,822,037.61	427,635,441.92	96,184,002.28	88,561,576.84
Works in process	5,328,317.13	-	5,328,317.13	-
Total	2,360,615,683.64	2,501,730,345.81	1,027,393,119.37	1,236,650,839.66
<u>Less Allowance for net realizable value of inventories</u>				
- Raw material	(81,404,100.39)	(693,633.26)	(48,908,193.34)	(318,308.94)
- Semi-finished goods	(54,010.48)	(252,908.44)	(54,010.48)	(252,908.44)
- Finished goods	(68,247,132.17)	(8,603,252.07)	(62,435,954.10)	(6,495,580.24)
Total	(149,705,243.04)	(9,549,793.77)	(111,398,157.92)	(7,066,797.62)
Goods in transit	51,644,972.67	80,889,125.33	5,286,695.96	5,903,865.86
Total - Net	2,262,555,413.27	2,573,069,677.37	921,281,657.41	1,235,487,907.90

As at 31 December 2014 and 2013, the Company had pledged finished goods to guarantee with financial institutions as collateral for borrowings; overdrafts, long-term borrowings and credit facilities from financial institutions in Note 21.

For the years ended 31 December 2014 and 2013, the movements of allowance for doubtful debt are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended	For the years ended	For the years ended	For the years ended
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Beginning Balance	(9,549,793.77)	(5,069,748.19)	(7,066,797.62)	(4,365,656.95)
Increase within Period	(140,564,684.34)	(4,480,045.58)	(104,331,360.30)	(2,701,140.67)
Reverse within Period	409,235.07	-	-	-
Ending Balance	(149,705,243.04)	(9,549,793.77)	(111,398,157.92)	(7,066,797.62)

13. Assets-held-for-sale

Assets held for sale as at 31 December 2014 comprise the following:

	Consolidated Financial Statements Baht	Separate Financial Statements Baht
Assets held for sale obtained by auction	2,184,528,442.75	2,186,158,372.75
Others assets held for sale	61,364,410.05	61,364,410.05
Total	<u>2,245,892,852.80</u>	<u>2,247,522,782.80</u>

Acquired assets-held-for-sale from auction are the group of assets which consist of land, building and machineries. Such assets are acquired at the auction of a company in Thailand from Rayong legal execution office as mentioned in Note 40. The Company has an objective to sell such group of assets to a subsidiary in the near future.

Others assets-held-for-sale are the group of machineries and equipment that are committed a buy and sale contract between the Company and a non-related company dated 29 September 2014. The contract assigned a purchaser to pay of such machineries and equipment cost by installment. At the contract date, the Company receives a deposit for first installment of Baht 10.70 million (included VAT). Later, on 3 February 2015, the Company receives the second installment of Baht 53.50 million (included VAT).

14. Available-for-sale investments

Available-for-sale investments are marketable securities. For the years ended 31 December 2014 and 2013, the movements of Available-for-sale investments are as follows:

	Consolidated/Separate Financial Statements	
	2014 Baht	2013 Baht
As at 1 January	14,000,000.00	18,400,000.00
Additions	-	-
Sale	(30,000,000.00)	-
<u>Less</u> Re-measuring value of available-for-sale investments	-	(4,400,000.00)
<u>Reverse</u> Re-measuring available-for-sale investments	16,000,000.00	-
As at 31 December	<u>-</u>	<u>14,000,000.00</u>

During the year 2014, the Company sold all investment in common stocks of a listed Company. The Company earned gain on selling investment of Baht 16.92 million. The Company has reversed all of the adjusting value account of such investment.



15. Investment in subsidiary company

Consist of:

Company's name	Separate Financial Statements							
	Paid-up Capital		Percentage of shareholding		Cost method		Dividends	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,	As at December 31,	As at December 31,	For the years ended December 31,	December 31,
	2014	2013	2014	2013	2014	2013	2014	2013
	Baht	Baht	%	%	Baht	Baht	Baht	Baht
MILLCON Burapa Co., Ltd.	2,399,999,990.00	2,399,999,990.00	98.73	98.73	2,524,115,162.98	2,524,115,162.98	-	248,802,708.00
Zentra Watung Engineering Co., Ltd.	30,000,000.00	30,000,000.00	99.99	99.99	29,999,800.00	29,999,800.00	-	-
Millcon (HK) Limited	USD 32,000.00	-	100.00	-	984,940.80	-	-	-
Millcon Thiha Limited	USD 100,000.00	-	51.00	-	1,664,130.00	-	-	-
Millcon Special Steel Limited	1,000,000.00 THB	-	99.97	-	999,700.00	-	-	-
Millcon Mauritius Company Limited	No registered capital	-	100.00	-	-	-	-	-
Total					2,557,763,733.78	2,554,114,962.98	-	248,802,708.00
Less: Allowance for impairment on investment					(20,074,377.03)	(9,999,800.00)		
Net					2,537,689,356.75	2,544,115,162.98		

Investment in new subsidiaries

The Company has established MILLCON (HK) LIMITED ("the Subsidiary Company") in Hong Kong on 23 July 2013 with the main objective to acquire the right to claim in the collateral assets of a company in Thailand. Moreover, the Company has provided a short-term loan to subsidiaries (see note 36.3), for the purpose of allowing the subsidiary to purchase ordinary shares in a overseas investment company (Hong Kong) at the one-hundred percent in order to be entitled to possession claims on the assets from an overseas investment company (Hong Kong). Therefore, it is considered an overseas investment company (Hong Kong) as a subsidiary due to having indirectly shares holding through such subsidiary by MILLCON (HK) LIMITED (Note 11).

The Company has established MILLCON THIHA LIMITED ("the Subsidiary Company") in Myanmar on 2 April 2014, authorized share capital in the amount of 50,000 shares with par value of 10 US Dollar to 500,000 US Dollar with the main objective to trading steel products and construction material. The company owns 25,500 shares of 51% in accordance with the resolution of board of directors meeting no. 13/2013 on 19 December 2013.

The Company has established MILLCON SPECIAL COMPANY LIMITED ("the Subsidiary Company") in Thailand on 11 April 2014, authorized share capital in the amount of Baht 1,000,000.00 with 10,000 shares, par value of Baht 100. The objective is to manufacture and sale of steel and wire rod by holding of 9,997 shares of 99.97% in accordance with the resolution of board of directors meeting no. 7/2013 on 5 June 2013.

The Company has established Millcon Mauritius Company Limited ("the Subsidiary Company") at Mauritius Island on 16 October 2014. The Subsidiary has established for construction manufactory and distribution of steel products in Myanmar in accordance with the Broad of Directors No. 8/2014 dated 14 November 2014. As at 31 December 2014, the Subsidiary has not yet paid for registered capital.

16. Investments in joint investment company

Consist of:

Company's name	Nature of business	Paid-up Capital	Percentage of shareholding %	Consolidated Financial Statements As at 31 December 2014 Baht	Separate Financial Statements As at 31 December 2014 Baht
WISDOM TREE INVESTMENT (S) PTE. LIMITED	Foreign investment	USD 100 (Share application money pending for allotment USD 10,800,000)	45	177,305,048.82	177,553,448.10

On 4 August 2014, the companies had jointly set up a company, Wisdom Tree Investment (S) Pte. Limited, in Singapore which was the joint ventures between three parties including the Company and General Engineering PLC and Myanmar Thiha Group. The investment ratios of each party were 45 percent and 45 percent and 10 percent, respectively. It required all companies to send a representative to be the Board of the company. The objective of Wisdom Tree Investment (S) Pte. Limited was established to support the investment of joint ventures in carrying the investment to establish a company in Myanmar, Millcon Engineering Company Limited which operated in factory production and distribution of steel.

Financial information of joint investment company is as follow:

	Statement of Financial Position as at 31 December 2014 <u>Million Baht</u>	Statement of Comprehensive income for the period from 4 August to 31 December 2014 <u>Million Baht</u>
Assets	373.96	-
Liabilities	20.31	-
Income	-	-
Expenses	-	0.51
Profit (loss), net	-	0.51

17. Other long-term investment - net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Government Bond	-	3,400,000.00	-	-
<u>Add</u> Excess in value of bond	-	274,601.27	-	-
<u>Less</u> Amortised premium value of bond	-	(247,641.99)	-	-
Net	-	3,426,959.28	-	-
Investment in Million Miles Co., Ltd.	19,249,817.00	19,648,649.55	18,149,990.00	18,149,990.00
Investment in Thai Special Steel Public				
Company Limited	220,000,000.00	-	220,000,000.00	-
<u>Less</u> Impairment in investment	(220,000,000.00)	-	(220,000,000.00)	-
Net	-	-	-	-
Total	19,249,817.00	23,075,608.83	18,149,990.00	18,149,990.00

Investment in Thai Special Steel Public Company Limited (TSSI) is in the amount of Baht 220 million with its share capital holding portion of 13.05 percent. The investment is a part of the loan requiring conditions of the Company with a financial institution for purchase of TSSI's assets.

As at 31 December 2014, the Company has impaired in the whole amount of such investment.

18. Property, plant and equipment - net

Consolidated Financial Statements

	Land		Land improvement		Buildings and buildings improvement		Machinery and equipment		Furniture and equipment		Vehicles		Utilities system		Construction in progress		Total	
	Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht	
As at 31 December 2012																		
Cost	275,505,183.00		52,883,048.00		1,573,166,480.00		4,033,073,332.00		36,713,328.83		32,950,166.00		846,016,144.00		844,596,442.00		7,694,904,123.83	
<u>Less Accumulated Depreciation</u>			(10,472,695.00)		(166,247,583.28)		(639,833,657.07)		(24,369,763.38)		(5,171,173.70)		(70,125,275.11)		-		(916,220,147.54)	
Carrying Amount	275,505,183.00		42,410,353.00		1,406,918,896.72		3,393,239,674.93		12,343,565.45		27,778,992.30		775,890,868.89		844,596,442.00		6,778,683,976.29	
Transactions during the year ended																		
31 December 2013																		
Purchase	-		-		-		23,235,890.00		1,817,409.70		9,400,000.00		290,000.00		476,005,717.19		510,749,016.89	
Provides the assessment to its lands	235,818,399.83		-		-		-		-		-		-		-		235,818,399.83	
Transfer in (Transfer out)	-		-		144,947.72		118,259,653.41		46,146.92		-		1,682,376.85		(182,412,864.97)		(62,279,740.07)	
Sale Assets	-		-		-		(9,104,611.80)		-		(9,495,384.60)		-		(9,132,530.80)		(27,732,527.20)	
- Accumulated Depreciation	-		-		-		8,211,108.00		-		2,102,927.82		-		-		10,314,035.82	
Written-off Assets	-		-		-		(1,783,614.11)		(60,682.24)		-		-		-		(1,844,296.35)	
- Accumulated Depreciation	-		-		-		1,108,583.00		58,942.73		-		-		-		1,167,525.73	
Depreciation for the year	-		(2,906,483.69)		(31,026,293.94)		(129,782,205.00)		(4,921,248.00)		(3,382,904.85)		(19,772,490.70)		-		(191,791,626.18)	
Ending Carrying Amount	511,323,582.83		39,503,869.31		1,376,037,550.50		3,403,384,478.43		9,284,134.56		26,403,630.67		758,090,755.04		1,129,056,763.42		7,253,084,764.76	
As at 31 December 2013																		
Cost	511,323,582.83		52,883,048.00		1,573,311,427.72		4,163,680,649.50		38,516,203.21		32,854,781.40		847,988,520.85		1,129,056,763.42		8,349,614,976.93	
<u>Less Accumulated Depreciation</u>	-		(13,379,178.69)		(197,273,877.22)		(760,296,171.07)		(29,232,068.65)		(6,451,150.73)		(89,897,765.81)		-		(1,096,530,212.17)	
Carrying Amount	511,323,582.83		39,503,869.31		1,376,037,550.50		3,403,384,478.43		9,284,134.56		26,403,630.67		758,090,755.04		1,129,056,763.42		7,253,084,764.76	

Consolidated Financial Statements

	Land	Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture and equipment	Vehicles	Utilities system	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2013									
Cost	511,323,582.83	52,883,048.00	1,573,311,427.72	4,163,680,649.50	38,516,203.21	32,854,781.40	847,988,520.85	1,129,056,763.42	8,349,614,976.93
Less Accumulated Depreciation	-	(13,379,178.69)	(197,273,877.22)	(760,296,171.07)	(29,232,068.65)	(6,451,150.73)	(89,897,765.81)	-	(1,096,530,212.17)
Carrying Amount	511,323,582.83	39,503,869.31	1,376,037,550.50	3,403,384,478.43	9,284,134.56	26,403,630.67	758,090,755.04	1,129,056,763.42	7,253,084,764.76
Transactions during the year ended									
31 December 2014									
Purchase	-	-	20,716.00	75,159,078.24	1,948,847.69	-	-	546,347,784.28	623,476,426.21
Provides the assessment to its lands	-	-	-	-	-	-	-	-	-
Transfer in (Transfer out)	-	-	6,884,940.50	520,697,557.96	-	-	1,931,795.90	(589,855,611.71)	(60,341,317.35)
Sale Assets - Cost	-	-	-	-	(117,448.39)	-	-	-	(117,448.39)
- Accumulated Depreciation	-	-	-	-	103,462.64	-	-	-	103,462.64
Written-off Assets - Cost	-	-	(1,279,932.50)	-	-	-	-	-	(1,279,932.50)
- Accumulated Depreciation	-	-	3,471.60	-	-	-	-	-	3,471.60
Depreciation for the year	-	(2,906,483.69)	(31,179,464.43)	(138,788,813.00)	(4,324,660.05)	(3,438,439.03)	(19,987,938.74)	-	(200,625,798.94)
Ending Carrying Amount	511,323,582.83	36,597,385.62	1,350,487,281.67	3,860,452,301.63	6,894,336.45	22,965,191.64	740,034,612.20	1,085,548,935.99	7,614,303,628.03
As at 31 December 2014									
Cost	511,323,582.83	52,883,048.00	1,578,937,151.72	4,759,537,285.70	40,357,602.51	32,854,781.40	849,920,316.75	1,085,548,935.99	8,911,352,704.90
Less Accumulated Depreciation	-	(16,285,662.38)	(228,449,870.05)	(899,084,984.07)	(33,453,266.06)	(9,889,589.76)	(109,885,704.55)	-	(1,297,049,076.87)
Carrying Amount	511,323,582.83	36,597,385.62	1,350,487,281.67	3,860,452,301.63	6,894,336.45	22,965,191.64	740,034,612.20	1,085,548,935.99	7,614,303,628.03

Separate Financial Statements

	Land	Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture and equipment	Vehicles	Utilities system	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2012									
Cost	184,936,723.00	52,883,048.00	203,416,677.00	541,664,692.00	22,053,922.00	3,402,070.00	20,037,348.00	323,577,010.12	1,351,971,490.12
Less Accumulated Depreciation	-	(10,472,695.00)	(52,008,451.00)	(135,595,878.00)	(13,641,701.00)	(1,693,349.00)	(4,421,848.00)	-	(217,833,922.00)
Carrying Amount	184,936,723.00	42,410,353.00	151,408,226.00	406,068,814.00	8,412,221.00	1,708,721.00	15,615,500.00	323,577,010.12	1,134,137,568.12
Transactions during the year ended									
31 December 2013									
Purchase	-	-	-	7,524,055.00	726,904.51	-	290,000.00	54,145,620.98	62,686,580.49
Provides the assessment to its lands	157,420,877.00	-	-	-	-	-	-	-	157,420,877.00
Transfer in (Transfer out)	-	-	144,947.72	17,159,403.41	46,146.92	-	1,682,376.85	(81,312,614.98)	(62,279,740.08)
Sale Assets - Cost	-	-	-	(598,000.00)	-	-	-	(9,132,530.80)	(9,730,530.80)
- Accumulated Depreciation	-	-	-	23,592.33	-	-	-	-	23,592.33
Written-off Assets - Cost	-	-	-	-	(60,682.24)	-	-	-	(60,682.24)
- Accumulated Depreciation	-	-	-	-	58,942.77	-	-	-	58,942.77
Depreciation for the year	-	(2,906,483.69)	(3,677,979.14)	(15,188,135.91)	(3,454,397.94)	(398,507.23)	(931,648.07)	-	(26,557,151.98)
Ending Carrying Amount	184,936,723.00	39,503,869.31	147,875,194.58	414,989,728.83	5,729,135.02	1,310,213.77	16,656,228.78	287,277,485.32	1,255,699,455.61
As at 31 December 2013									
Cost	342,357,600.00	52,883,048.00	203,561,624.72	565,750,150.41	22,766,291.19	3,402,070.00	22,009,724.85	287,277,485.32	1,500,007,994.49
Less Accumulated Depreciation	-	(13,379,178.69)	(55,686,430.14)	(150,760,421.58)	(17,037,156.17)	(2,091,856.23)	(5,353,496.07)	-	(244,308,538.88)
Carrying Amount	342,357,600.00	39,503,869.31	147,875,194.58	414,989,728.83	5,729,135.02	1,310,213.77	16,656,228.78	287,277,485.32	1,255,699,455.61



Separate Financial Statements

As at 31 December 2013

Cost	342,357,600.00	Land		Land improvement		Buildings and buildings improvement		Machinery and equipment		Furniture and equipment		Vehicles		Utilities system		Construction in progress		Total
	-																	
Less Accumulated Depreciation				52,883,048.00		203,561,624.72		565,750,150.41		22,766,291.19		3,402,070.00		22,009,724.85		287,277,485.32		1,500,007,994.49
				(13,379,178.69)		(55,686,430.14)		(150,760,421.58)		(17,037,156.17)		(2,091,856.23)		(5,353,496.07)		-		(244,308,538.88)
Carrying Amount	342,357,600.00			39,503,869.31		147,875,194.58		414,989,728.83		5,729,135.02		1,310,213.77		16,656,228.78		287,277,485.32		1,255,699,455.61

Transactions during the year ended

31 December 2014

Purchase	-			-		-		3,041,610.60		652,577.29		-		-		77,612,633.07		81,306,820.96
Provides the assessment to its lands	-			-		-		-		-		-		-		-		-
Transfer in (Transfer out)	-			-		6,299,940.50		190,976,888.62		-		-		1,931,795.90		(259,549,942.25)		(60,341,317.23)
Sale Assets	-			-		-		-		(117,448.39)		-		-		-		(117,448.39)
- Accumulated Depreciation	-			-		-		-		103,462.64		-		-		-		103,462.64
Written-off Assets	-			-		-		-		-		-		-		-		(1,279,932.50)
- Accumulated Depreciation	-			-		3,471.60		-		-		-		-		-		3,471.60
Depreciation for the year	-			(2,906,483.69)		(3,771,975.99)		(20,855,196.72)		(2,823,591.74)		(398,507.23)		(1,109,091.61)		-		(31,864,846.98)
Ending Carrying Amount	342,357,600.00			36,597,385.62		149,126,698.19		588,153,031.33		3,544,134.82		911,706.54		17,478,933.07		105,340,176.14		1,243,509,665.71

As at 31 December 2014

Cost	342,357,600.00			52,883,048.00		208,581,632.72		759,768,649.63		23,301,420.09		3,402,070.00		23,941,520.75		105,340,176.14		1,519,576,117.33
Less Accumulated Depreciation	-			(16,285,662.38)		(59,454,934.53)		(171,615,618.30)		(19,757,285.27)		(2,490,363.46)		(6,462,587.68)		-		(276,066,451.62)
Carrying Amount	342,357,600.00			36,597,385.62		149,126,698.19		588,153,031.33		3,544,134.82		911,706.54		17,478,933.07		105,340,176.14		1,243,509,665.71

During the year ended 31 December 2013, the finance costs of Baht 15,002,225 arising from financing specifically entered into for the construction of plant were capitalised during the period and included in additions. A capitalisation rate of 6.20% - 8.03% per annum was used representing the actual borrowing costs of the loans used to finance the project.

Leased assets included above, where the Group and Company are a leasee under a finance lease, comprise vehicles are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Cost - capitalised finance lease	14,958,944.81	29,838,010.25	2,095,327.10	2,095,327.10
<u>Less</u> Accumulated depreciation	<u>(4,420,435.80)</u>	<u>(4,880,911.43)</u>	<u>(1,214,141.60)</u>	<u>(836,982.68)</u>
Book value	<u>10,538,509.01</u>	<u>24,957,098.82</u>	<u>881,185.50</u>	<u>1,258,344.42</u>

Collateral

As at 31 December 2014 and 2013, the Group has mortgaged the following part of the land, buildings and machinery to financial institutions as collateral for overdrafts, long-term loans and working capital facilities from financial institutions.

	Net book Value	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Land, buildings and machinery of Millcon Steel Public Company Limited	1,137,257,783.62	967,116,130.93
Land, buildings and machinery of a subsidiary - Millcon Burapa Co., Ltd.	414,366,958.86	422,184,403.93

19. Intangible asset - Net

Consist of:

	Consolidated Financial Statements				
	Computer software	Customer relationship	Development cost of new products	Computer software under installation	Total
	Baht	Baht	Baht	Baht	Baht
As at 31 December 2012					
Cost	1,076,620.00	39,922,000.00	47,657,414.00	10,800,000.00	99,456,034.00
<u>Less</u> Impairment of asset	-	-	(16,384,555.99)	-	(16,384,555.99)
Accumulated amortisation	(747,492.84)	(27,945,394.00)	(14,888,302.02)	-	(43,581,188.86)
Ending Carrying Amount	329,127.16	11,976,606.00	16,384,555.99	10,800,000.00	39,490,289.15
Transactions during the year ended					
31 December 2013					
Purchase	-	-	-	240,000.00	240,000.00
Amortization Expenses	(128,021.65)	(5,988,292.00)	(4,778,798.14)	-	(10,895,111.79)
Loss from impairment of asset	-	-	-	-	-
Ending Carrying Amount	201,105.51	5,988,314.00	11,605,757.85	11,040,000.00	28,835,177.36
As at 31 December 2013					
Cost	1,076,620.00	39,922,000.00	47,657,414.00	11,040,000.00	99,696,034.00
<u>Less</u> Impairment of asset	-	-	(16,384,555.99)	-	(16,384,555.99)
Accumulated amortisation	(875,514.49)	(33,933,686.00)	(19,667,100.16)	-	(54,476,300.65)
Carrying Amount	201,105.51	5,988,314.00	11,605,757.85	11,040,000.00	28,835,177.36
Transactions during the year ended					
31 December 2014					
Purchase	569,700.00	-	-	600,000.00	1,169,700.00
Transfer in	6,840,000.00	-	-	-	6,840,000.00
Transfer out	-	-	-	(6,840,000.00)	(6,840,000.00)
Amortization Expenses	(545,666.55)	(5,988,314.00)	(4,765,741.29)	-	(11,299,721.84)
Ending Carrying Amount	7,065,138.96	-	6,840,016.56	4,800,000.00	18,705,155.52
As at 31 December 2014					
Cost	8,486,320.00	39,922,000.00	47,657,414.00	4,800,000.00	100,865,734.00
<u>Less</u> Impairment of asset	-	-	(16,384,556.00)	-	(16,384,556.00)
Accumulated amortisation	(1,421,181.04)	(39,922,000.00)	(24,432,841.44)	-	(65,776,022.48)
Carrying Amount	7,065,138.96	-	6,840,016.56	4,800,000.00	18,705,155.52

Separate Financial Statements

	Computer software Baht	Computer under installation Baht	Total Baht
As at 31 December 2012			
Cost	1,076,620.00	6,000,000.00	7,076,620.00
<u>Less</u> Accumulated amortisation	(747,492.84)	-	(747,492.84)
Ending Carrying Amount	329,127.16	6,000,000.00	6,329,127.16
Transactions during the year ended 31 December 2013			
Purchase	-	240,000.00	240,000.00
Amortization Expenses	(128,021.65)	-	(128,021.65)
Ending Carrying Amount	201,105.51	6,240,000.00	6,441,105.51
As at 31 December 2013			
Cost	1,076,620.00	6,240,000.00	7,316,620.00
<u>Less</u> Accumulated amortisation	(875,514.49)	-	(875,514.49)
Carrying Amount	201,105.51	6,240,000.00	6,441,105.51
Transactions during the year ended 31 December 2014			
Purchase	118,700.00	600,000.00	718,000.00
Transfer in	6,840,000.00	-	6,840,000.00
Transfer out	-	(6,840,000.00)	(6,840,000.00)
Amortization Expenses	(491,072.03)	-	(491,072.03)
Ending Carrying Amount	6,668,733.48	-	6,668,733.48
As at 31 December 2014			
Cost	8,035,320.00	-	8,035,320.00
<u>Less</u> Accumulated amortisation	(1,366,586.52)	-	(1,366,586.52)
Carrying Amount	6,668,733.48	-	6,668,733.48

20. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20% for 2014 and 2013 onwards. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the company are summaries below:

	Consolidated Financial Statements			
	As at 31 December 2013	Recognized in the Profit (Loss) for the period	Recognized in the other Comprehensive Profit (Loss)	As at 31 December 2014
	Baht	Baht	Baht	Baht
Deferred tax asset				
Allowance for doubtful debt	2,153,193.40	(2,153,193.40)	-	-
Allowance for net realizable value of inventories	1,775,915.32	(1,775,915.32)	-	-
Allowance for intangible assets	3,276,911.20	(3,276,911.20)	-	-
Retirement benefit obligations	3,146,413.00	(3,146,413.00)	-	-
Losses on derivative financial instruments	1,344,846.43	(1,344,846.43)	-	-
Losses on remeasuring available- for-sale-investments	3,200,000.00	-	(3,200,000.00)	-
Total	14,897,279.35	(11,697,279.35)	(3,200,000.00)	-
Deferred tax liabilities				
Gain on derivative financial instruments	7,348,547.55	(6,215,895.63)	-	1,132,651.92
Revaluation surplus from land	47,163,679.97	-	-	47,163,679.97
Fair value at at date of purchase	53,711,773.17	(5,964,269.09)	-	47,747,504.08
Total	108,224,000.69	(12,180,164.72)	-	96,043,835.97

	Separate Financial Statements			
	As at	Recognized	Recognized	As at
	31 December 2013	in the Profit (Loss) for the period	in the other Comprehensive Profit (Loss)	31 December 2014
	Baht	Baht	Baht	Baht
Deferred tax asset				
Allowance for doubtful debt	2,153,193.40	(2,153,193.40)	-	-
Allowance for net realizable value of inventories	1,413,359.53	(1,413,359.53)	-	-
Retirement benefit obligations	2,671,864.00	(2,671,864.00)	-	-
Losses on derivative financial instruments	1,344,846.43	(1,344,846.43)	-	-
Losses on remeasuring available- for-sale-investments	3,200,000.00	-	(3,200,000.00)	-
Total	10,783,263.36	(7,583,263.36)	(3,200,000.00)	-
Deferred tax liabilities				
Gain on derivative financial instruments	3,701,117.80	(2,713,374.70)	-	987,743.10
Revaluation surplus from land	31,484,175.40	-	-	31,484,175.40
Total	35,185,293.20	(2,713,374.70)	-	32,471,918.50

21. Loans from financial institutions - net

21.1 Short-term loans from financial institutions - net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at 31 December 2014 Baht	As at 31 December 2013 Baht	As at 31 December 2014 Baht	As at 31 December 2013 Baht
Bank overdrafts	23,686.41	179,261.08	-	-
Short-term loans - promissory note	5,513,815,213.60	6,298,483,843.09	3,690,954,000.00	4,016,628,663.57
Short-term loans - trust receipt/letter of credit	628,947,745.16	770,270,878.84	403,637,729.55	509,753,400.36
Short-term loans - other	2,597,941,940.00	-	2,597,941,940.00	-
Total short-term loans from financial institutions	8,740,728,585.17	7,068,933,983.01	6,692,533,669.55	4,526,382,063.93
Reclassified from long-term loans net of transaction cost	1,173,893,370.39	1,439,599,978.73	-	-
<u>Less</u> Prepaid interest on promissory notes	(30,163,474.21)	(29,893,499.15)	(20,491,155.10)	(19,738,808.86)
Net	9,884,458,481.35	8,478,640,462.59	6,672,042,514.45	4,506,643,255.07

Short-term loans from financial institutions of the Company

As at 31 December 2014, short-term loans from promissory note of Baht 6,288.90 million and from trust receipt of Baht 403.64 million bear interests at the rate of 2.08% - 7.50% per annum. The loans are secured by land, buildings, machinery and the company's director. For the Company's other short-term loan of Baht 2,597.94 million is take part in the Company's investment to lend an oversea subsidiary the money (see note 11), bear interest at the rate 5.375%. The loans are secured by the company's director and in a foreign subsidiary. (31 December 2013 : short-term loans from promissory note of Baht 4,016.63 million and from trust receipt of Baht 509.75 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by land, buildings, machinery and the Company's director).

Short-term loans from financial institutions of a subsidiary

As at 31 December 2014, short-term loans from promissory note of Baht 1,822.86 million and from trust receipt of Baht 225.31 million bear interests at the rate 3.11%-5.75% per annum. The loans are secured by land, buildings, machinery, fixed deposits at financial institutions and the Company's director. (31 December 2013 : short-term loans from promissory note of Baht 2,281.85 million and from trust

receipt of Baht 260.52 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by land, buildings, machinery, fixed deposits at financial institutions and the Company's director).

Movements of short-term loans from financial institutions for the year ended 31 December 2014, comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Balance as at beginning	7,068,933,983.01	9,058,030,702.41	4,526,382,063.93	4,968,176,445.97
Increased for the year	31,556,541,414.12	33,720,715,464.90	21,848,389,792.87	24,063,954,961.99
Repayment for the year	(29,887,130,409.70)	(34,288,689,730.47)	(19,682,783,716.43)	(24,506,225,431.25)
Unrealized losses on exchange rate	2,383,597.74	18,477,524.90	545,529.18	476,087.22
Balance as at Ending	9,914,621,955.56	8,508,533,961.74	6,692,533,669.55	4,526,382,063.93
Reclassified from long-term loans net of transaction cost	1,173,893,370.39	-	-	-
<u>Less</u> Prepaid interest on promissory notes	(30,163,474.21)	(29,893,499.15)	(20,491,155.10)	(19,738,808.86)
Net	9,884,458,481.35	8,478,640,462.59	6,672,042,514.45	4,506,643,255.07

21.2 Long-term loans from financial institutions - net

Long-term loans from financial institutions comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Current portion of long-term loans	33,600,000.00	33,600,000.00	33,600,000.00	33,600,000.00
Loans due later than 1 year	21,224,674.80	54,824,674.80	21,224,674.80	54,824,674.80
Loans not complied with the financial covenants	1,173,893,370.39	1,439,599,978.73	-	-
Total	1,228,718,045.19	1,528,024,653.53	54,824,674.80	88,424,674.80
Reclassification to Short-term Borrowings	(1,173,893,370.39)	(1,439,599,978.73)	-	-
Net	54,824,674.80	88,424,674.80	54,824,674.80	88,424,674.80

As at 31 December 2014, the long-term borrowings amounting to Baht 54.82 million was obtained from a local financial institution, bearing interest rate 6.75% per annum. These borrowings have due for repayment commencing from 30 September 2012 to 31 March 2019 and guaranteed by

land, buildings, machinery, finish goods, and share certificate which the parent company invested in the Company, the Company's director and the parent company. According to these loan agreements, the Company has to comply with the requirement specified in the agreement such as compliance with debt covenants, etc. The transaction cost relating to these long-term borrowings was amounting to Baht 32 million.

The interest rate exposures on the borrowings of the Group and the Company as at 31 December 2014 and 2013, are the following:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Total Borrowings at Floating Interest Rates (Baht)				
(Including Reclassification to Short-Term Borrowings)	1,228,718,045.53	1,528,024,653.53	54,824,674.80	88,424,674.80
Weighted average effective interest rates:				
Bank borrowings (% per annum)	6.25 - 6.75	6.12 - 7.01	6.25 - 6.75	6.12 - 6.75

The movements in book value of long-term loans from financial institutions for the year ended 31 December 2014, comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Balance as at Beginning	1,528,024,653.53	1,825,307,925.94	88,424,674.80	122,024,674.80
Increased for the year	-	-	-	-
Repayment of long-term loans for the year	(312,285,497.80)	(312,285,497.80)	(33,600,000.00)	(33,600,000.00)
Amortized Finance Costs	12,978,889.46	15,002,225.39	-	-
Reclassification to Short-term Borrowings (Note 21.1)	(1,173,893,370.39)	(1,439,599,978.73)	-	-
Balance as at Ending	<u>54,824,674.80</u>	<u>88,424,674.80</u>	<u>54,824,674.80</u>	<u>88,424,674.80</u>

The Group noted that some of the financial ratios were not complied with the financial covenants specified in the long-term loan agreements. Therefore, as at 31 December 2014 and 2013 such long-term borrowings from financial institutions amounting to Baht 1,173.89 million and Baht 1,439.60 million were reclassified to short-term borrowings. However, if the Company would be able

to maintain the financial ratios according to the long-term loan agreements, such borrowings would be reclassified back to long-term borrowings.

As a consequence on 19 December 2013, the Company has declared the interim dividend of Baht 251.99 million. But it does not agree with the terms of the Long-term loan agreement. However, later on 20 January 2014, the Company has received a letter of consent and waiver under certain long-term loans agreement from the financial institution in the following conditions:

1. Debt Service Coverage Ratio after such dividend or other distribution is carrying not less than 1.25:1.
2. The Company has repaid at least thirty percent (30%) of the Loan.
3. The Company shall prepay the Loan to the Lender in the same amount of dividend.
4. The amount of dividend or other distribution declared does not exceed thirty percent (30%) of its net profits in that year.

In addition, the financial institution has also set additional condition to the Parent Company for limitation usage of the dividend received from the Company in the total of Baht 214.00 million which shall be subject to apply for payment of the properties auction project. Otherwise, the Parent Company shall provide the said dividend to the Company in the form of shareholder loan for the prepayment of the loan owed by the Company to the financial institution under the credit facilities agreement.

Quarter 3/2557, the Company has adopted the dividend Baht 214 million in a bid to buy the assets of a company (see Note 40).

21.3 Unutilized credit facilities comprise the following:

	Consolidated Financial Statements			
	As at 31 December 2014		As at 31 December 2013	
	Long-term loan facilities	Working capital facilities	Long-term loan facilities	Working capital facilities
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Floating rate				
- draw down with no timeframe limitation	2,685.00	3,612.25	-	705.55
Ending Book Value - Net	2,685.00	3,612.25	-	705.55

	Separate Financial Statements			
	As at 31 December 2014		As at 31 December 2013	
	Long-term loan facilities	Working capital facilities	Long-term loan facilities	Working capital facilities
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Floating rate				
- draw down with no timeframe limitation	-	1,801.16	-	628.65
Ending Book Value - Net	-	1,801.16	-	628.65

22. Liabilities under finance lease - net

The movements in the retirement benefit obligations for the year ended 31 December 2014 and 2013 are the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Balance as at beginning	19,522,851.98	17,249,969.96	819,674.68	1,266,769.96
Increased for the year	-	9,400,000.00	-	-
Repayment for the year	(6,279,672.59)	(7,127,117.98)	(447,095.28)	(447,095.28)
Balance as at ending	13,243,179.39	19,522,851.98	372,579.40	819,674.68

Balance of liabilities under finance leases comprises the following:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Not later than 1 year	2,540,979.40	6,279,672.58	372,579.40	447,095.28
Later than 1 year but not later than 5 years	10,702,200.00	13,243,179.40	-	372,579.40
Total	13,243,179.40	19,522,851.98	372,579.40	819,674.68
<u>Less</u> Future finance charges on finance lease	(2,132,791.65)	(2,946,569.14)	(10,827.90)	(48,768.28)
Present value of liabilities under finance leases	11,110,387.75	16,576,282.84	361,751.50	770,906.40
Liabilities under finance leases				
- current	1,981,627.70	5,465,895.13	361,751.50	409,154.94
- non-current	9,128,760.05	11,110,387.71	-	361,751.46
Total liabilities under finance leases	11,110,387.75	16,576,282.84	361,751.50	770,906.40

23. Retirement benefit obligations

For the year ended 31 December 2014 and 2013 the movements in the retirement benefit obligations is the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Balance as at Beginning	15,732,065.00	12,864,070.00	13,359,320.00	11,392,816.00
Retirement benefit expenses	3,025,354.00	2,867,995.00	2,034,134.00	1,966,504.00
Benefit payment to employee during the year	(143,640.00)	-	(143,640.00)	-
Balance as at Ending	<u>18,613,779.00</u>	<u>15,732,065.00</u>	<u>15,249,814.00</u>	<u>13,359,320.00</u>

For the year ended 31 December 2014 and 2013, the amounts recognized in the profit and loss are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Current service cost	2,463,211.00	2,393,047.00	1,562,155.00	1,547,464.00
Interest cost	<u>562,143.00</u>	<u>474,948.00</u>	<u>471,979.00</u>	<u>419,040.00</u>
Total	<u>3,025,354.00</u>	<u>2,867,995.00</u>	<u>2,034,134.00</u>	<u>1,966,504.00</u>

The amounts recognized in the profit and loss are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2014	2013	2014
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Cost of sales	1,369,539.80	1,500,154.00	639,922.00	600,010.00
Administrative expenses	<u>1,655,814.20</u>	<u>1,367,841.00</u>	<u>1,394,212.00</u>	<u>1,366,494.00</u>
Total	<u>3,025,354.00</u>	<u>2,867,995.00</u>	<u>2,034,134.00</u>	<u>1,966,504.00</u>

The principal actuarial assumptions used were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Discount rate	3.7% - 3.8%	3.7% - 3.8%	3.7%	3.7%
Future expectation of salary increases	3.5% - 7.0%	3.5% - 7.0%	3.5% - 7.0%	3.5% - 7.0%

24. Share capital

The movements of share capital and premium on share capital for the year ended 31 December 2014 and 2013, comprise the following:

	Authorized share capital		Issued and paid-up		Issued and paid-up shares capital		Premium on paid-up capital	
	Preferred shares		Preferred shares		Preferred shares		Preferred shares	
	shares	Ordinary shares	shares	Ordinary shares	Baht	Ordinary shares	Baht	Ordinary shares
As at 31 December 2012	294,864,171	2,765,782,754	294,864,171	1,568,739,409	117,945,668.40	627,495,764.00	1,089,887,863.12	734,860,978.14
Issue of shares during the year	-	-	-	113,265,656	-	45,306,262.00	-	-
Decrease of number of registered shares	-	(814,000,002)	-	-	-	-	-	-
Increase of number of registered shares	750,000,000	1,602,563,745	-	-	-	-	-	-
As at 31 December 2013	1,044,864,171	3,554,346,497	294,864,171	1,682,005,065	117,945,668.40	672,802,026.00	1,089,887,863.12	734,860,978.14
Increase of number of registered shares	405,172,414	3,271,820,374	-	-	-	-	-	-
Issue of shares during the year	-	-	344,827,586	1,251,393,881	137,931,034.40	500,557,552.40	547,068,965.18	1,000,315,104.80
Issue of ordinary share to the warrant	-	-	-	524,192	-	209,676.80	-	684,594.75
Dividends paid to common stock	-	-	-	180,566,748	-	72,226,699.20	-	-
Decrease of number of registered shares	(810,344,828)	(2,347,583,075)	-	-	-	-	-	-
As at 30 December 2014	639,691,757	4,478,583,796	639,691,757	3,114,489,886	255,876,702.80	1,245,795,954.40	1,636,956,828.30	1,735,860,677.69

Changing of shares Capital, presentation in sequence with transactions date below

Issue of shares during the period No. 1 in the year 2013

Issue of shares during the period according to the Board of Director's meeting No.11/2013, on 5 November 2013, Approves the allocak preferred shares capital increase (Share C.) the amount of 344,827,586 shares, at the par value of Baht 2.03, amount to Baht 699,999,999.58, the Company fully paid the share capital and registered the increasing share capital with the Ministry of Commerce on 4 February 2014.

Exercise the right in the year 2014

During the year 2014, have expressed intention to exercise the right to exercise the warrant at 1 (MILL-W1) last 178,845 units converted to common stock 524,192 ordinary shares, of Baht 1.706 per share totaling paid-up capital of Baht 894,271.55. The Company registered the increase of registered shares with the Ministry of Commerce on 13 March 2014.

Decrease of registered share capital No. 1 in the year 2014

At the Annual General Shareholders' meeting of the Company 1/2014 held on 28 April 2014, shareholders passed a resolution to approved to decrease the Company's registered capital by Baht 701,102,164.40 from the current registered capital of Baht 1,839,684,267.20 to Baht 1,138,582,102.80 Details of Capital decreasing as follows:

- a) The amount of 335,368,408 shares. Share issued to support the conversion of warrants to buy common share (MILL-W1) Balances, expired on 24 February 2014.
- b) The amount of 12,214,577 shares. Share issued to support the conversion of warrants to buy common share which issued and allotted to directors and employees of the Company (MILL-ESOP) Balances, expired on 24 February 2014.
- c) The amount of 12 fraction ordinary Shares which remain after allocation of ordinary shares dividend on 3 June 2014.
- d) The amount of 1,000,000,000 ordinary shares capital increase ordinary shares which issued by the Annual General Shareholders Meeting 1/2013, held on 21 May 2013.
- e) The remaining amount of 405,172,414 Type C preferred shares issued by the Annual General Shareholders Meeting 1/2013, held on 21 May 2013.

The Company's capital reduction was registered with the Ministry of commerce on 14 May 2014.

Decrease of registered share capital No. 2 in the year 2014

At the Extraordinary Annual General Shareholders' meeting of the Company No. 1/2014 held on 17 November 2014, Approved to propose the shareholders' meeting to consider and approve the decrease of the Company's registered capital in the amount of Baht 562,068,996.80 by cancelling the unissued ordinary shares in the number of 1,000,000,078 shares at a par value of Baht 0.40 per share, and cancelling the unissued preferred shares in the number of 405,172,414 shares at a par value of Baht 0.40 (forty satang) per share from the existing registered capital of Baht 1,792,818,358 to Baht 1,230,749,361.20, details of which are as follows:

a) The fractions of shares remaining after the allocation of the ordinary shares dividend which was paid on 27 May 2014 in the number of 78 shares at a par value of Baht 0.40 per share;

b) The capital increase ordinary shares in the number of 1,000,000,000 shares at a par value of Baht 0.40 per share, authorized but unissued, approved by the resolution of the Annual General Meeting of Shareholders No. 1/2013, dated 21 May 2013, which was intended to support the investment in related businesses and/or current business and/or to use as working capital and/or for debt repayment and/or acquisition of assets of Thai Special Steel Public Company Limited ("TSSI");

c) The unissued Type C. preferred shares in the number of 405,172,414 shares at a par value of Baht 0.40 per share, authorized but unissued, approved by the resolutions of the Annual General Meeting of Shareholders No. 1/2013, dated 21 May 2013, which was intended to support the investment in related businesses and/or current business and/or to use as working capital and/or for debt repayment and/or acquisition of assets of TSSI.

In this regard, the total number of the shares to be decreased pursuant to the items a.), b.) and c.) is 1,405,172,492 shares at a par value of Baht 0.40 per share equaling the total amount of the registered capital of Baht 562,068,996.80 which results in the decrease of the registered capital of the Company from the existing registered capital of Baht 1,792,818,358 to Baht 1,230,749,361.20

Nevertheless, the registered capital to be decreased shall exclude the following:

a) The shares reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 2 (MILL-W2) allotted to the Company's shareholders proportionately to their shareholding in the number of 515,752,308 shares.

b) The shares reserved for the exercise of right under the issued convertible debentures in the number of 58,333,333 shares.

The Company's capital reduction was registered with the Ministry of commerce on 19 November 2014.



Increase of registered share capital No. 1 in the year 2014

At the Annual General Shareholders' meeting of the Company held on 28 April 2014, shareholders passed a resolution to approved an increase of the Company's registered capital by Baht 654,236,255.20 from the registered capital of Baht 1,138,582,102.80 to Baht 1,792,818,358, details of Capital increasing, as follows:

a) Amount up to Baht 400,000,000 by issuance and selling ordinary shares not exceeding 1,000,000,000 shares Approved by the Annual General Meeting of shareholders No.1/2013, on 21 May 2013 pre posed capital increase return as it was.

b) Amount up to Baht 162,068,965.60 by issuance and selling Type C. preferred shares not exceeding 405,172,414 shares Approved by the Annual General Meeting of shareholders No.1/2013, on 21 May 2013 pre posed capital increase return as it was.

c) Amount of Baht 72,226,730.40 by issuance and selling ordinary shares in amount of 180,566,826 shares. Accommodating to share dividend for preferred shareholders type A and Ordinary shares.

d) Amount of Baht 19,940,559.20 accommodating to exercise of right under warrant (MILL - W2) according to ordinary shares dividend.

The Company registered the additional in share capital with the Ministry of commeree on 14 May 2014.

During the year 2014, a dividend paid to holders of preferred share Type A and ordinary shareholders. Number of shares a dividend of 180,566,826 shares. The company paid dividend to our shareholders completed and registered capital with the ministry of commerce on 27 May 2014.

Increase of registered share capital No. 2 in the year 2014

At the Extraordinary Annual General Shareholders' meeting of the Company No. 1/2014 held on 17 November 2014, Approved to propose the shareholders' meeting to consider and approve the increase of the Company's registered capital in the amount of Baht 816,560,860 by issuing capital increase ordinary shares in the number of 2,041,402,150 shares at a par value of Baht 0.40 from the existing registered capital of Baht 1,230,749,361.20 to Baht 2,047,310,221.20, details of which are as follows:

1) The amount of Baht 500,557,552.40, divided into the new ordinary shares in the number of 1,251,393,881 shares at a par value of Baht 0.40 to be offered for sale to the existing shareholders of the Company proportionately to their shareholding (Rights Offering);

2) The amount of Baht 250,278,776.40, divided into the new ordinary shares in the number of 625,696,941 shares at a par value of Baht 0.40 to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 to be offered to the existing shareholders of the Company who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3);

3) The amount of Baht 56,716,039.20, divided into the new ordinary shares in the number of 141,790,098 shares at a par value of Baht 0.40 to be prepared for the adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares this time;

4) The amount of Baht 9,008,492, divided into the new ordinary shares in the number of 22,521,230 shares at a par value of Baht 0.40 to be reserved for the adjustment of conversion rights under the convertible debentures due to the adjustment of conversion price.

The Company registered the additional in share capital with the Ministry of Commerce on 20 November 2014.

At the Extraordinary Annual General Shareholders' meeting of the Company No. 1/2014 held on 17 November 2014, Approved to propose the shareholders' meeting to consider and approve the issuance and offering of the warrants to purchase the Company's ordinary shares No. 3 in the number of not exceeding 625,696,941 units to the Company's existing shareholders (both the ordinary shares and the preferred shares) who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3), at an offering price of Baht 0.00 and an offering ratio of 2 new ordinary shares per 1 unit of warrants, whereby 1 unit of warrants can be exercised to purchase 1 ordinary share of the company at an exercise price of Baht 3, the Company fully paid the share capital and registered the increasing share capital with the Ministry of Commerce on 19 December 2014.

shareholders who subscribe for shares in excess of their entitlement until no capital increase ordinary share remains from the allotment;

2) To allot the capital increase ordinary shares in the number of not exceeding 625,696,941 shares with a par value of Baht 0.40 to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 to be offered to the existing shareholders of the Company who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3);

3) To allot the capital increase ordinary shares in the number of not exceeding 141,790,098 shares with a par value of Baht 0.40 per share to be prepared for the adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares at this time;

4) To allot the capital increase ordinary shares in the number of not exceeding 22,521,230 shares with a par value of Baht 0.40 to be reserved for the adjustment of conversion rights under the convertible debentures due to the adjustment of conversion price.

25. Dividend Payment

At the General Shareholders' meeting of the Company 1/2014 held on 28 April 2014, shareholders passed a resolution to approve the payment of dividend payment to preferred shareholder and Ordinary shareholder. Details of dividend payment as follows:

1) Ordinary shares dividend to preferred shareholders Type A and dividend payment's rate is 5 preferred shares Type A equally to 2 ordinary Shares (new) and Cash dividend to preferred shareholders Type A and dividend payment's rate is Baht 0.05 per 1 preferred share Type A for reserving as 10 percent of withholding tax

2) Cash dividend paid to preferred shares Type B in the ratio of 0.20 per share.

3) Refrain from dividend payment preferred Shares Type C.

4) Ordinary Share Dividend to ordinary shareholders, the dividend payment rate is 25 Ordinary

shares for 1 Ordinary share dividend (new) and Cash dividend to ordinary shareholders dividend payment's rate is Baht 0.002 per 1 ordinary share (Old) for reserving as 10 percent of withholding tax

During the period, the Company paid cash dividends and stock dividends already.

26. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, decrease share capital, or issue new shares.

As at 31 December 2014 and 2013 debt to equity ratio in the consolidated financial statements are 2.66:1 and 2.94:1, respectively.

As at 31 December 2014 and 2013 debt to equity ratio in the financial separate statements are 1.79:1 and 1.73:1, respectively.

27. Revenues

27.1 Sale of goods and services

Sales of goods and services recorded in the consolidated statements of comprehensive income for the year ended 31 December 2014 and 2013 included sales of raw materials amount of Baht 39.63 million and Baht 881.00 million, respectively. Such income had the related cost of sales amounting to Baht 39.37 million and Baht 852 million, respectively.

Sales of goods and services recorded in the company statements of comprehensive income for the year ended 31 December 2014 and 2013 included sales of raw materials amount of Baht 35.25 million and Baht 445 million, respectively. Such revenue had the related cost of sales amounting to Baht 35.19 million and Baht 419.00 million, respectively.

27.2 Other income

Other income for the year 31 December 2014 and 2013 comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Gain on exchange rate	62,390,417.97	-	41,868,638.66	-
Interest income	7,081,838.67	9,321,027.92	6,280,933.51	7,877,989.17
Gain on derivative financial Instrument	-	47,169,841.44	-	11,738,691.42
Gain from disposal of property, plant and equipment	214,268.73	2,734,356.83	13,514.25	991,322.06
Gain on sale of investments	16,916,372.00	-	16,916,372.00	-
Dividend	-	1,000,000.00	-	249,802,708.00
Sales of scrap	-	4,864,661.90	-	4,864,661.90
Rental income	1,968,000.00	2,292,994.86	48,000.00	366,994.86
Compensation for goods	8,740,640.26	14,584,766.24	-	-
Others income	23,485,153.62	10,464,213.66	15,472,573.38	9,987,597.14
Total other income	<u>120,796,691.25</u>	<u>92,431,862.85</u>	<u>80,600,031.80</u>	<u>285,629,964.55</u>

28. Other expenses

Other expenses for the year ended 31 December 2014 and 2013 comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Loss on exchange rate	-	77,370,982.14	-	27,508,771.77
Loss from sale of temporary investment	-	1,448,833.88	-	1,448,833.88
Net fair value gain from derivative financial instruments	26,007,278.76	-	8,494,674.10	-
Loss on impairment of investments	220,000,000.00	-	230,074,577.03	-
Total other expenses	<u>246,007,278.76</u>	<u>78,819,816.02</u>	<u>238,569,251.13</u>	<u>28,957,605.65</u>

29. Finance costs

Finance costs for the year ended 31 December 2014 and 2013 comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Interest expenses	675,593,256.07	627,031,905.26	453,484,991.31	397,978,091.91
Amortization of direct costs of providing				
long-term loans	-	2,483,737.90	-	2,483,737.90
Bank charge	53,636,411.29	53,556,866.57	41,915,410.68	39,884,260.26
Other	12,666,708.68	-	12,666,708.68	-
Total finance costs	<u>741,896,376.04</u>	<u>683,072,509.73</u>	<u>508,067,110.67</u>	<u>440,346,090.07</u>

30. Tax (Expense) Income

Income tax is recognized in the profit (loss) for the year period consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year		For the year	
	ended 31 December		ended 31 December	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Current tax (expense) income	-	(1,165,547.31)	-	-
Prior year tax expense	-	1,006,321.40	-	-
Deferred income tax				
(Expenses) revenues deferred				
income tax	482,885.38	(2,002,868.00)	(4,869,888.66)	508,775.56
Effect of change in tax rate	<u>-</u>	<u>7,104,025.72</u>	<u>-</u>	<u>(506,005.50)</u>
(Expense) revenues Income tax is				
recognized in the profit (loss) for				
the year	<u>482,885.38</u>	<u>4,941,931.81</u>	<u>(4,869,888.66)</u>	<u>2,770.06</u>

The difference between (expenses) revenue tax calculated from accounting profit at the tax rate for the year ended 31 December 2014 and 2013 at the rate of 20% , are as follows;

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Profit before income tax	(1,003,897,504.49)	(118,944,863.68)	(687,355,912.51)	131,415,473.59
(Expenses) revenues tax calculated				
at the tax rate of 20%	200,779,500.90	23,788,972.76	137,471,182.50	(26,283,094.72)
Impact of change in tax rate	-	7,104,026.00	-	(506,005.50)
The impact of income between related company	(1,854,642.33)	7,185,869.34	-	-
Profit sharing from equity accounted investment	49,679.86	(79,766.51)	-	-
Prior year tax expense	-	1,006,321.40	-	-
Effect of income that is exempt from taxation	(40,239,339.08)	3,144,051.20	-	49,960,541.60
(Expenses) revenues not deductible for income tax	(90,866,638.25)	(846,565.72)	(70,465,118.56)	(1,261,632.63)
Tax losses the year that are not recognized as deferred tax assets	(67,385,675.73)	(36,360,976.66)	(64,292,689.24)	(21,907,038.69)
Tax losses last year that are not recognized as deferred tax assets	-	-	-	-
Written off deferred tax assets, recorded in prior year	-	-	(7,583,263.36)	-
(Expenses) revenues income tax is Recognized in the Profit for the year	482,885.37	4,941,931.81	(4,869,888.66)	2,770.06

Income tax is recognized in the other comprehensive Profit (Loss) consist of:

	Consolidated Financial Statements		
	Amount	Revenues (Expenses)	Net of Taxes
	Before Taxes	Income Taxes	
	Baht	Baht	Baht
For the year ended 31 December 2014			
Gain (loss) on remeasuring available-for-sale-investments	16,000,000.00	(3,200,000.00)	12,800,000.00
For the year ended 31 December 2013			
Gain (loss) on remeasuring available-for-sale-investments	(4,400,000.00)	532,000.00	(3,868,000.00)
Gain (loss) on land revaluation	235,817,399.83	(47,162,679.97)	188,654,719.86

	Separate Financial Statements		
	Amount	Revenues (Expenses)	Net of Taxes
	Before Taxes	Income Taxes	
	Baht	Baht	Baht
For the year ended 31 December 2014			
Gain (loss) on remeasuring available-for-sale-investments	16,000,000.00	(3,200,000.00)	12,800,000.00
For the year ended 31 December 2013			
Gain (loss) on remeasuring available-for-sale-investments	(4,400,000.00)	532,000.00	(3,868,000.00)
Gain (loss) on land revaluation	157,420,877.00	(31,484,175.40)	125,936,701.60

Deferred tax assets are not recognized in the financial statement below.

	Consolidated Financial	Separate Financial
	Statements	Statements
	For the year ended	For the year ended
	31 December 2014	31 December 2014
	Baht	Baht
Allowance for doubtful debts	9,280,582.40	4,094,305.14
Allowance for net realizable value of inventories	29,571,671.27	22,279,631.58
Loss on impairment of intangible assets	3,276,911.20	-
Retirement benefit obligations	3,722,755.80	3,049,962.80
Fair value gains on derivative financial instruments	330,406.56	330,406.56
Tax losses	31,325,129.87	31,325,129.87
Total	<u>77,507,457.10</u>	<u>61,079,435.95</u>

For the years ended 31 December 2014, the whole amount of deferred tax assets for tax losses was derived from accumulated tax losses which were classified by expiring year of tax benefits as follows:

	Consolidated Financial	Separate Financial
	Statements	Statements
	Baht	Baht
Expiring year of tax benefits		
Year 2018	31,325,129.87	31,325,129.87

The Company has not recognized the above deferred tax assets because it is not probable that future taxable profit will be available which the Company can utilize the tax benefits there from.

31. Basic earnings (loss) per share

Basic earnings (loss) per share and diluted earnings (loss) per share for the year ended 31 December 2014 and 2013 are as follows;

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to shareholders after deduction of cash dividend of preference shares by the weighted average number of ordinary shares in issue during the period and restated the number of ordinary shares to reflect the effect of the stock dividend as disclosed in note 25 to the financial statements of the prior period earnings per share have been recalculated. Shares as if the shares had occurred at the beginning of the first year reporting as follows:

	Consolidated Financial Statements		Separate Financial Statements	
For the year ended December 31,	2014	2013	2014	2013
Basic (loss) earnings per share				
Profit (loss) attributable to owners of the parent				
(Baht)	(998,679,627.04)	(114,219,992.92)	(692,225,801.17)	131,418,243.65
Less Dividend of preference shares (Baht)	(95,622,599.21)	(61,804,475.91)	(95,622,599.21)	(61,804,475.91)
Profit (loss) attributable to ordinary shareholders				
(Baht)	(1,094,302,226.25)	(176,024,468.83)	(787,848,400.38)	69,613,767.74
Weighted average number of ordinary shares in issue (Share)	1,904,167,358	1,866,394,429	1,904,167,358	1,866,394,429
Basic earnings (loss) per share (Baht)	(0.57)	(0.09)	(0.41)	0.04

The diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: convertible preferred shares, convertible bonds, and warrants. The convertible preferred shares and convertible bonds are assumed to have been converted into ordinary shares. For the warrant, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual by using daily market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

	Consolidated Financial Statements		Separate Financial Statements	
For the year ended December 31,	2014	2013	2014	2013
Diluted earnings (loss) per share				
Profit (loss) attributable to owners of the parent (Baht)	<u>(1,094,302,226.25)</u>	<u>(176,024,468.83)</u>	<u>(787,848,400.38)</u>	<u>69,613,767.74</u>
Weighted average number of ordinary shares in issue (Share)	1,904,167,358	1,866,394,429	1,904,167,358	1,866,394,429
Adjustments for				
- convertible bonds (Share)	58,333,333	58,333,333	58,333,333	58,333,333
- warrants (Share)	<u>304,109,686</u>	<u>28,593,822</u>	<u>304,109,686</u>	<u>28,593,822</u>
Weighted average number of ordinary shares for diluted earnings (loss) per share (Share)	<u>2,266,610,377</u>	<u>1,953,321,584</u>	<u>2,266,610,377</u>	<u>1,953,321,584</u>
Diluted earnings (loss) per share (Baht)	<u>(0.48)</u>	<u>(0.09)</u>	<u>(0.35)</u>	<u>0.04</u>

32. Expenses by Nature

The following expenditure items, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Raw materials and consumable used	8,333,072,284.90	10,502,976,427.89	6,915,865,491.14	9,477,676,623.29
Purchases of finished goods and raw material	136,042,086.07	684,411,706.62	123,855,588.37	245,282,120.78
Change in finished goods and semi-finished goods	(346,692,534.04)	(220,811,108.81)	(222,201,435.42)	(159,765,085.92)
Losses on declining value of inventory	140,155,449.27	4,480,047.00	104,331,360.30	2,701,141.67
Staff costs	243,206,021.33	277,640,602.21	161,272,631.24	184,867,480.42
Depreciation on property, plant and equipment	200,608,779.36	191,791,626.18	31,847,488.98	26,557,152.12
Utilities expenses	486,150,362.48	783,111,414.63	124,785,865.88	154,546,125.39
Oil/gas	263,178,233.70	322,318,659.10	212,702,085.13	232,235,194.79

33. Segment information

The Group is principally engaged in manufacturing and trading steel products, both in Thailand and overseas. The Group does not disclose information in respect of geographical segments because revenue from overseas sales for the year ended 31 December 2014 and 2013 was Baht 588.35 million and Baht 699.75 million, respectively to 5.67% and 5.07% of total sales of goods and services, respectively.

34. Financial instruments

34.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

34.1.1 Foreign exchange risk

The Group has exposure to foreign currency exchange fluctuations on purchasing /selling of goods and loans. The Group manages this risk through the financial derivatives such as forward foreign exchange contracts, and forward foreign currency and interest rate as following:

Forward foreign exchange contracts and foreign exchange option

The Group uses derivative financial instruments such as forward foreign exchange contracts and Foreign-exchange option to hedge certain exposures by establishing the rate at which a foreign currency asset will be realized or a foreign currency liability settled.

Foreign currency and interest rate forward contracts

Foreign currency and interest rate forward contracts are financial instrument to protect fluctuations of exchange rates and interest rate.

34.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group hedges the interest rate exposure by using financial instruments such as foreign currency and interest rate forward contracts as described in Note 34.1.1

34.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies to limit the amount of credit exposure to each financial institution.

34.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

34.2 Accounting for derivative financial instruments and hedging activities

The Group recognises derivative financial instruments in the financial statements on the inception. Subsequently the Group measures each derivative financial instrument at its fair value. Gains and losses on the derivative financial instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the profit or loss, whereas the gains and losses on the derivative financial instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income/(other expenses) in the profit or loss.

Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts receivable, loans and accounts payable denominated in foreign currencies.

Foreign exchange forward contracts

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
US Dollar				
- Average exchange rate (Baht/USD)	31.87 - 33.38	31.22 - 32.87	32.09 - 33.38	31.53 - 32.87
- Amount in foreign (USD)	22,250,465.57	46,783,876.05	17,747,718.45	32,285,483.30
- Amount in local currency (Baht)	735,132,463.75	1,498,156,032.10	585,859,900.28	1,036,524,462.25

Net fair values

The net fair values of derivative financial instruments comprise the following:

Consolidated Financial Statements				
	As at 31 December 2014		As at 31 December 2013	
	Foreign	Fair values	Foreign	Fair values
	currency	Favourable (unfavourable)	currency	Favourable (unfavourable)
	Baht	Baht	Baht	Baht
Derivative financial instruments (assets)				
- Foreign exchange forward contracts				
US Dollar				
- Current	13,450,465.57	5,663,337.44	37,096,376.02	36,742,737.74
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
US Dollar				
- Current	8,800,000.00	(1,652,032.80)	9,687,500.03	(6,724,232.30)
Separate Financial Statements				
	As at 31 December 2014		As at 31 December 2013	
	Foreign	Fair values	Foreign	Fair values
	currency	Favourable (unfavourable)	currency	Favourable (unfavourable)
	Baht	Baht	Baht	Baht
Derivative financial instruments (assets)				
- Foreign exchange forward contracts				
US Dollar				
- Current	8,947,718.45	4,938,715.52	22,597,983.27	18,505,588.98
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
US Dollar				
- Current	8,800,000.00	(1,652,032.80)	9,687,500.03	(6,724,232.30)

The fair value of forward foreign exchange contracts is determined by the market rate of each contract which is calculated by financial institutions dealing with the Group at the date of the statement of financial position.

35. Transactions with business alliances

According to Section 89/1 of the Securities and Exchange Act BE 2535 (including its amendments) and Clause 2 (3) of the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551 Re: Rules on Connected Transactions, and its definition stated in the notification, the Company has numbers of significant transactions dealt with these business alliances being individuals or entities which are management's relatives or a former employee of a related party. The detail is below.

Name of business alliances	Relationship
- Insight Steel Co., Ltd.	- a major shareholder and the authorised director is management's relative
- Simba Inter Co., Ltd.	- a major shareholder and the authorised director is also a shareholder of the Group holding 1.49% interest of the Group (information as of April 11, 2012). The previous owner of this company became a management's relative.
- Triple O Trading Co., Ltd.	- a major shareholder and the authorised director, who was a former employee of a related party, hold 0.54% interest of the Group (information as of April 11, 2012). This entity has been receiving financial supports from one of the Group's shareholder who is a management's relative. The structure of the parties involved is indirectly linked to a management's relative.
Name of business alliances	Relationship
- Jarasrungrroj Co., Ltd.	- a major shareholder and the authorised director is management's relative
- Deesinchai Steel Co., Ltd.	- a major shareholder and the authorised director is close relationship with the relative of the Company's management.
- Platinum Auto Services Co., Ltd.	- one of authorized directors is a shareholder of the Group holding 0.56% interest of the Group (information as of April 11, 2012) and is a relative of a subsidiary's management. And having one director is being in authorized director of the listed company manely's Polaris Capital Pcl, which is now being as parent company of Platinum Auto Services.

The following significant transactions were carried out with business alliances:

35.1 Revenues

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Revenue				
Sales of goods	1,859,418,464.12	2,211,802,357.44	1,859,418,464.12	2,211,802,357.44

35.2 Purchase of goods and services

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Purchase of goods and services				
Purchase of goods	41,817,266.00	351,064.00	41,817,266.00	351,064.00
Purchase of services	7,410,428.79	14,257,943.18	4,148,638.79	9,310,645.18

35.3 Outstanding balances arising from purchases and sales of goods and services

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Trade accounts receivable	395,745,244.19	407,811,966.95	395,745,244.19	407,811,966.95
Other assets (deposit for rental cars)	3,868,315.00	3,823,315.00	1,232,600.00	1,122,600.00
Other current liabilities (accrued expenses)	3,220,147.53	516,275.00	1,387,737.26	516,275.00

36. Inter-transaction between related parties

A group of individual shareholders who are members of the Company's management hold 20.72% interests in the Company's share capital. The Company's remaining shares are widely held. The following significant transactions were carried out with related parties:

36.1 Revenue

	Consolidated Financial Statements		Separate Financial Statements	
	For the year end		For the year end	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Revenue sales of goods and services				
Subsidiaries				
Millcon Burapa Company Limited	-	-	49,169,557.00	64,665,773.00
Zentra-Wartung Engineering Company Limited	-	-	15,417,484.72	13,020,577.90
Total	-	-	64,587,041.72	77,686,350.90
Related parties				
Million Miles Company Limited	68,600.00	48,707,006.08	68,600.00	11,994,465.58
General Engineering Public Company Limited	60,316,126.01	-	56,749,224.45	-
Suntech Metals Company Limited	103,755,474.84	-	103,755,474.84	-
R.S.P. Steel Company Limited	334,025,191.20	613,298,183.19	334,025,191.20	613,298,183.19
Total	498,165,392.05	662,005,189	494,598,490.49	625,292,648.77
Total Revenue Sales of goods and services	498,165,392.05	662,005,189	559,185,532.21	702,978,999.67
Rental income				
Related parties				
Million Miles Company Limited	1,968,000.00	2,112,000.00	48,000.00	192,000.00
Total Rental income	1,968,000.00	2,112,000.00	48,000.00	192,000.00
Dividend income				
Subsidiaries				
Millcon Burapa Company Limited	-	-	-	248,802,708.00
Total Dividend income	-	-	-	248,802,708.00
Other income				
Subsidiaries				
Zentra-Wartung Engineering Company Limited	-	-	-	10,700,000.00
Total Other income	-	-	-	10,700,000.00

Sale of goods and services transactions with related parties are carried out under commercial terms and conditions that are treated in the same manner as unrelated parties.

36.2 Expenses

	Consolidated Financial Statements		Separate Financial Statements	
	For the year end		For the year end	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Purchase of goods and services				
Subsidiaries				
Millcon Burapa Company Limited	-	-	1,480,513,592.02	3,383,324,131.74
Zentra-Wartung Engineering Company Limited	-	-	11,607,620.70	452,850.58
Total	-	-	1,492,121,212.72	3,383,776,982.32
Related parties				
Million Miles Company Limited	95,368,962.77	103,869,421.69	79,065,651.22	103,869,421.69
Suntech Metals Company Limited	245,650,502.74	-	9,518,960.00	-
R.S.P. Steel Company Limited	4,270,103.78	3,165,349.12	4,270,103.78	3,165,349.12
G.J. Steel Company Limited	-	61,236,702.10	-	61,236,702.10
Total	345,289,569.29	168,271,472.91	92,854,715.00	168,271,472.91
Total Purchase of goods and services	345,289,569.29	168,271,472.91	1,584,975,927.72	3,552,048,455.23
Selling and administrative expenses				
Subsidiaries				
Millcon Burapa Company Limited	-	-	23,012,880.00	23,012,880.00
Related parties				
R.S.P. Steel Company Limited	561,792.00	525,792.00	561,792.00	525,792.00
Total Rental expenses of factory buildings and machine	561,792.00	525,792.00	23,574,672.00	23,538,672.00
Directors' and management's remunerations				
Short-term Employee Benefit	31,833,202.00	34,246,172.00	31,833,202.00	34,246,172.00
Post-Employee Benefit	919,445.00	925,979.00	919,445.00	925,979.00
Total Directors' and management's remunerations	32,752,647.00	35,172,151.00	32,752,647.00	35,172,151.00

Purchase of goods and services transactions with related parties are carried out under commercial terms and conditions that are treated in the same manner as unrelated parties.

36.3 Outstanding balance arising from purchases and sales of goods and service

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Subsidiaries				
Millcon Burapa Company Limited	-	-	87,171,574.21	9,350,032.36
Zentra-Wartung Engineering Company Limited	-	-	16,850,586.87	6,874,825.25
Total	-	-	104,022,161.08	16,224,857.61
Subsidiaries				
Millcon Burapa Company Limited	-	1,781.16	-	1,781.16
Related parties				
Suntech Metals Company Limited	-	-	-	-
General Engineering Public Company Limited	11,441,612.20	-	8,108,659.74	-
R.S.P. Steel Company Limited	45,600,102.66	135,810,808.49	45,600,102.66	135,810,808.49
Total	57,041,714.86	135,812,589.65	53,708,762.40	135,812,589.65
Total Trade accounts receivable	57,041,714.86	135,812,589.65	157,730,923.48	152,037,447.26
Short-term Loans				
Subsidiaries				
Millcon (HK) Limited	-	-	1,050,665,299.20	-
<u>Less</u> Allowance for doubtful debt	-	-	(171,225,240.00)	-
Net	-	-	879,440,059.20	-
Advances				
Subsidiaries				
Millcon Burapa Company Limited	-	-	2,040,453,665.17	808,972,387.10
Zentra-Wartung Engineering Company Limited	-	-	10,092,100.00	-
Millcon Special Company Limited	-	-	3,328,517.25	-
Millcon Mauritius Company Limited	-	-	285,708.00	-
Quest Capital Invetsment Limited	-	-	9,000,750.00	-
<u>Less</u> Allowance for doubtful debt	-	-	(9,000,750.00)	-
Total	-	-	2,054,159,990.42	808,972,387.10

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
An associated company				
Wisdom Tree Investment (S) Pte. Limited	384,831.11	-	384,831.11	-
Dividend income - receivable				
Subsidiaries				
Millcon Burapa Company Limited	-	-	-	248,802,708.00
Related parties				
General Engineering Public Company Limited	8,250,000.00	-	-	-
Deposit				
Related parties				
Million Miles Company Limited	1,280,000.00	-	-	-
Advance money transfer excavators				
Related parties				
Million Miles Company Limited	36,000.00	-	-	-
Other current asset (Account receivable for asset)				
Subsidiaries				
Millcon Burapa Company Limited	-	-	76,055,237.21	-
Trade accounts payable				
Subsidiaries				
Zentra-Wartung Engineering Company Limited	-	-	2,357,525.66	484,550.12
Related parties				
R.S.P. Steel Company Limited	125,692.90	93,207.70	125,692.90	93,207.70
General Engineering Public Company Limited	2,651,161.03	-	-	-
Million Miles Company Limited	132,132.00	-	-	-
Suntech Metals Company Limited	88,708,192.36	-	5,383,406.13	-
Total	91,617,178.29	93,207.70	5,509,099.03	93,207.70
Total Trade accounts payable	91,617,178.29	93,207.70	7,866,624.69	577,757.82

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Other current liabilities (Other account payable)				
Related parties				
General Engineering Public				
Company Limited	1,003,945.56	-	-	-
Rental income received in advance				
Related parties				
Million Miles Company Limited	11,520,000.00	-	-	-
Other current liabilities (accrued expenses)				
Related parties				
Million Miles Company Limited	3,689,534.86	10,888,522.97	3,689,534.86	10,888,522.97
Shareholders	474,238.38	463,120.73	474,238.38	463,120.73
Total Other current liabilities				
(accrued expenses)	4,163,773.24	11,351,643.70	4,163,773.24	11,351,643.70
Other current liabilities				
Related parties				
Million Miles Company Limited	8,916,225.98	9,763,340.12	-	-

As at 31 December 2014, a short-term loan to a subsidiary in the amount of Bath 1,050.67 million shall be applied for the purpose of purchasing the right to claim in the collateral assets of a company in Thailand and to acquire an ordinary share from an overseas investment company which is the owner of the claim. The subsidiary has been established in Hong Kong (see note 15) for the purposes. The loan is entered into the loan agreement between the parent company and a subsidiary and the repayment shall be repaid when the lender sent a notice and no interest charge (see note 11).

36.4 Relationship with the Company

<u>Parties' Name</u>	<u>Relationship</u>
Millcon Burapa Company Limited	Subsidiary Company by direct shareholding 98.73%
Zentra-Wartung Engineering Company Limited	Subsidiary Company by direct shareholding 99.99%
Millcon (HK) Limited	Subsidiary Company
Quest Capital Investment Limited	Subsidiary Company by indirect shareholding 100%
Millcon Thiha Limited	Subsidiary Company by direct shareholding 51.00%

<u>Parties' Name</u>	<u>Relationship</u>
Millcon Mauritius Company Limited	Subsidiary Company
Millcon Special Company Limited	Subsidiary Company by direct shareholding 99.97%
Million Miles Company Limited	Related Company by indirect shareholding 12.10% with co-director
General Engineering Public Company Limited	Related Company by holding share of 12.72%
Suntech Metals Company Limited	Related Company by the subsidiary of General Engineering Public Company Limited
R.S.P. Steel Company Limited	Related Company with co-director
Wisdom Tree Investment (S) Pte. Limited	Associated Company by direct shareholding 45.00%

37. Non-cash flow transactions

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	Period ended 31 December		Period ended 31 December	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Gain (loss) on remeasuring available-for -				
sale investments-Net	16,000,000.00	(3,868,000.00)	16,000,000.00	(3,868,000.00)
Assets-held-for-sale increase by				
capitalized doubtful debt of loan	169,593,310.00	-	171,225,240.00	-
Transfer machineries to assets-held-				
for-sale	61,364,410.05	-	61,364,410.05	-
Purchase of fixed assets that				
have not yet paid	133,214,065.36	7,072,794.95	-	808,514.95
Surplus from Revaluation of Land -				
net income tax	-	188,654,719.86	-	125,936,701.60
Stock dividends	-	45,306,262.40	-	45,306,262.40

38. Guarantees

38.1 Guarantees contracts

Guarantee contracts as at 31 December 2014 and 2013 comprise the following:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Guarantee of an associate's liabilities	144,314,919.96	211,898,939.00	144,314,919.96	211,898,939.00

The Company has guaranteed on credit lines in types of hire-purchase credit and loan credit to a related company (in former, the Company's association). The Company has a written notice to such company not to use additional credit line because the Company decrease its equity interest until such company not the associated of the Company. Thus, it was suspended for use of all credit lines which the Company has guaranteed to secure such credits. If such Company need to use credits, it has to change its collaterals and the Company is in the process for release its guarantee on such credit for financial institutions.

38.2 Bank guarantees

The local bank had issued letters of guarantee on behalf of the Group as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
In respect of electricity usage (Baht)	13,283,000.00	115,303,000.00	7,400,000.00	13,420,000.00
In respect of purchase of gas-petroleum (Baht)	129,363,000.00	7,000,000.00	7,000,000.00	7,000,000.00
In respect of purchase of goods and services (Baht)	-	20,000,000.00	20,000,000.00	-
In respect of purchase of goods and services (EURO)	-	20,000,000.00	-	-
Aval note (Baht)	150,000,000.00	40,337,150.00	277,000,000.00	16,000,000.00

39. Commitments

The Group had commitments but not yet recognized in the consolidated and company financial statements as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Operating lease commitments (Baht)	23,643,702.23	34,347,325.00	66,265,890.23	26,902,187.32
Capital expenses	748,807.86	-	-	-
Letter of credit for purchase of goods commitments				
- Thai Baht	119,515,606.35	-	131,275,147.50	-
Service contract commitments (Baht)	1,864,740.00	197,200.00	1,669,940.00	100,000.00

40. Auction the assets from such Thai Company Limited

On 25 September 2014, the Company entered into the purchase of assets of TSSI which has been sold by the auction ordered by court at Rayong legal execution office and won the auction by acquiring of assets which are lands, constructions and machineryes. The assets located at IRPC Industrial Zone, 119 Banlang-Natakhwan Road, Banlang Sub-District, Muang Rayong District, Rayong Province. The payment was made within 15 days from the date of acquiring onwards.

On 8 October 2014, the Company entered into the contract with Rayong legal execution office for extension of 90 days payment terms.

On 9 October 2014, the Company purchased the ordinary shares of such company of Thailand from such financial institution which it was one of conditions of financial amount for entering into the auction for purchasing the said TSSI's assets from financial institution. In this respect, this transaction did not cause the other liabilities against the company and its affiliate unless the investment amount for TSSI's shares. (See note 17)

And then on 14 October 2014, the company fully settled the payment to with Rayong legal execution office and already got the title documents from Rayong legal execution office.

On 22 December 2014, the Company is delivered the assets and transferred the rights on the assets already.

However, during year 2014, was a one of shareholder of TSSI filed a motion to revoke a sale by auction. In this regard the case subject to investigation by court and there was no result. Now the company would like to inform that Rayong official court has ordered to revoke the said motion of complainer and did not revocation of sale by auction on 22 December 2014.

41. Approval of the interim financial information

The Interim financial information have been approved for issuance by MILLCON STEEL PUBLIC COMPANY LIMITED's board of directors on 27 February 2015.



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