

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the shareholders of Siam Steel International Public Company Limited

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

### **Scope of Review**

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

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: "Interim financial reporting".

### **Review and Audit Reports on Prior Year Financial Statements**

The consolidated statements of comprehensive income for the three-month and nine-month periods ended 31 March 2013, changes in shareholders' equity and cash flows for the nine-month period ended 31 March 2013 and condensed notes to the financial statements of Siam Steel International Public Company Limited and its subsidiaries and joint ventures, and separate statements of comprehensive income for the three-month and nine-month periods ended 31 March 2013, changes in shareholders' equity and cash flows for the nine-month period ended 31 March 2013 and condensed notes to the financial statements of Siam Steel International Public Company Limited were restated as discussed in Note 4 to the financial statements, for comparative purpose. Such financial statements, before restatement, were reviewed by Mrs. Sumalee Chokdeeanant, an auditor in the same office as mine, who issued her review report dated 14 May 2013 with a concluding report thereon that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: "Interim financial reporting".

The consolidated financial statements of Siam Steel International Public Company Limited and its subsidiaries and joint ventures and the separate financial statement of Siam Steel International Public Company Limited as at and for the year ended 30 June 2013 (before restatement) were audited by Mrs. Sumalee Chokdeeanant, an auditor in the same office as mine, who issued her audit report dated 28 August 2013 expressed an unqualified opinion thereon. The consolidated and separate statements of financial position as at 30 June 2013, which are integral part of such audited financial statements, were restated as discussed in Note 4 to the financial statements, for comparative purpose.

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

15 May 2014

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE - MONTH PERIODS ENDED 31 MARCH

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2014	2013 (Restated)	2014	2013 (Restated)
<b>REVENUES</b>					
Sales and services - net		1,684,616	2,759,837	908,199	1,840,876
Revenues from construction work		-	66,200	-	66,200
<b>Total revenues</b>	6,18	1,684,616	2,826,037	908,199	1,907,076
<b>COSTS</b>					
Costs of sales and services		(1,459,863)	(2,237,934)	(823,139)	(1,507,332)
Costs of construction work		-	(60,298)	-	(60,298)
<b>Total costs</b>	6,17,18	(1,459,863)	(2,298,232)	(823,139)	(1,567,630)
<b>Gross income</b>		224,753	527,805	85,060	339,446
Gain (loss) on foreign exchange rates		17,071	(9,887)	16,694	(11,441)
Dividend income	6,10	-	-	10,199	10,199
Other income	6	36,237	41,143	43,125	50,401
<b>Income before expenses</b>		278,061	559,061	155,078	388,605
Selling expenses		(143,148)	(256,557)	(142,962)	(255,647)
Administrative expenses		(253,979)	(241,023)	(152,767)	(145,326)
Compensation for defect products		(189,067)	-	(189,067)	-
Reversal of allowance (allowance) for doubtful debts and bad debt		1,353	(1,197)	1,353	(1,226)
Reversal of allowance for decline value of investment		8,683	4,911	8,683	4,911
<b>Total expenses</b>	6,17	(576,158)	(493,866)	(474,760)	(397,288)
<b>Income (loss) from operations</b>		(298,097)	65,195	(319,682)	(8,683)
Equity in net income of associated companies - net		74,660	64,935	-	-
<b>Income (loss) before finance cost and income tax</b>		(223,437)	130,130	(319,682)	(8,683)
Financial costs		(1,851)	(2,085)	(1,856)	(2,085)
<b>Income (loss) before income tax</b>		(225,288)	128,045	(321,538)	(10,768)
Income tax	13	49,776	(23,141)	56,297	(3,569)
<b>Net income (loss) for the period</b>		(175,512)	104,904	(265,241)	(14,337)
Other comprehensive income (loss) for the period		-	-	-	-
<b>Total comprehensive income (loss) for the period</b>		(175,512)	104,904	(265,241)	(14,337)
<b>Attribution of income (loss)</b>					
The Company's shareholders		(187,646)	73,612	(265,241)	(14,337)
Non - controlling interests in subsidiaries		12,134	31,292	-	-
		(175,512)	104,904	(265,241)	(14,337)
<b>Attribution of comprehensive income (loss)</b>					
The Company's shareholders		(187,646)	73,612	(265,241)	(14,337)
Non - controlling interests in subsidiaries		12,134	31,292	-	-
		(175,512)	104,904	(265,241)	(14,337)
<b>Basic earnings (loss) per share</b>					
Income (loss) of the Company's shareholders (Baht per share)		(0.32)	0.12	(0.45)	(0.02)
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

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

(Unit : Thousand Baht)					
	Notes	Consolidated F/S		Separate F/S	
		31 March 2014	30 June 2013	31 March 2014	30 June 2013
		(Unaudited but Reviewed)	(Audited) (Restated)	(Unaudited but Reviewed)	(Audited) (Restated)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	276,350	450,931	100,881	281,451
Trade accounts receivable from sales and services					
- general customers - net	7	560,428	679,461	351,058	467,808
- related companies	6,7	10,455	17,394	12,162	19,341
Trade accounts receivable from construction work					
- related companies - net	6,7	2,377	2,377	4,660	4,660
Inventories - net	8	421,631	502,502	314,415	430,155
Receivables from and advances					
to related companies	6	3,606	3,264	5,551	4,948
Other current assets		17,209	18,383	11,151	13,808
<b>Total current assets</b>		<b>1,292,056</b>	<b>1,674,312</b>	<b>799,878</b>	<b>1,222,171</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposit with bank	9	226	184	-	-
Retentions receivable		93,131	250,841	93,131	250,841
Investments					
- Subsidiary companies - net	10	-	-	32,399	32,399
- Associated companies	10	711,624	576,763	162,627	102,427
- Other companies - net	10	53,287	44,605	48,287	39,605
- Joint ventures - net	10	-	-	16	16
Property, plant and equipment - net	11	577,149	766,913	569,720	757,550
Assets not used in operation - net	12	162,942	-	162,942	-
Refundable value added tax		1,424	3,983	-	2,098
Income tax withheld at sources		12,101	9,728	7,968	5,595
Deferred income tax asset - net	13	103,798	46,789	113,501	57,204
Other non - current assets - net		31,772	30,816	19,596	20,051
<b>Total non - current assets</b>		<b>1,747,454</b>	<b>1,730,622</b>	<b>1,210,187</b>	<b>1,267,786</b>
<b>TOTAL ASSETS</b>		<b>3,039,510</b>	<b>3,404,934</b>	<b>2,010,065</b>	<b>2,489,957</b>

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

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

(Unit : Thousand Baht)					
	Notes	Consolidated F/S		Separate F/S	
		31 March 2014	30 June 2013	31 March 2014	30 June 2013
		(Unaudited but Reviewed)	(Audited) (Restated)	(Unaudited but Reviewed)	(Audited) (Restated)
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from financial institution	14	106,878	1,076	106,878	1,076
Trade accounts payable - general suppliers		107,709	333,524	83,095	302,836
Payables to and advances from related companies	6	84,836	86,549	21,792	43,607
Advances and deposits from customers					
- general customers		47,673	53,119	22,217	49,005
- related companies	6	5,035	5,035	5,035	5,035
Accrued income tax		723	1,374	-	-
Other current liabilities	15	96,876	131,767	80,080	114,112
<b>Total current liabilities</b>		<b>449,730</b>	<b>612,444</b>	<b>319,097</b>	<b>515,671</b>
<b>NON - CURRENT LIABILITIES</b>					
Employee benefits obligation	16	35,901	50,146	25,365	40,507
Other non - current liabilities		3,274	6,426	2,750	5,685
<b>Total non - current liabilities</b>		<b>39,175</b>	<b>56,572</b>	<b>28,115</b>	<b>46,192</b>
<b>TOTAL LIABILITIES</b>		<b>488,905</b>	<b>669,016</b>	<b>347,212</b>	<b>561,863</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,126	593,126	593,126	593,126
- Issued and paid - up 593,125,849 shares		593,126	593,126	593,126	593,126
Premium on share capital		72,404	72,404	72,404	72,404
Retained earnings					
- Appropriated for legal reserve		59,312	59,312	59,312	59,312
- Unappropriated		1,643,113	1,830,759	938,011	1,203,252
<b>Shareholders' equity attributable to the Company's shareholders</b>		<b>2,367,955</b>	<b>2,555,601</b>	<b>1,662,853</b>	<b>1,928,094</b>
Non - controlling interests in subsidiaries		182,650	180,317	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,550,605</b>	<b>2,735,918</b>	<b>1,662,853</b>	<b>1,928,094</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,039,510</b>	<b>3,404,934</b>	<b>2,010,065</b>	<b>2,489,957</b>

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

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2014	2013 (Restated)	2014	2013 (Restated)
<b>REVENUES</b>					
Sales and services - net		533,876	1,132,923	328,330	794,247
<b>Total revenues</b>	6,18	533,876	1,132,923	328,330	794,247
<b>COSTS</b>					
Costs of sales and services		(435,073)	(895,185)	(280,026)	(635,659)
<b>Total costs</b>	6,17,18	(435,073)	(895,185)	(280,026)	(635,659)
<b>Gross income</b>		98,803	237,738	48,304	158,588
Gain (loss) on foreign exchange rates		7,095	(7,992)	7,575	(8,735)
Other income	6	9,630	11,285	11,842	14,210
<b>Income before expenses</b>		115,528	241,031	67,721	164,063
Selling expenses		(47,534)	(98,731)	(47,474)	(98,487)
Administrative expenses		(76,405)	(78,752)	(43,275)	(47,800)
Reversal of allowance for doubtful debts and bad debt		40	2,672	40	2,644
Reversal of allowance for decline value of investment		-	3,875	-	3,875
<b>Total expenses</b>	6,17	(123,899)	(170,936)	(90,709)	(139,768)
<b>Income (loss) from operations</b>		(8,371)	70,095	(22,988)	24,295
Equity in net income of associated companies - net		24,194	25,298	-	-
<b>Income (loss) before finance cost and income tax</b>		15,823	95,393	(22,988)	24,295
Financial costs		(1,082)	(1,170)	(1,082)	(1,170)
<b>Income (loss) before income tax</b>		14,741	94,223	(24,070)	23,125
Income tax	13	(7,231)	(17,614)	(4,292)	(7,036)
<b>Net income (loss) for the period</b>		7,510	76,609	(28,362)	16,089
Other comprehensive income (loss) for the period		-	-	-	-
<b>Total comprehensive income (loss) for the period</b>		7,510	76,609	(28,362)	16,089
<b>Attribution of income (loss)</b>					
The Company's shareholders		1,835	59,428	(28,362)	16,089
Non - controlling interests in subsidiaries		5,675	17,181	-	-
		7,510	76,609	(28,362)	16,089
<b>Attribution of comprehensive income (loss)</b>					
The Company's shareholders		1,835	59,428	(28,362)	16,089
Non - controlling interests in subsidiaries		5,675	17,181	-	-
		7,510	76,609	(28,362)	16,089
<b>Basic earnings (loss) per share</b>					
Income (loss) of the Company's shareholders (Baht per share)		0.00	0.10	(0.05)	0.03
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE - MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Note	Equity attributable to the Company's shareholders						
		Paid - up Share Capital	Premium on Share capital	Retained earnings		Total	Non-controlling interests	Total
				Legal Reserve	Unappropriated (Restated)			
<b>Consolidated F/S</b>								
<b>Balance as at 1 July 2013 - as previously reported</b>		593,126	72,404	59,312	1,913,107	2,637,949	145,174	2,783,123
Cumulative effect of the change in accounting policy for deferred income tax	4	-	-	-	21,011	21,011	883	21,894
<b>Balance as at 1 July 2013 - as restated</b>		593,126	72,404	59,312	1,934,118	2,658,960	146,057	2,805,017
Comprehensive income for the period - restated		-	-	-	73,612	73,612	31,292	104,904
Dividend payment of subsidiary company		-	-	-	-	-	(9,800)	(9,800)
Dividend payment of Company		-	-	-	(112,690)	(112,690)	-	(112,690)
<b>Balance as at 31 March 2013 - as restated</b>		593,126	72,404	59,312	1,895,040	2,619,882	167,549	2,787,431
<b>Balance as at 1 July 2014 - as previously reported</b>		593,126	72,404	59,312	1,782,588	2,507,430	179,363	2,686,793
Cumulative effect of the change in accounting policy for deferred income tax	4	-	-	-	48,171	48,171	954	49,125
<b>Balance as at 1 July 2014 - restated</b>		593,126	72,404	59,312	1,830,759	2,555,601	180,317	2,735,918
Comprehensive income (loss) for the period		-	-	-	(187,646)	(187,646)	12,134	(175,512)
Dividend payment of subsidiary company		-	-	-	-	-	(9,801)	(9,801)
<b>Balance as at 31 March 2014</b>		593,126	72,404	59,312	1,643,113	2,367,955	182,650	2,550,605

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

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUE)

FOR THE NINE - MONTH PERIODS ENDED 31 MARCH

		Retained earnings				(Unit : Thousand Baht)
	Note	Paid - up Share Capital	Premium on share capital	Legal Reserve	Unappropriated (Restated)	Total
<b>Separate F/S</b>						
<b>Balance as at 1 July 2013 - as previously reported</b>		593,126	72,404	59,312	1,346,895	2,071,737
Cumulative effect of the change in accounting policy for deferred income tax	4	-	-	-	31,878	31,878
<b>Balance as at 1 July 2013 - as restated</b>		593,126	72,404	59,312	1,378,773	2,103,615
Comprehensive loss for the period - restated		-	-	-	(14,337)	(14,337)
Dividend payment of Company		-	-	-	(112,690)	(112,690)
<b>Balance as at 31 March 2013 - as restated</b>		593,126	72,404	59,312	1,251,746	1,976,588
<b>Balance as at 1 July 2014 - as previously reported</b>		593,126	72,404	59,312	1,146,048	1,870,890
Cumulative effect of the change in accounting policy for deferred income tax	4	-	-	-	57,204	57,204
<b>Balance as at 1 July 2014 - restated</b>		593,126	72,404	59,312	1,203,252	1,928,094
Comprehensive loss for the period		-	-	-	(265,241)	(265,241)
<b>Balance as at 31 March 2014</b>		593,126	72,404	59,312	938,011	1,662,853

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



## STATEMENTS OF CASH FLOWS

FOR THE NINE - MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013 (Restated)	2014	2013 (Restated)
<b>Cash flows from operating activities</b>				
Income (loss) before tax	(225,288)	128,045	(321,538)	(10,768)
<b>Adjustments to reconcile income (loss) before tax to net cash provided from (used in) operating activities:</b>				
Depreciation	40,934	34,087	38,663	31,385
Allowance (reversal of allowance) for doubtful debts and bad debt - net	(1,353)	1,197	(1,353)	1,226
Reversal of allowance for decline value of inventories - net	(976)	(1,532)	(976)	(1,107)
Reversal of allowance for decline value of investment	(8,682)	(4,911)	(8,682)	(4,911)
Loss (gain) on sales of property, plant and equipment	16	(771)	29	(203)
Unrealized loss (gain) on foreign exchange	(9,409)	15,503	(9,410)	15,503
Interest expense	1,851	2,085	1,856	2,085
Equity in net income of associated companies - net	(74,660)	(64,935)	-	-
Employee benefits obligation expenses	1,879	1,998	1,318	1,462
Dividend income	-	-	(10,199)	-
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	(275,688)	110,766	(310,292)	34,672
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	125,493	(206,688)	123,213	(132,858)
- related companies	6,938	4,644	7,179	6,863
Unbilled accrued income				
- general customers	-	33,253	-	33,253
Inventories	81,846	(89,919)	116,715	(82,016)
Receivables from and advances to related companies	(341)	721	(603)	865
Other current assets	1,174	12,790	2,657	21,060
Retentions receivable	162,503	(16,384)	162,503	(16,384)
Other non - current assets	(7,280)	(6,726)	179	(8,128)
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	(226,087)	(84,582)	(220,012)	(94,692)
Payables to and advances from related companies	(1,714)	971	(21,815)	(16,664)
Advances and deposits from customers	(5,687)	(52,147)	(27,030)	(51,680)
Other current liabilities	(34,555)	(34,446)	(34,037)	(33,665)
Employee benefits obligation	(17,519)	(124)	(17,519)	-
Other non current liabilities	(3,152)	(2,381)	(2,935)	(2,680)
<b>Cash used in operating activities</b>	(194,069)	(330,252)	(221,797)	(342,054)
Interest payment	(793)	(1,070)	(793)	(1,070)
Income tax payment	(1,374)	(28,796)	-	(233)
<b>Net cash used in operating activities</b>	(196,236)	(360,118)	(222,590)	(343,357)

STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE - MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013 (Restated)	2014	2013 (Restated)
<b>Cash flows from investing activities</b>				
Decrease (Increase) in restricted deposits with banks	(42)	77	-	-
Acquisition of property, plant and equipment	(14,420)	(110,334)	(14,075)	(108,169)
Proceeds from sales of property, plant and equipment	292	824	271	225
Increase in investment in associated company	(60,200)	-	(60,200)	-
Increase in investment in subsidiary company and joint venture	-	-	-	(11,360)
Dividend received from related company	-	-	10,199	-
<b>Net cash used in investing activities</b>	<b>(74,370)</b>	<b>(109,433)</b>	<b>(63,805)</b>	<b>(119,304)</b>
<b>Cash flows from financing activities</b>				
Increase in short - term loan from financial institution	105,825	65,113	105,825	65,113
Payments of cash dividend	-	(112,690)	-	(112,690)
Dividend paid to non - controlling interests by subsidiary	(9,800)	(9,800)	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>96,025</b>	<b>(57,377)</b>	<b>105,825</b>	<b>(47,577)</b>
<b>Decrease in cash and cash equivalents - net</b>	<b>(174,581)</b>	<b>(526,928)</b>	<b>(180,570)</b>	<b>(510,238)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>450,931</b>	<b>860,303</b>	<b>281,451</b>	<b>739,292</b>
<b>Cash and cash equivalents at end of period</b>	<b>276,350</b>	<b>333,375</b>	<b>100,881</b>	<b>229,054</b>

**SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED, SUBSIDIARIES  
AND JOINT VENTURES  
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS  
31 MARCH 2014 AND 2013 (Unaudited but reviewed)**

(With Comparative Information for 30 June 2013 (Audited) (Restated))

1. BASIS OF FINANCIAL STATEMENTS PREPARATION

The interim financial statements are prepared in accordance with Accounting Standards Pronouncement No.34 “Interim financial reporting”, whereby the Company chooses to present condensed interim financial statements with a single step “Statement of comprehensive income”. However, additional line items are included in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended 30 June 2013.

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

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLE OF CONSOLIDATION

- 2.1 The consolidated financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares with more than 50% voting right, and Joint Ventures which the Company can proportionately exercise control as follows :

Company	Percentage of shareholding		Type of business
	31 March 2014	30 June 2013	
<u>Subsidiaries</u>			
Siam Okamura International Co., Ltd.	51	51	Distribution of office furniture and furniture used for public
Sri Chareon International Co., Ltd.	99.99	99.99	Distribution of office furniture and furniture parts
Siam Steel OC Co., Ltd.	51	51	Distribution of finished buildings, wall and relating products
<u>Joint ventures</u>			
Siam Steel – Kanok Furniture	49	49	Interior decoration service
Siam Steel – Thai Service	80	80	Interior decoration service

- 2.2 Significant intercompany transactions with subsidiaries and joint ventures included in the consolidated financial statements have been eliminated.
- 2.3 The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company, subsidiaries and joint ventures.
- 2.4 As of 31 March 2014 and 30 June 2013, the total assets of subsidiaries represent 17.63 percent and 14.68 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 March 2014 and 2013, represent 36.52 percent and 29.52 percent, respectively, of the total revenues in the consolidated financial statements and total revenues of subsidiaries for the nine-month periods ended 31 March 2014 and 2013 represent 43.68 percent and 32.04 percent, respectively, of the total revenues in the consolidated financial statements.
- 2.5 The consolidated financial statements as at 31 March 2014 and 30 June 2013, and for the three-month and nine-month periods ended 31 March 2014 and 2013 included the proportion of the assets, liabilities, revenues and expenses of the Joint Ventures as follows : -

	In Thousand Baht	
	Joint Venture financial information	
	31 March 2014	30 June 2013
Current assets	295	314
Non-current assets	2,500	2,500
Current liabilities	2,757	2,764

### 3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended 30 June 2013, except for accounting policy related to the following accounting standard.

#### TAS 12 Income tax

This accounting standard requires an entity to identify temporary differences between the carrying amounts of asset or liability under accounting base and related amounts under income tax base in order to recognize the income tax effects as deferred income tax asset or liability subjecting to certain recognition criteria. Effective 1 July 2013, the Company has changed this accounting policy and restated the prior year financial statements, presented as comparative information, as if the Company had recognized the tax effects as deferred income tax asset or liability in the previous years.

The income tax expense for the period comprises current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss accounts, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

*Current income tax*

Current income tax is the expected tax payable on the taxable income for the year, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

*Deferred income tax*

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purpose. Deferred income tax is measured at the income tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax asset is reviewed at the end of each reporting period and reduced to the extent that it is probable that the related income tax benefit will be realized.

4. CUMULATIVE EFFECT OF THE CHANGE IN ACCOUNTING POLICY

Effective 1 July 2013, the Company has initially adopted of TAS 12: Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The adjustments affecting the statements of financial position and statements of comprehensive income are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2013	1 July 2012	30 June 2013	1 July 2012
<b>Statements of financial position</b>				
Increase in investment in associated company	2,336	2,801	-	-
Increase in deferred income tax asset	46,789	19,093	57,204	31,878
Increase in unappropriated retained earnings	48,171	21,011	57,204	31,878
Increase in non – controlling interests in subsidiaries	954	883	-	-

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2014	2013	2014	2013
<b>Statements of comprehensive income</b>				
Decrease in equity income in associated company	(1,514)	(359)	-	-
Increase in income tax expense	4,240	6,992	4,292	7,036
Increase in non – controlling interests in subsidiaries	117	24	-	-
Decrease in basic earnings per share (Baht per share)	(0.01)	(0.01)	(0.01)	(0.01)

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 31 March			
	2014	2013	2014	2013
<b>Statements of comprehensive income</b>				
Decrease in equity income in associated company	(2,062)	(388)	-	-
Increase (decrease) in income tax expense	(57,009)	6,958	(56,297)	3,569
Increase in non – controlling interests in subsidiaries	342	31	-	-
Increase (decrease) in basic earnings per share (Baht per share)	0.10	(0.01)	0.09	(0.01)

#### 5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
Cash	5,579	1,414	5,469	1,292
Deposits with financial institutions				
- Current accounts	1,966	10,862	557	1,150
- Savings accounts	295,653	445,385	116,467	284,868
- Cheques in transit	(26,848)	(6,730)	(21,612)	(5,859)
Total	276,350	450,931	100,881	281,451

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

## 6. TRANSACTIONS WITH RELATED COMPANIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies which are related through common shareholding and/or directorship. These financial statements reflected the effects of significant transactions with related companies based on market prices in the normal course of business, or based on the basis mutually agreed to for transactions with non comparative market prices.

As at 31 March 2014 and 30 June 2013, the account balances with related companies are as follows :

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2014	30 June 2013	31 March 2014	30 June 2013
<b>Trade accounts receivable from sales and services</b>				
<u>Subsidiary companies</u>				
Sri Chareon International Co., Ltd.	-	-	1,689	1,645
Siam Okamura International Co., Ltd.	-	-	1,182	327
Siam Steel OC Co., Ltd.	-	-	77	-
Total	-	-	2,948	1,972
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	332	111	64	104
Siam Steel Service Center Public Company Limited	25	11	24	10
Total	357	122	88	114
<u>Related companies</u>				
Lucky – Kingdom Center (Chiangmai) Co., Ltd.	4,483	5,919	4,483	5,919
Lucky – Kingdom Center (Nakornratchasima) Co., Ltd.	3,935	8,089	3,935	8,089
Siam Chitose Co., Ltd.	477	2,963	477	2,963
Unity Service Co., Ltd.	50	112	50	112
Others	1,153	189	181	172
Total	10,098	17,272	9,126	17,255
Total trade accounts receivable from sales and services – related companies	10,455	17,394	12,162	19,341

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
<b>Trade accounts receivable from construction work</b>				
<u>Joint Venture</u>				
Siam Steel-Kanok Furniture	-	-	5,600	5,600
<u>Less</u> Allowance for doubtful accounts	-	-	(940)	(940)
Net	-	-	4,660	4,660
<u>Outstanding balances and portion of other</u>				
<u>joint ventures' partner</u>				
Siam Steel-Kanok Furniture	2,856	2,856	-	-
<u>Less</u> Allowance for doubtful accounts	(479)	(479)	-	-
Net	2,377	2,377	-	-
Total accounts receivable from construction work				
- related companies – net	2,377	2,377	4,660	4,660
<b>Receivables from and advances</b>				
<u>Subsidiary companies</u>				
Siam Okamura International Co., Ltd.	-	-	1,945	1,538
Siam Steel OC Co., Ltd.	-	-	-	146
Total	-	-	1,945	1,684
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	3,581	3,264	3,581	3,264
Siam Steel Service Center Public Company Limited	25	-	25	-
Total	3,606	3,264	3,606	3,264
Total receivables from and advances to				
related companies	3,606	3,264	5,551	4,948

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



In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
<b>Trade accounts payable</b>				
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	50,396	46,006	7,918	14,104
Siam Steel Service Center Public Company Limited	81	285	81	286
Total	50,477	46,291	7,999	14,390
<u>Related companies</u>				
Siam Chitose Co., Ltd.	11,653	24,472	11,653	24,472
Formica (Thailand) Co., Ltd.	1,005	2,419	1,005	2,419
Others	20,566	9,733	-	-
Total	33,224	36,624	12,658	26,891
Total trade accounts payable - related companies	83,701	82,915	20,657	41,281
<b>Advances from</b>				
<u>Associated companies</u>				
Siam Okamura Steel Co., Ltd.	-	678	-	-
Siam Steel Service Center Public Company Limited	36	57	36	57
Total	36	735	36	57
<u>Related companies</u>				
Unity Service Co., Ltd.	1,099	2,269	1,099	2,269
Others	-	630	-	-
Total	1,099	2,899	1,099	2,269
Total advances from related companies	1,135	3,634	1,135	2,326
Total trade accounts payable and advances from related companies	84,836	86,549	21,792	43,607

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2014	30 June 2013	31 March 2014	30 June 2013
<b>Advances and deposit from customers</b>				
<u>Associated company</u>				
Siam Okamura Steel Co., Ltd.	1,553	1,553	1,553	1,553
<u>Related company</u>				
Formica (Thailand) Co., Ltd.	3,482	3,482	3,482	3,482
Total advances and deposits from customers - related companies	5,035	5,035	5,035	5,035

The significant transactions with related companies three-month and nine-month periods ended 31 March 2014 and 2013 and pricing policy are as follows :

	The Policy of Pricing
Sales and services	Cost plus margin or agreed price
Income from construction	Cost plus margin
Income from sales of raw materials, factory supplies and others	Cost plus margin
Rental revenue	Agreed price
Purchases of raw materials	Cost plus margin or agreed price
Purchases of finished goods	Agreed price
Land and factory rental	Agreed price
Administrative and other expenses	Cost plus margin or agreed price

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2014	2013	2014	2013
Sales	11,020	10,616	15,082	13,639
Income from sales of raw materials, factory supplies and others	5,682	7,750	8,275	11,170
Rental revenue	5,811	3,482	5,848	3,488
Reversal of allowance for doubtful accounts	-	2,833	-	2,804
Purchases of raw materials	5,497	2,528	5,497	2,528
Purchases of finished goods	131,714	166,622	23,492	33,808
Land and factory building rental	3,483	4,350	1,450	4,350
Administrative expenses and other expenses	18,275	20,512	3,421	3,510
<u>Key management personnel compensation</u>				
Current employee benefits	6,028	9,268	4,940	8,023
Post-employment benefits	191	191	187	187
Total	6,219	9,459	5,127	8,210

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 31 March			
	2014	2013	2014	2013
Sales	34,104	38,207	45,836	51,573
Income from sales of raw materials, factory supplies and others	18,155	25,982	26,973	37,474
Rental revenue	17,433	10,226	17,565	10,244
Dividend income	-	-	10,199	10,199
Reversal of allowance for doubtful accounts	-	2,833	-	2,804
Purchases of raw materials	10,549	19,815	10,549	19,815
Purchases of finished goods	455,347	538,957	77,622	120,002
Land and factory building rental	16,249	13,050	10,150	13,050
Administrative expenses and other expenses	68,459	71,023	10,780	9,941
<u>Key management personnel compensation</u>				
Current employee benefits	18,114	21,374	14,852	17,727
Post-employment benefits	574	573	561	561
Total	18,688	21,947	15,413	18,288

The Company has certain agreement with the Company's directors to lease land and factory building. The purpose of leases is to support the special projects and for storage of raw materials and finished products. This lease agreement covers a period of three years with monthly rental of Baht 1.45 million for total areas of 32 rai 1 ngan.

#### 7. TRADE ACCOUNTS RECEIVABLE

As at 31 March 2014 and 30 June 2013, the aged analysis of accounts receivable are as follows:

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

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2014	30 June 2013	31 March 2014	30 June 2013
<u>Trade accounts receivable – general customers</u>				
Current	266,456	270,951	145,991	185,946
Overdue:				
Less than 3 months	115,052	290,437	30,062	170,500
3 months – 6 months	13,302	71,664	10,148	64,574
6 months – 12 months	63,073	30,085	62,229	30,502
Over 12 months	106,758	20,661	104,035	17,794
Total	564,641	683,798	352,465	469,316
<u>Less</u> Allowance for doubtful accounts	(4,213)	(4,337)	(1,407)	(1,508)
Net	560,428	679,461	351,058	467,808
<u>Trade accounts receivable - related companies</u>				
Current	10,455	13,882	12,162	15,563
Overdue:				
Less than 3 months	-	3,512	-	3,778
Total	10,455	17,394	12,162	19,341

Trade accounts receivable – construction work

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
<u>Trade accounts receivable - related companies</u>				
Overdue:				
Over 12 months	2,856	2,856	5,600	5,600
Total	2,856	2,856	5,600	5,600
<u>Less</u> Allowance for doubtful accounts	(479)	(479)	(940)	(940)
Net	2,377	2,377	4,660	4,660

8. INVENTORIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
Finished goods	176,995	165,207	69,779	92,860
Work in process	53,141	121,812	53,141	121,812
Raw materials and supplies	200,327	224,045	200,327	224,045
Goods in transit	1,027	2,273	1,027	2,273
Total	431,490	513,337	324,274	440,990
<u>Less</u> Allowance for decline value of inventories	(9,859)	(10,835)	(9,859)	(10,835)
Net	421,631	502,502	314,415	430,155

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

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Balance as at 1 July 2013	10,835	10,835
<u>Less</u> Reversal of allowance for decline value of inventories	(976)	(976)
Balance as at 31 March 2014	9,859	9,859

9. RESTRICTED DEPOSIT WITH BANK

As at 31 March 2014 and 30 June 2013, the subsidiary's time deposits totaling Baht 0.23 million and Baht 0.18 million are restricted for usage as collaterals for bank guarantees in respect of certain agreements required in normal course of business of the subsidiary.

10. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

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

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

At the Ordinary Shareholders' meeting of Siam Okamura International Co., Ltd. No. 1/2013 held on 23 September 2013, the shareholders passed a resolution to pay cash dividend to its shareholders from net profit for the year ended 30 June 2013 at Baht 100 per share, for 200,000 common shares totaling Baht 20,000,000 which was paid on 27 September 2013.

As at 31 March 2014 and 30 June 2013, the Company had provided allowance for impairment on investment in shares of an affiliated company, Formica (Thailand) Co., Ltd., amounting to Baht 1.42 million and 10.11 million, respectively, based on the portion of investments in such companies.

As at 31 March 2014 and 30 June 2013, the balances of investments in subsidiaries and related companies are shown on the following pages :

(In Thousand Baht)

		Consolidated F/S									
		Paid-up Share capital		Percentage of shareholding		Cost method		Equity method		Dividend income	
Type of business		31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<u>Investments</u>											
<u>Associated companies - equity method</u>											
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	80,000	88,000	40	40	35,199	35,199	105,923	103,785		
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	21.01	127,428	67,228	599,652	466,854		
						<u>162,627</u>	<u>102,427</u>	<u>705,575</u>	<u>570,639</u>		
<u>Indirect associated company – equity method</u>											
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	40	40	4,800	4,800	6,049	6,124		
Total investments in associated companies						<u>167,427</u>	<u>107,227</u>	<u>711,624</u>	<u>576,763</u>		
<u>Related companies - cost method</u>											
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052			-	14,936
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660			-	4,350
Total investment in related companies						<u>49,712</u>	<u>49,712</u>			<u>-</u>	<u>19,286</u>
Less Allowance for decline value of investments						<u>(1,425)</u>	<u>(10,107)</u>				
Net						<u>48,287</u>	<u>39,605</u>				
<u>Other company - cost method</u>											
Siam Auto Bags Co., Ltd.	Sales parts and accessories of car	39,900	39,900	6.39	6.39	5,000	5,000				
Total investment by cost method – net						<u>53,287</u>	<u>44,605</u>				

(In Thousand Baht)

Type of business	Separate F/S								
	Paid-up Share capital		Percentage of shareholding		Cost method		Dividend income		
	31 March 2014	30 June 2013	31 March 2014	30 June 2013	31 March 2014	30 June 2013	31 March 2014	30 June 2013	
<u>Investments accounted for by cost method</u>									
<u>Subsidiary companies</u>									
Sri Chareon International Co., Ltd.	Distribution of steel furniture	75,000	75,000	99.99	99.99	75,000	75,000	-	-
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199	10,199	10,199
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200	-	-
Total investment in subsidiary companies						95,399	95,399	10,199	10,199
<u>Less</u> Allowance for decline in value of investments						(63,000)	(63,000)		
Net						32,399	32,399		
<u>Associated companies</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	-	-
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	21.01	127,428	67,228	-	48,404
Total investment in associated companies						162,627	102,427	-	48,404
<u>Related companies</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052	-	14,936
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660	-	4,351
Total investments in related companies						49,712	49,712	-	19,287
<u>Less</u> Allowance for decline in value of investments						(1,425)	(10,107)		
Net						48,287	39,605		
<u>Joint ventures</u>									
Siam Steel – Kanok Furniture	Interior decoration service	100	100	49	49	49	49	-	-
Siam Steel – Thai Service	Interior decoration service	20	20	80	80	16	16	-	-
Total investments in joint ventures						65	65	-	-
<u>Less</u> Allowance for decline in value of investments						(49)	(49)		
Net						16	16		
Total dividend income from investments accounted for by cost method								10,199	77,890



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

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 July 2013	576,763	102,427
Purchase of investments in associates increased during the period	60,200	60,200
Share of associated companies' profits - equity method	75,995	-
Share of associated companies' loss - equity method	(1,334)	-
Net book value as at 31 March 2014	711,624	162,627

#### 11. PROPERTY, PLANT AND EQUIPMENT

Condensed movements in property plant and equipment for the nine-month period ended 31 March 2014 are as follow :

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 July 2013	766,913	757,550
Purchases during the period	14,420	14,075
Disposal/written-offs during the period	(308)	(300)
Depreciation for the period	(40,934)	(38,663)
Assets not used in operation - net	(162,942)	(162,942)
Net book value as at 31 March 2014	577,149	569,720

In March 2014, the Company suspended its manufacturing line in Bangna factory. The Company reclassifies assets consist of land, buildings, machinery and equipments, net book value of Baht 162.94 million, to assets not used in operation.

#### 12. ASSETS NOT USED IN OPERATION

As at 31 March 2014, assets not used in operation are presented at cost less accumulated depreciation and provision for impairment (if any). The Company hired an independent appraiser to appraise its assets not used in operation. The appraised value of land and related assets of the Bangna factory is amounting Baht 401.64 million

13. DEFERRED INCOME TAX ASSEST / TAX EXPENSES

Deferred income tax assets/liabilities as at 31 March 2014 and 30 June 2013, which were resulted from temporary differences between those assets/liabilities for income tax computation purpose and assets/liabilities for accounting purpose are summarized below :

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
<u>Deferred income tax assets</u>				
From allowance for doubtful accounts of trade				
accounts receivable from sales and service	843	863	281	302
From allowance for doubtful accounts of trade				
accounts receivable from construction work	96	96	188	188
From allowance for obsolete and decline value in				
inventories	1,972	2,055	1,972	2,167
From allowance for impairment of investments in				
subsidiary and other companies	35	1,756	12,895	14,631
From reserve for employee benefits obligation	7,180	10,029	5,073	8,101
From loss carried forward	100,352	35,711	99,772	35,536
Total	<u>110,478</u>	<u>50,510</u>	<u>120,181</u>	<u>60,925</u>
<u>Deferred income tax liabilities</u>				
From the difference of depreciation of fixed assets				
between accounting base and tax base	6,680	3,721	6,680	3,721
Total	<u>6,680</u>	<u>3,721</u>	<u>6,680</u>	<u>3,721</u>
Net	<u>103,798</u>	<u>46,789</u>	<u>113,501</u>	<u>57,204</u>

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

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	For the three-month periods ended 31 March			
	2014	2013 (Restated)	2014	2013 (Restated)
Income before income tax	14,741	94,582	(24,070)	23,125
<u>Add</u> Transaction added back under the conditions of the Revenue Code	1,846	16,477	1,428	13,634
Loss of the Company and subsidiary companies	45,004	-	45,083	-
<u>Less</u> Other tax exempted income	(46,636)	(64,822)	(22,441)	(36,759)
Net taxable income	<u>14,955</u>	<u>46,237</u>	<u>-</u>	<u>-</u>
Current tax expense under the Revenue Code - at the rate of 20% (2012 : rate of 23%)	<u>2,991</u>	<u>10,635</u>	<u>-</u>	<u>-</u>
Current tax expense under the Revenue Code	2,991	10,635	-	-
The amount of deferred income tax expense relating to temporary differences	4,240	6,979	4,292	7,036
Income tax	<u>7,231</u>	<u>17,614</u>	<u>4,292</u>	<u>7,036</u>

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	For the nine-month periods ended 31 March			
	2014	2013 (Restated)	2014	2013 (Restated)
Income before income tax	(225,287)	128,433	(321,538)	(10,769)
<u>Add</u> Transaction added back under the conditions of the Revenue Code	11,364	29,287	8,998	23,385
Loss of the Company and subsidiary companies	368,317	47,417	366,259	34,343
<u>Less</u> Other tax exempted income	(118,228)	(119,890)	(53,719)	(46,959)
Net taxable income	<u>36,166</u>	<u>85,247</u>	<u>-</u>	<u>-</u>
Current tax expense under the Revenue Code - at the rate of 20% (2012 : rate of 23%)	<u>7,233</u>	<u>19,607</u>	<u>-</u>	<u>-</u>
Current tax expense under the Revenue Code	7,233	19,607	-	-
The amount of deferred income tax expense relating to temporary differences	(57,009)	3,534	(56,297)	3,569
Income tax	<u>(49,776)</u>	<u>23,141</u>	<u>(56,297)</u>	<u>3,569</u>

14. SHORT – TERM LOANS FROM FINANCIAL INSTITUTION

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
Liabilities under trust receipts promissory	8,287	1,076	8,287	1,076
Bills of exchange	100,000	-	100,000	-
Total	108,287	1,076	108,287	1,076
<u>Less</u> Deferred interest	(1,409)	-	(1,409)	-
Net	106,878	1,076	106,878	1,076

As at 31 March 2014, the liabilities under trust receipts promissory bear interest at rates ranging between 2.8346 % - 2.8480 % per annum.

As at 31 March 2014, the bills of exchange bear interest at rates 6.00 % per annum. These bills of exchange pledged by shares certificate of a associated company totaling 3,361,400 shares.

15. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	30 June	31 March	30 June
	2014	2013	2014	2013
Accrued construction costs	28,815	28,645	28,815	28,645
Accrued employee expenses	17,767	30,789	9,322	20,214
Accrued rental and utilities expenses	2,638	3,803	2,606	3,766
Accrued incentive expenses	486	1,230	486	1,230
Other accrued expenses	40,636	60,956	36,297	56,834
Other liabilities	6,534	6,344	2,554	3,423
Total	96,876	131,767	80,080	114,112

16. EMPLOYEE BENEFITS OBLIGATION

During the nine-month period ended 31 March 2014, movements in employee benefits obligation are as follow :

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Opening net book balance	50,146	40,507
Current cost recognized in the statement of comprehensive income	3,274	2,377
Employee benefits paid during the year	(17,519)	(17,519)
Closing net book balance	35,901	25,365

The employee benefit expenses were recorded in the statement of comprehensive income for the three-month and nine-month periods ended 31 March 2014 and 2013 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2014	2013	2014	2013
Current service cost	626	666	439	487
Financial cost	465	436	353	337
Total	1,091	1,102	792	824

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 31 March			
	2014	2013	2014	2013
Current service cost	1,879	1,998	1,318	1,462
Financial cost	1,395	1,309	1,059	1,010
Total	3,274	3,307	2,377	2,472

17. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2014	2013	2014	2013
Raw materials and supplies used	96,140	277,306	96,140	277,306
Changes in inventories of finished goods and work in progress	37,923	(80,961)	66,704	(80,541)
Salaries, wages and other employee benefits	97,185	130,805	77,413	112,625
Subcontractor expenses	18,167	63,608	18,167	63,608
Depreciation	13,601	11,528	12,970	10,617
Rent expense	7,687	18,097	4,108	14,973
Utilities expenses	7,703	11,897	7,186	11,400
Reversal of allowance for impairment of investments	-	(3,875)	-	(3,875)
Reversal of allowance for doubtful debts	(40)	(2,672)	(40)	(2,644)
Reversal of allowance for decline value of inventories	(161)	-	(161)	-

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 31 March			
	2014	2013	2014	2013
Raw materials and supplies used	334,039	933,260	334,039	933,260
Changes in inventories of finished goods and work in progress	56,883	(299,500)	91,752	(286,520)
Salaries, wages and other employee benefits	315,565	395,473	257,226	341,277
Subcontractor expenses	75,841	197,405	75,841	197,404
Depreciation	40,934	34,087	38,663	31,385
Rent expense	30,705	51,046	19,968	42,321
Utilities expenses	26,640	37,031	24,976	35,494
Reversal of allowance for impairment of investments	(8,682)	(4,911)	(8,682)	(4,911)
Allowance (reversal of allowance) for doubtful debts	(1,353)	1,197	(1,353)	1,226
Reversal of allowance for decline value of inventories	(976)	(1,532)	(976)	(1,107)
Compensation for product defective	189,067	-	189,067	-

The Company had produced the unit houses and sold to overseas customer in the previous years. However, during the second quarter of the fiscal year 2013/2014, such customers submitted the claim for defective inventories for a significant amount. After negotiation, the Company agreed to pay compensation for a total amount of Baht 189.07 million, or 5.13% of total revenues for such customers.

18. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
2014	2013	2014	2013	2014	2013	
<b>Consolidated</b>						
Sales and services - net	433,609	558,199	100,267	574,724	533,876	1,132,923
Cost of sales and services	(349,479)	(420,396)	(85,594)	(474,789)	(435,073)	(895,185)
Gross profit	<u>84,130</u>	<u>137,803</u>	<u>14,673</u>	<u>99,935</u>	<u>98,803</u>	<u>237,738</u>
Total gross profit	<u>84,130</u>	<u>137,803</u>	<u>14,673</u>	<u>99,835</u>	<u>98,803</u>	<u>237,738</u>
Net income					<u>7,510</u>	<u>76,609</u>
Property, plant and equipment – net					577,149	734,444
Other assets					<u>2,462,361</u>	<u>2,809,658</u>
Total assets as at 31 March					<u>3,039,510</u>	<u>3,544,102</u>
<b>Separate F/S</b>						
Sales and services – net	228,063	219,523	100,267	574,724	328,330	794,247
Cost of sales and services	(194,432)	(160,870)	(85,594)	(474,789)	(280,026)	(635,659)
Gross profit	<u>33,631</u>	<u>58,653</u>	<u>14,673</u>	<u>99,935</u>	<u>48,304</u>	<u>158,588</u>
Total gross profit	<u>33,631</u>	<u>58,653</u>	<u>14,673</u>	<u>99,935</u>	<u>48,304</u>	<u>158,588</u>
Net income (loss)					<u>(28,362)</u>	<u>16,089</u>
Property, plant and equipment – net					569,720	725,230
Other assets					<u>1,440,345</u>	<u>1,889,302</u>
Total assets as at 31 March					<u>2,010,065</u>	<u>2,614,532</u>

In Thousand Baht						
For the nine-month periods ended 31 March						
	Domestic		Export		Total	
	2014	2013	2014	2013	2014	2013
<b>Consolidated</b>						
Sales and services - net	1,524,121	1,739,064	160,495	1,020,773	1,684,616	2,759,837
Cost of sales and services	(1,282,904)	(1,351,742)	(176,959)	(886,192)	(1,459,863)	(2,237,934)
Gross profit	<u>241,217</u>	<u>387,322</u>	<u>(16,464)</u>	<u>134,581</u>	<u>224,753</u>	<u>521,903</u>
Revenues from construction work	-	66,200	-	-	-	66,200
Costs of construction work	-	(60,298)	-	-	-	(60,298)
Gross profit	<u>-</u>	<u>5,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,902</u>
Total gross profit	<u>241,217</u>	<u>393,224</u>	<u>(16,464)</u>	<u>134,581</u>	<u>224,753</u>	<u>527,805</u>
Net income (loss)					<u>(175,512)</u>	<u>104,904</u>
Property, plant and equipment – net					577,149	734,444
Other assets					<u>2,462,361</u>	<u>2,809,658</u>
Total assets as at 31 March					<u>3,039,510</u>	<u>3,544,102</u>
<b>Separate F/S</b>						
Sales and services – net	747,704	820,103	160,495	1,020,773	908,199	1,840,876
Cost of sales and services	(646,180)	(621,140)	(176,959)	(886,192)	(823,139)	(1,507,332)
Gross profit	<u>101,524</u>	<u>198,963</u>	<u>(16,464)</u>	<u>134,581</u>	<u>85,060</u>	<u>333,544</u>
Revenues from construction work	-	66,200	-	-	-	66,200
Costs of construction work	-	(60,298)	-	-	-	(60,298)
Gross profit	<u>-</u>	<u>5,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,902</u>
Total gross profit	<u>101,524</u>	<u>204,865</u>	<u>(16,464)</u>	<u>134,581</u>	<u>85,060</u>	<u>339,446</u>
Net loss					<u>(265,241)</u>	<u>(14,337)</u>
Property, plant and equipment – net					569,720	725,230
Other assets					<u>1,440,345</u>	<u>1,889,302</u>
Total assets as at 31 March					<u>2,010,065</u>	<u>2,614,532</u>

## 19. GUARANTEE

As at 31 March 2014, the Company has outstanding guarantees of approximately Baht 317.20 million which were issued by certain local banks in respect of certain performance bonds required in the normal course of business of the Company.



## 20. COMMITMENTS

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

20.2 The Company has commitment for land and factory building lease agreement with the Company's director. This lease agreement is for a period of three (3) years commencing 1 December 2011 with annual rental totalling Baht 17.40 million for total areas of 32 rai 1 ngan. The Company has an option to renew the lease terms if required.

## 21. DISCLOSURE OF FINANCIAL INSTRUMENTS

### 21.1 Interest Rate Risk

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

	In Thousand Baht			
	Consolidated F/S			
	31 March 2014			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	276,350	-	-	276,350
Restricted deposit with bank	226	-	-	226
Short-term loans from financial institution	-	106,878	-	106,878

	In Thousand Baht			
	Separate F/S			
	31 March 2014			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	100,881	-	-	100,881
Short-term loans from financial institution	-	106,878	-	106,878

	In Thousand Baht			
	Consolidated F/S			
	30 June 2013			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	450,931	-	-	450,931
Restricted deposit with bank	184	-	-	184
Short-term loans from financial institution	1,076	-	-	1,076

	In Thousand Baht			
	Separate F/S			
	30 June 2013			
	Floating rate	Fixed rate	None - interest	Total
<u>Financial assets / liabilities</u>				
Cash and cash equivalents	281,451	-	-	281,451
Short-term loans from financial institution	1,076	-	-	1,076

As of 31 March 2014 and 30 June 2013, the financial instruments classified by the periods of time from the statement of financial position date to their maturity dates are as follows :

	In Thousand Baht				
	Consolidated F/S				
	31 March 2014				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	276,350	-	-	276,350	0.125 – 0.85%
Restricted deposit with bank	226	-	-	226	0.125 – 0.85%
Short - term loans from financial institution	8,287	98,591	-	106,878	2.8346 – 6.00%

	In Thousand Baht				
	Separate F/S				
	31 March 2014				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	100,881	-	-	100,881	0.125 – 0.85%
Short - term loans from financial institution	8,287	98,591	-	106,878	2.8346 – 6.00%

	In Thousand Baht				
	Consolidated F/S				
	30 June 2013				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	450,931	-	-	450,931	0.625 – 1.30%
Restricted deposit with bank	184	-	-	184	0.625 – 1.30%
Short - term loans from financial institution	1,076	-	-	1,076	2.9225 – 2.9425%

	In Thousand Baht				
	Separate F/S				
	30 June 2013				
	At call	1 - 6 months	7 - 12 months	Total	Interest rate
<u>Financial assets / liabilities</u>					
Cash and cash equivalents	281,451	-	-	281,451	0.625 – 1.30%
Short - term loans from financial institution	1,076	-	-	1,076	2.9225 – 2.9425%

## 21.2 Foreign Exchange Risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2014 are summarized below:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 31 March 2014 (Baht per 1 foreign currency unit)
USD	253	307	32.4432
JPY	672	-	0.315467
AUD	8,333	488	29.9958

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

	USD (Thousand)	JPY (Thousand)	AUD (Thousand)
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Financial assets</u>			
Cash and cash equivalents	170	672	7
Trade accounts receivable - net	83	-	8,326
 <u>Financial liabilities</u>			
Advances from customers	25	-	158
Other current liabilities	-	-	330
Trade accounts payable	282	-	-

## 22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on 15 May 2014.