

(TRANSLATION)

REVIEW INTERIM REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**

I have reviewed the balance sheets as of June 30, 2009 the related statements of income for the quarter and for the six months period ended on June 30, 2009, the statements of changes in shareholders' equity and the cash flow statements for the six months period then ended of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

I conduct my review in accordance with the standards on auditing applicable to review engagements. These standards require that I plan and perform the reviews to obtain moderate assurance about whether the financial statements are free of significant misstatement. A review is limited primarily to inquire to company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The financial statements for the year ended on December 31, 2008 of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**, were audited by another auditor in same firm, who gave an unqualified opinion as report dated February 27, 2009. The balance sheets as of December 31, 2008, presented herein for comparison, have been derived from such financial statements which another auditor have audited and reported thereon.

Otherwise the comparative income statements for the quarter and for the six months period ended on June 30, 2008, the statement of changes in shareholders' equity and the cash flow statements for the six months period then ended of **RICH ASIA STEEL PUBLIC COMPANY LIMITED**, were reviewed by another auditor in the same firm, as report dated on August 14, 2008 who reported that nothing had come to his attention that caused him to believe that the financial statement were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Naris Saowalagsakul)

Authorized Auditor No. 5369

Bangkok,

August 14, 2009

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2009 and December 31, 2008

		2009	2008
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited Review Only	
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents Items	(Note 5)	21,967	15,635
Temporary Investment	(Note 6)	1,845	1,554
Accounts and Notes Receivable Other Companies-Net	(Note 7)	1,023,254	778,325
Accounts and Notes Receivable Related Companies-Net	(Note 4.2,8)	10,749	1,615
Inventories-Net	(Note 9)	303,155	960,342
Other Current Assets			
Advance Payment - Goods	(Note 10)	241,310	543,312
Other Account Receivable from Refund of Advance Payment - Goods	(Note 11)	421,000	-
Other Account Receivable from Sale Assets		35,000	8,025
Account Receivable - Revenue Department		22,545	67,128
Other		13,072	16,069
TOTAL CURRENT ASSETS		2,093,897	2,392,005
NON-CURRENT ASSETS			
Pledged Deposit at Financial Institution	(Note 12)	-	207,000
Property Plant and Equipment - Net	(Note 13)	273,349	287,562
Land Not Used for Operation-Net	(Note 14)	21,811	21,811
Deposit Payment for Investment	(Note 15)	200,000	200,000
Other Non-Current Assets			
Guarantee Against the Merchandise Order	(Note 16)	100,000	100,000
Over Paid Corporate Income Tax Wait for Return		34,936	34,936
Other		2,462	2,883
TOTAL NON-CURRENT ASSETS		632,558	854,192
TOTAL ASSETS		2,726,455	3,246,197

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2009 and December 31, 2008

		2009	2008
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited Review Only	
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-Term Loans from Financial Institutions	(Note 17,18)	589,097	1,590,810
Accounts and Notes Payable		440,971	170,120
Current Portion			
Liabilities under Financial Lease Agreement	(Note 19)	302	-
Loans from Financial Institutions	(Note 17,20)	69,000	9,000
Other Current Liabilities			
Advance Receipt for Goods		13,042	31,412
Others Account Payable for Assets		33,149	-
Others		29,078	27,752
TOTAL CURRENT LIABILITIES		1,174,639	1,829,094
NON-CURRENT LIABILITIES			
Liabilities under Financial Lease Agreement - Net	(Note 19)	1,303	-
Long Term Loans from Financial Institutions - Net	(Note 17,20)	230,615	20,250
TOTAL NON-CURRENT LIABILITIES		231,918	20,250
TOTAL LIABILITIES		1,406,557	1,849,344

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2009 and December 31, 2008

	2009	2008
	'000 Baht	'000 Baht
	Unaudited	Audited
	Limited Review Only	
SHAREHOLDERS' EQUITY		
Share Capital	(Note 21)	
Authorized Share Capital		
10,000,000,000 Ordinary Share @ 0.10 Baht	1,000,000	-
15,000,000,000 Ordinary Share @ 0.10 Baht	-	1,500,000
Issued and Paid-up Share Capital		
10,000,000,000 Ordinary Share @ 0.10 Baht	1,000,000	1,000,000
Premiums on Share Capital	571,792	571,792
Retained Earnings(Deficit)		
Unappropriated	(251,894)	(174,939)
TOTAL SHAREHOLDERS' EQUITY	1,319,898	1,396,853
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,726,455	3,246,197

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

For the quarter and the six months period ended on June 30, 2009 and 2008

Unaudited

Limited Review Only

	For the quarter		For the six months period	
	ended on June 30,		ended on June 30,	
	2009	2008	2009	2008
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Sales	1,074,304	1,177,978	1,624,277	2,792,791
Cost of Sales	(1,154,610)	(1,010,983)	(1,812,399)	(2,509,527)
Reversal Allowance of Loss from Declining in Value of Inventories	86,317	124	175,490	1,485
Gross Profit (Loss)	6,011	167,119	(12,632)	284,749
Other Revenue from Debt Repayment Receipt from				
Management instead of Trading Account Receivable (Note 24)	-	15,870	-	36,527
Gain on Exchange Rate	12,891	-	11,607	-
Others Income	12,283	7,170	17,137	15,267
Profit(Loss) Before Expenses	31,185	190,159	16,112	336,543
Selling Expense	(9,047)	(10,926)	(13,925)	(20,788)
Administrative Expense	(12,542)	(16,075)	(26,775)	(30,425)
Reversal of Doubtful Debt	8,000	-	14,000	-
Loss on Exchange Rate	-	(17,039)	-	(6,506)
Loss from Investment in Trading Security	(81)	(15,691)	-	(33,919)
Management Benefit Expenses (Note 23)	(3,061)	(3,543)	(6,277)	(7,492)
Total Expenses	(16,731)	(63,274)	(32,977)	(99,130)
Profit(Loss) before Finance Costs and Corporate Income Tax	14,454	126,885	(16,865)	237,413
Finance Costs	(26,369)	(17,850)	(60,090)	(49,108)
Profit(Loss) before Corporate Income Tax	(11,915)	109,035	(76,955)	188,305
Corporate Income Tax (Note 25)	-	(23,068)	-	(38,123)
NET PROFIT (LOSS) FOR THE PERIOD	(11,915)	85,967	(76,955)	150,182
BASIC EARNINGS(LOSS) PER SHARE (BAHT)	(0.001)	0.009	(0.008)	0.019
ORDINARY SHARES (THOUSAND SHARES) (Note 22)	10,000,000	10,000,000	10,000,000	7,774,725

Notes to the financial statements are an integral part of the above financial statements

RICH ASIA STEEL PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months period ended on June 30, 2009 and 2008

Unaudited
Limited Review Only

	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUMS ON SHARE CAPITAL	RETAINED EARNINGS (DEFICIT) UNAPPROPRIATED	TOTAL
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Balance as of December 31, 2008	1,000,000	571,792	(174,939)	1,396,853
Net profit(loss) for the period	-	-	(76,955)	(76,955)
Balance as of June 30, 2009	1,000,000	571,792	(251,894)	1,319,898
Balance as of December 31, 2007	500,000	72,292	29,626	601,918
Increase capital	500,000	499,500	-	999,500
Net profit(loss) for the period	-	-	150,182	150,182
Balance as of June 30, 2008	1,000,000	571,792	179,808	1,751,600

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the six months period ended on June 30, 2009 and 2008

	Unaudited	
	Limited Review Only	
	2009	2008
	'000 Baht	'000 Baht
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) before Corporate Income Tax	(76,955)	188,305
Adjustments to Profit (Loss) before Corporate Income Tax for Cash Received (Paid) from Operations		
Depreciation	16,624	16,909
Reversal of Doubtful Debt	(14,000)	-
Amortization of Prepaid Expenses	1,164	1,215
Amortization of Intangible Asset	169	170
Loss from Sale of Investment in Trading Security	-	35,667
Gain from Unrealized of Investment in Trading Security	(291)	(1,748)
Gain from Sale of Property, Plant and Equipment	(2,924)	(204)
(Gain)Loss from Unrealized Exchange Rate	(4,074)	20,560
Reversal Allowance from Declining in Value of Inventories	(175,490)	(1,485)
Interest Revenue	(10,200)	(8,623)
Interest Expenses	38,142	33,394
Profit(Loss) from Operating Activities before Change in Operating Assets and Liabilities	(227,835)	284,160
Cash Received from Sale of Temporary Investment	-	65,216
Cash Payment for Purchase of Temporary Investment	-	(64,616)
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(230,929)	349,482
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	(9,134)	(4)
(Increase) Decrease in Inventories	785,604	(174,600)
(Increase) Decrease in Advance Payment - Goods	349,075	(924,509)
(Increase) Decrease in Other Account Receivable from Refund of Advance Payment - Goods	(421,000)	-
(Increase) Decrease in Accounts Receivable - Revenue Department	44,583	(25,022)
(Increase) Decrease in Other Current Assets	203	(2,071)
(Increase) Decrease in Other Non-Current Assets	3	(4)
Increase(Decrease) in Accounts and Notes Payable	270,851	(98,146)
Increase(Decrease) in Advance Receipt for Goods	(18,370)	104,556
Increase(Decrease) in Other Current Liabilities	1,234	11,385
Cash Receipt (Paid) from Operating Activities	544,285	(474,173)
Cash Payment Corporate Income Tax and Withholding Tax	(300)	(11,842)
Cash Received from Interest Revenue	14,535	11,717
Cash Provided(Used) from Operating Activities - Net	558,520	(474,298)

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the six months period ended on June 30, 2009 and 2008

	Unaudited	
	Limited Review Only	
	2009	2008
	'000 Baht	'000 Baht
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease in Pledged Deposit at Financial Institution	207,000	23,769
Cash Received from Other Account Receivable from Sale Assets	8,025	-
Cash Received from Sale of Property, Plant and Equipment	1,075	544
Cash Payment for Purchased of Property, Plant and Equipment	(573)	(10,287)
Cash Payment for Deposit Payment for Investment	-	(200,000)
Cash Provided(Used) from Investing Activities - Net	215,527	(185,974)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-Term Loans from Financial Institutions	(997,639)	(87,198)
Increase (Decrease) in Short-Term Loans from Security Company	-	(24,766)
Cash Payment for Liabilities under Financial Lease Agreement	(97)	(498)
Increase (Decrease) in Long -Term Loans from Financial Institutions	270,365	(4,500)
Cash Payment in Interest Expenses	(40,344)	(33,860)
Cash Received from Premiums on Share Capital	-	499,500
Cash Received from Increased Capital	-	500,000
Cash Provided (Used) from Financing Activities - Net	(767,715)	848,678
Effect from Changes in Exchange Rate of Cash and Cash Equivalent Items	-	2,624
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	6,332	191,030
CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD	15,635	32,373
CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD	21,967	223,403
Non-cash items which are not shown in cash flows		
- Fixed Asset Increases from Transfer Deposit for Purchase Land plus Property	-	50,000
- Fixed Asset Increases from Transfer Advance Payment for Purchase Fixed Asset	-	376
- Purchases Assets in Credit	31,022	741
- Purchases Assets in Credit under Financial Lease Agreement	1,677	-
- Sale Assets in Credit	32,710	-

Notes to the financial statements are an integral part of the above financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****June 30, 2009 (Unaudited / Limited Review Only)****And December 31, 2008 (Audited)****1. General Information**

The Company has registered in accordance with the Civil and Commercial Law Code that is juristic person in type of Company Limited since May 10, 1999, registered number 0107549000050 and registered as public company on March 27, 2006 with its registered head office 272 Watchannog Lane, Phraram 3 Road, Kwaeng Bangkoleam, Khet Bangkoleam, Bangkok and have five branches constitution.

The Company operated the distribution of steel pipe and steel products.

2. The Basis of Preparation of the Financial Statements

2.1 The interim financial statement is prepared according to accounting standard no. 34 (formerly TAS 41) on the subject of interim financial statements (revised in 2007). The Company selects to present the condensed interim financial statements. However, the Company reflects transactions in the balance sheet, statement of income, statement of change in shareholders equity and cash flow statement according to format in the accounting standard no. 1 (formerly TAS 35) on the subject of presentation of financial statements (revised in 2007) and in accordance with the determination of the office of the Securities and Exchange committee on the subject of preparation and presentation of the financial reports.

2.2 In order to prepare the financial statement to comply with generally accepted accounting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenue, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.

2.3 These interim financial statements were prepared to provide additional information over the latest previous financial statements, therefore they emphasize the latest business information, new events and situations so as not to duplicate information already reported on and so they should be used in conjunction with the latest annual financial statements available.

2.4 For the convenience of the user, and English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

2.5 Summary of Significant Accounting Policy

These interim financial statements were prepared under the same accounting policy and calculation methods as used in the financial statements ending on December 31, 2008.

3. Announced to Apply Adoption of Accounting Standards

TAS 36	(revised in 2007)	Impairment of Asset
IFRS 5	(revised in 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly : TAS 54)

Applying for the accounting standards and international financial reporting standard in above are effective for the accounting periods beginning on or after January 1, 2009. Applying for the new released and revised accounting standards and international financial reporting standard do not impact significantly to the financial statements of the Company.

4. Inter-Transactions

The Company constitutes important business transaction with the Company and related companies. Such business transactions are complied with trading term and criteria as per mutually agreed between the Company and related companies which is complied with the normal course of business whereby it can be summarized as follows :

4.1 Inter – Sales and Expenses

		For the quarter		For the six months period	
		ended on June 30,		ended on June 30,	
	<u>Pricing</u>	2009	2008	2009	2008
	<u>policy</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
<u>Inter - Sales</u>					
P.A.P EXIM CO., LTD.	(1)	-	34,610	4,901	38,781
CHAI SUPON CO., LTD.	(1)	-	9,574	2,114	10,610
MAHALAP METAL CO., LTD.	(1)	10,046	18,589	14,794	39,452
HARNSAWAT LTD. PART.	(1)	368	2,489	491	2,733
SIAM FERRO INDUSTRY CO., LTD.	(1)	-	12	-	28
G.T. STEEL WORKS CO., LTD.	(1)	32	110	32	110
Total		10,446	65,384	22,332	91,714

	Pricing policy	For the quarter ended on June 30,		For the six months period ended on June 30,	
		2009	2008	2009	2008
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
<u>Inter – Income from the Employment Produces</u>					
MAHALAP METAL CO., LTD.	(5)	-	-	667	-
Total		-	-	667	-
<u>Inter – Other Revenue from Debt Repayment Receipt from Management instead of Trading Account Receivable</u>					
MISS ANGKAKARN TANTIVIROON	(2)	-	15,870	-	36,527
Total		-	15,870	-	36,527
<u>Inter – Interest Revenue</u>					
MISS ANGKAKARN TANTIVIROON	(2,3)	-	2,130	-	5,473
Total		-	2,130	-	5,473
<u>Inter – Transportation Revenue</u>					
G.T. STEEL WORKS CO., LTD.	(4)	-	-	1	3
Total		-	-	1	3
<u>Inter – Purchases</u>					
GENIUS TECH TRADING CO., LTD.	(1)	-	34,580	-	34,580
Total		-	34,580	-	34,580
<u>Inter – Subcontract</u>					
SIAM FERRO INDUSTRY CO., LTD.	(4)	1,463	5,550	3,678	11,785
G.T. STEEL WORKS CO., LTD.	(4)	-	-	111	-
GENIUS TECH TRADING CO., LTD.	(4)	-	-	-	6
Total		1,463	5,550	3,789	11,791
<u>Inter – Other Expenses</u>					
SIAM FERRO INDUSTRY CO., LTD.	(5)	429	1,023	778	2,990
A.T. STEEL CO., LTD.	(5)	293	294	586	591
G.T. STEEL WORKS CO., LTD.	(5)	-	-	-	279
GENIUS TECH TRADING CO., LTD.	(5)	-	168	-	293
MISS ANGKAKARN TANTIVIROON	(5)	111	-	179	-
Total		833	1,485	1,543	4,153

Pricing policy is determined in accordance with the criteria as follows:

- (1) Price which can be comparative against outside parties.
- (2) Accordance with the minute of the board of directors meeting.
- (3) Interest rate 8% per annum.
- (4) Price is complied with the prices in accordance with the contract.
- (5) Price is complied with the prices which are mutually agreed upon.

4.2 Inter – Assets and Liabilities

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
<u>Inter – Accounts and Notes Receivable</u>		
MAHALAP METAL CO., LTD.	10,749	708
THANASUB PAISARN CO., LTD.	9,905	9,905
CHAI SUPON CO., LTD.	-	614
P.A.P EXIM CO., LTD.	-	250
HARNSAWAT LTD. PART.	-	43
Total	<u>20,654</u>	<u>11,520</u>
<u>Less</u> Allowance for Doubtful Debt - THANASUB PAISARN CO., LTD.	<u>(9,905)</u>	<u>(9,905)</u>
Net	<u>10,749</u>	<u>1,615</u>
<u>Inter – Accounts and Notes Payable</u>		
SIAM FERRO INDUSTRY CO., LTD.	155	342
Total	<u>155</u>	<u>342</u>
<u>Inter – Other Accounts and Notes Payable</u>		
MISS ANGKAKARN TANTIVIROON	-	5
Total	<u>-</u>	<u>5</u>
<u>Inter – Accrued Expenses and Notes Payable</u>		
SIAM FERRO INDUSTRY CO., LTD.	177	64
A.T. STEEL CO., LTD.	96	-
MISS ANGKAKARN TANTIVIROON	-	9
Total	<u>273</u>	<u>73</u>

4.3 The Company's Relationship

Consist of:

<u>Name</u>	<u>Activities</u>	<u>Relationship</u>
SIAM FERRO INDUSTRY CO., LTD.	Engagement of steel production and steel cut -off	Director of company is executive planner for restructure company
G.T. STEEL WORKS CO., LTD.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders
GENIUS TECH TRADING CO., LTD.	Production and distribution of steel	G.T. Steel Works Co., Ltd. and closed cousin are major shareholders
CHAI SUPON CO., LTD.	Distribution of PVC pipes, water, and steel	Closed cousin of executive officer are director and shareholders
MAHALAP METAL CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders
HARNSAWAT LTD. PART.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders
P.A.P EXIM CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders
THANASUB PAISARN CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders
A.T. STEEL CO., LTD.	Distribution of line steel	Closed cousin of executive officer are director and shareholders
MISS ANGKAKARN TANTIVIROON		Chief Executive Officer

5. Cash and Cash Equivalents Items

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Cash	82	179
Bank Deposit – Saving Deposit	3,580	13,679
Bank Deposit – Current Deposit	18,305	1,777
Total	21,967	15,635

6. Temporary Investment

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Investment of Trading Security – Cost Value	1,554	1,861
Unrealized Gain(Loss) in Investment of Trading Security	291	(307)
Investment of Trading Security – Fair Value	1,845	1,554

7. Accounts and Notes Receivable Other Companies - Net

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Notes Receivable	247,138	163,021
Account Receivable	824,116	677,304
Total	1,071,254	840,325
<u>Less</u> Allowance for Doubtful Debt	(48,000)	(62,000)
Net	1,023,254	778,325

An aging analysis of accounts and notes receivable other companies as of June 30, 2009 and December 31, 2008 are as follows:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Within credit term	263,497	556,477
Over due 1 to 90 days	588,941	221,848
Over due 91 to 180 days	170,816	-
Over due 181 to 365 days	-	-
Over due over 1 years	48,000	62,000
Total	1,071,254	840,325
<u>Less</u> Allowance for Doubtful Debt – Account Receivable	(48,000)	(62,000)
Net	1,023,254	778,325

As of June 30, 2009 and December 31, 2008, the Company factored some note receivable in amount of Baht 15.43 million and Baht 22.54 million respectively, to discount with one finance institutes according to the note no.18. The Company still has to take responsibility in the note receivable if the finance institutes cannot collect debt repayment in accordance with such note receivable.

As of June 30, 2009 accounts and notes receivable over due 91- 180 days. The Company has been repaid debt of Baht 131.84 million. Remainder, the Company is under pursuing for debt repayment while the management believes that there is no risk that will not be able to collect debt. For allowance for doubtful debt is fully reduced from debt repayment receipt.

As of June 30, 2009 accounts receivable over due over 1-90 days in amount of Baht 432.47 million is the merchandise sale in type of steel scrap to one client who is the producer company and distribute hot shape sheet iron rolling type as a one main distributor in the iron industry. Such account receivable has negotiated with the Company and constitutes the letter to notify requesting the gradually debt repayment. There is the period of debt repayment installment to be completed approximately 1 year. However, the management of the Company believes that the Company does not have risk that will not be able to collect debt.

8. Accounts and Notes Receivable Related Companies - Net

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Notes Receivable	-	907
Account Receivable	20,654	10,613
Total	20,654	11,520
<u>Less</u> Allowance for Doubtful Debt	(9,905)	(9,905)
Net	10,749	1,615

An aging analysis of accounts and notes receivable related companies as of June 30, 2009 and December 31, 2008 are as follows:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Within credit term	941	365
Over due 1 to 90 days	9,808	1,250
Over due over 1 years	9,905	9,905
Total	20,654	11,520
<u>Less</u> Allowance for Doubtful Debt	(9,905)	(9,905)
Net	10,749	1,615

9. Inventories - Net

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Finished Goods	139,402	902,991
Raw Materials	245,453	267,311
Spare Part	1,436	1,593
Total	386,291	1,171,895
<u>Less</u> Allowance for Declining in Value of Inventories	(83,136)	(211,553)
Net	303,155	960,342

As of June 30, 2009 and December 31, 2008, the Company pledges part of inventory and raw materials in amount of Baht 139.64 million and Baht 987.08 million respectively, to guarantee against loan from the merchant bank as in note No.17.

As of June 30, 2009 and December 31, 2008 allowance for declining in value of inventories have movements as follows:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Allowance for Declining in Value of Inventories- Beginning	(211,553)	(1,485)
<u>Add</u> Increased within Period	(4,987)	(210,068)
<u>Less</u> Sale within Period/Reversal	133,404	-
Allowance for Declining in Value of Inventories- Ending	(83,136)	(211,553)

10. Advance Payment – Goods

Consist of:

	As of June 30, 2009	As of December 31, 2008
	<u>'000 Baht</u>	<u>'000 Baht</u>
Advance Payment – Goods – Oversea	-	250,000
Advance Payment – Goods – Domestic	241,310	340,385
<u>Less</u> Allowance for Declining in Value of Inventories	-	(47,073)
Total	<u>241,310</u>	<u>543,312</u>

As of December 31, 2008, advance payment - oversea in amount of Baht 250.00 million is advance payment - goods in accordance with the contract of steel scrap purchasing and selling with one merchandise distributor overseas. Presently, the Company has requested for the refund of such advance payment - goods in accordance with the note no. 11.1.

11. Other Account Receivable from the Refund of Advance Payment - Goods

11.1 As of June 30, 2009, partly in amount of Baht 250.00 million is other account receivable from the refund of advance payment – goods with one company of merchandise distributor overseas while the Company constitutes the letter dated on June 15, 2009, to notify the cancellation of the purchasing and selling contract and request that the seller refunds amount of Baht 250.00 million within 120 days commenced from the date the Company issued the letter to notify to merchandise distributor. The Company requests that the seller does not deduct fine fee and any other expense from the refund request of such advance payment – goods which the Company has received the agreed correspondence from merchandise distributor.

11.2 As of June 30, 2009, partly in amount of Baht 171.00 million is other account receivable from the refund of advance payment – goods while the Company has received the refund in form of cheque. Presently, the Company has received money of Baht 122.00 million. Given the outstanding amount, the merchandise distributor has requested to postpone repayment to the period of end of September, 2009. However, the management believes that there is no risk that will not be able to collect debt.

12. Pledged Deposit at Financial Institution

As of December 31, 2008, the whole amount is bank deposit in type of saving account by interest rates of 2.25 – 2.50% per annum which is taken to pledge against trust receipt payable and loan in form of promissory note at the merchant bank. However, during the 2nd quarter of 2009, the Company consents that the merchant bank brings such bank deposit to repay debt of trust receipt account payable and debt of loan in form of promissory note.

13. Property, Plant and Equipment – Net

For the six months period ended on June 30, 2009, the movement was as follow:

	<u>'000 Baht</u>
Beginning Book Value - Net	287,562
Purchases	33,272
Sales	(34,904)
Accumulated Depreciation for Sales Assets	4,043
Depreciation for portion shown in Statement of Income	(16,624)
Ending Book Value - Net	<u><u>273,349</u></u>

As of June 30, 2009 and December 31, 2008, the Company mortgaged land plus property in book value of Baht 129.23 million and Baht 125.73 million respectively is collateral of loans from the financial institute with note No.17.

As of June 30, 2009 and December 31, 2008, the Company had assets with the depreciation fully calculated but still operate which had a cost value of Baht 21.01 million and Baht 19.16 million respectively. The net book value of which was Baht 121.00 and Baht 97.00 respectively.

14. Land not Used for Operation - Net

As of June 30, 2009 and December 31, 2008, Land not used for operation apart in book value of Baht 6.74 million. The Company has been taken to pledge so as to be collateral of loan due to the bank in the pledged amount of Baht 10.00 million.

15. Deposit Payment for Investment

For the quarter and the six months period ended on June 30, 2009, deposit payment for investment constitutes the progress as follows:

In accordance with the minute of the board of directors' meeting no.1/2009 held on February 27, 2009, the meeting acknowledged the progress in investment in a Thai National Product Co., Ltd., that according to the board has assigned the chairman or managing director to negotiate with the distributor by determining the amount of investment in highest value not exceeding Baht 650.00 million in accordance with the minute of the board of directors meeting no. 9/2008 held on December 27, 2008. However, the negotiated result with the distributor is agreed at the price of Baht 635.00 million and has proceeded with the memorandum rectification for the understanding of every related party. Presently, the Company is under the financial resource finding supported from the finance institutes in order to use in the repayment of shares fee and to use as working capital for the business operation in such project.

Presently, the board of director is resolved to approve the expanded period that signing in the contract of shares purchasing and selling extended into within September 30, 2009 and the expanded period of repayment of shares value with the note no. 31.

16. Guarantee Against the Merchandise Order

As of June 30, 2009 and December 31, 2008, the whole amount is guarantee against the merchandise order in order to be collateral against the merchandise purchasing activity between the Company and one huge distributor.

17. Credit Facilities and Guarantee

The Company has credit line from commercial bank and financial institution in form overdraft, trust receipts, short-term loan and note receivable discount by granted the total credit line as of June 30, 2009, in amount of Baht 569.00 million and credit line for forward contract in amount of US Dollars 4.00 million (As of December 31, 2008, in amount of Baht 1,066.00 million, US Dollars 64.00 million and credit line for forward contract in amount of US Dollars 20.00 million) It is pledged by the Company's mortgage register of part of inventory and raw materials, land plus property of the Company, land plus property of a director, the Company's bank deposit, post dated cheque of a company and guaranteed director.

18. Short-Term Loans from Financial Institutions

Consists of:

	As of June 30, 2009	As of December 31, 2008
	<u>'000 Baht</u>	<u>'000 Baht</u>
Discount Post Date Cheques	15,430	22,537
Trust Receipts	47,423	559,924
Promissory Note	526,244	1,029,639
<u>Less</u> Deferred Service Fee in Borrowing	-	(21,290)
Total	<u>589,097</u>	<u>1,590,810</u>

As of December 31, 2008, service fee of loan finding is service fee derived from short term loan finding so as to use as working capital for the period of one year in amount of Baht 600.00 million and in amount of USD 64.00 million while there is amortization as financial expense according to straight line method throughout the period of loan for the period of one year. Presently, the Company has already amortized the complete financial expense.

As of June 30, 2009 and December 31, 2008, the Company took posted dates cheques receivable to discount with merchant bank is carried by interest rates of 5.88 – 6.00% per annum and 6.75 – 7.25% per annum respectively.

As of June 30, 2009 and December 31, 2008, trust receipt payable is carried by interest rates of 1.90 – 5.65% per annum and 2.10 – 9.25% per annum respectively. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the merchant bank until there will be repayment of trust receipt account payable to the merchant bank.

As of June 30, 2009, short term loan from the financial institutes is borrowing in form of promissory note in amount of Baht 289.87 million decreases from convert to long term loans according to note No.20.

As of June 30, 2009 and December 31, 2008, short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 4.50 – 5.50% per annum and 5.50 – 7.25% per annum respectively.

Such above loan from financial institutions constitutes collateral according to note No.17.

19. Liabilities under Financial Lease Agreement - Net

Consists of:

	As of June 30, 2009 <u>'000 Baht</u>
Liabilities under Financial Lease Agreement	1,844
<u>Less</u> Interest Payment from Financial Lease Agreement	(239)
Current Portion of Financial Lease Agreement	(302)
Net	<u><u>1,303</u></u>

As of June 30, 2009, the Company comprises asset under the financial leased contract in type of vehicle. There is net book value by amount of Baht 2.04 million. The Company will receive ownership in such asset when the Company completely repays debt to creditors in accordance with the financial leased contract.

20. Long Term Loans from Financial Institutions – Net

Consist of:

	As of June 30, 2009 <u>'000 Baht</u>	As of December 31, 2008 <u>'000 Baht</u>
Long Term Loans from Financial Institutions	299,615	29,250
<u>Less</u> Current Portion	(69,000)	(9,000)
Net	<u><u>230,615</u></u>	<u><u>20,250</u></u>

As of June 30, 2009, partly in credit line of Baht 289.87 million is already repayable remaining amount of Baht 274.86 million which is long term loan that derived from the performance of debt restructuring contract with the creditor of finance institutes on May 25, 2009. The finance institutes determine that the Company has to find out securities to additionally guarantee to be completed within December, 2009 and agree to consent that debt of promissory note is converted into long term loan which there are installments of repayment as follows:

- April 2009 – March 2010, the principle is repayable by Baht 5.00 million per month. Interest is carried in the rate of MLR-1% per annum which there is interest rate equivalent to 4.85% per annum.

- April 2010 – October 2012, the principle is repayable by Baht 5.00 million per month while interest rate is carried by MLR+1% per annum.
- November 2012 – January 2014, the principle is repayable by Baht 5.00 million per month while interest rate is carried by MLR% per annum.

As of June 30, 2009 and December 31, 2008, the Company loan credit line of Baht 45.00 million is already repayable remaining amount of Baht 24.75 million and amount of Baht 29.25 million respectively is loan due to one finance institute which the principle is monthly repayable in number 60 installments each of which is Baht 0.75 million. The first installment is repayable on April 30, 2007. Interest is monthly repayable. Interest is carried in the rate of MLR% per annum which there is interest rate equivalent to 5.85 – 6.25% per annum and 6.75 – 7.25% per annum respectively.

Such above long term loan constitutes collateral by mortgaged land plus property of the Company and directors of the Company with note No.17.

21. Share Capital

In accordance with the minute of ordinary shareholders meeting for the year 2009 held on April 30, 2009, it is materially resolved as follows:

- It is approved to cancel the issuance and offer of warrants to purchase ordinary shares of the Company no. 1 in number of 5,000.00 million units to ordinary shareholders of the Company in accordance with the proportion of shareholding in the ratio of two ordinary shares to one warrant while there is no value that is the resolution ever received approval from extra-ordinary shareholders meeting no. 1/2008 held on June 26, 2008 due to financial economic crisis taking place worldwide. As a result, the securities exchange index all over the world including Thailand constitutes the substantial adjustment. Moreover, due to continuously dropped shares prices of the Company, the capital gathering via warrants is not worth, nor incurred the highest benefit to the Company and shareholders in the present situation.

- It is approved to reduce authorized share capital of the Company from Baht 1,500.00 million to Baht 1,000.00 million by reducing ordinary shares in number of 5,000.00 million shares in par value of Baht 0.10 per share due to the cancellation of issuance and offer of warrants to purchase ordinary shares of the Company no. 1 in number of 5,000.00 million units to the former shareholders of the Company in accordance with the proportion of shareholding. The Company has already rectified in Memorandum of Association with Department of Business Development, Ministry of Commerce.

22. Basic Earning (Loss) Per Share

For the six months period ended of June 30, 2008, the Company calculated the weighted average number of ordinary share as follows:

<u>Date</u>	<u>Share Capital Issued and Paid-Up Share Capital</u> (‘000 Shares)	<u>Amount Date</u>	<u>Weighted average number</u> (‘000 Shares)
Jan 1, 2008 – March 21, 2008	5,000,000	81	405,000,000
March 22, 2008 – June 30, 2008	10,000,000	101	1,010,000,000
		182	1,415,000,000
Weighted average number of ordinary share (‘000 Shares)			7,774,725

For the quarter and the six months period ended of June 30, 2008, a calculated the basic earnings (loss) per share as follows:

	For the quarter ended on June 30, 2008	For the six months period ended on June 30, 2008
Net Profit (Loss) for the period (‘000 Baht)	85,967	150,182
Weighted average number of ordinary shares (‘000 Shares)	10,000,000	7,774,725
Basic earnings (loss) per share (Baht)	0.009	0.019

23. Management Benefit Expenses

This management remuneration is benefit that repayable to management and directors of the Company. It is composed of remuneration that is monetary, i.e. salary, related benefit and remuneration of directors including remuneration benefit in other form. The Company’s management is the persons who are defined under the Securities and Exchange Act.

24. Other Revenue from Debt Repayment Receipt from Management instead of Trading Account Receivable

Other revenue from debt repayment receipt from management instead of trading account receivable is derived from the event that the Company cannot call for debt collection from one trading account receivable in amount of Baht 180.07 million, when February 2007. The Company has recorded of allowance of doubtful debt in whole amount. However, The Chief Executive Officer has expressed responsibility to compensate damage to the Company because of the board of directors approved the credit line of selling to such trade account receivable, while there is the term of installment to the Company as installment until the Company will receive repayment in full amount plus interest in the rate of 8% per annum which comply with the minute of the board of directors

meeting no. 3/2007 held on April 24, 2007. The Company will record to recognize the amount received in each installment debt repayment from the Chief Executive Officer as other revenue under the caption of "Other Revenue from Debt Repayment Receipt from Management instead of Trading Account Receivable." until November 2008, the Company received principal debt repayment and interest includes the cumulative effect in amount of Baht 120.00 million. However, in November, 2008, the case prosecution against such account receivable is finalized while the account receivable constitutes the performance of compromised contract with the Company in the Court. The account receivable requests to repay debt as installment to the Company by amount of Baht 64.00 million in number of 37 installments. Given the outstanding debt value in amount of Baht 116.07 million, it is deleted. Moreover, accordance with the minute of the board of directors meeting no 8/2008 held on November 13, 2008, the meeting is resolved that when the account receivable constitutes the purpose to obviously compromise with the Company and the chairman of the directors has expressed responsibility to damage of the Company and shareholders which has repaid debt to the Company both the principle and interest by amount of Baht 120 million which is sufficiently abundant amount. Moreover, when taken to combine with debt balance that account receivable has to repay in accordance with debt compromise, it is the aggregate amount not less than the former debt value of Baht 180.07 million. Therefore, the meeting is resolved that the chairman of the management directors ceases to repay debt to the Company from the November, 2008 installment forwards.

25. Corporate Income Tax

For the quarter and the six months period ended on June 30, 2009 and 2008, the Company calculates corporate income tax at 25%, which complies with royal decree No.475 to reduce corporate income tax from 30% to 25% of net profit not over Baht 300 million for the 3 consecutively accounting periods commenced from the first accounting period which commenced within or after January 1, 2008, for the listed companies according to the law of securities and securities market. The Company computed corporate income tax of accounting net profit after adding adjusted transaction in accordance with the Revenue Code which is mainly doubtful debt and loss from declining in value of inventories, etc.

26. Expenses by Nature

Expenses by nature items consist of expenses main items are as follows:

	For the quarter ended on June 30,	
	2009	2008
	<u>'000 Baht</u>	<u>'000 Baht</u>
Changing within Finish Goods	564,264	(168,651)
Raw Material Used	485,827	1,038,717
Value of Purchase Finish Good for Sale	92,391	122,194
Reversal Allowance of Loss from Declining in Value of Inventories	(86,317)	(124)
Employee expenses	5,890	7,056
Depreciation	8,383	8,931
Reversal of Doubtful Debt	(8,000)	-
Loss on Exchange Rate	-	17,039
Loss from Investment in Trading Security	81	15,691
Selling expenses	9,047	10,926
Other expenses	13,458	22,354
	<hr/>	<hr/>
Total	1,085,024	1,074,133
	<hr/> <hr/>	<hr/> <hr/>

	For the six months period ended on June 30,	
	2009	2008
	<u>'000 Baht</u>	<u>'000 Baht</u>
Changing within Finish Goods	763,589	(138,641)
Raw Material Used	841,005	2,173,379
Value of Purchase Finish Good for Sale	183,265	428,984
Reversal Allowance of Loss from Declining in Value of Inventories	(175,490)	(1,485)
Employee expenses	12,125	18,533
Depreciation	16,624	16,909
Reversal of Doubtful Debt	(14,000)	-
Loss on Exchange Rate	-	6,506
Loss from Investment in Trading Security	-	33,919
Selling expenses	13,925	20,788
Other expenses	28,843	48,280
	<hr/>	<hr/>
Total	1,669,886	2,607,172
	<hr/> <hr/>	<hr/> <hr/>

27. Provident Fund

The Company has been established the provident fund which is managed by external fund manager, that staff and the company has to contribute to the fund at the rate of 2 percent of basic salary according with the funds regulation. This fund is managed by a Financial Institution as a fund manager. The company has payment the provident fund for the six months period ended on June 30, 2009 and 2008 in amount of Baht 0.13 million and Baht 0.12 million respectively.

28. Presentation of Financial Data Segregated by Business Sector

The Company is operate in only one business sector, i.e. distribution of steel pipe and steel products and operate in one geographical area only in Thailand. Thus all income, profit and entire assets shown in the financial statements are related to the said business sector and geographical area.

29. Obligations and Contingent Liabilities

29.1 Apart from liabilities shown on the balance sheets as of June 30, 2009 and December 31, 2008, the Company still remains other obligations and contingent liabilities with commercial banks as follows :

	As of June 30, 2009	As of December 31, 2008
- Letters of Credit		
Credit Line 223.0 Million, Credit Unused	2.76 Million Baht	-
Credit Line 600.0 Million, Credit Unused	-	2.89 Million Baht
Credit Line US Dollars 64.0 Million, Credit Unused	-	48.04 Million US Dollars
- Letters of Guarantee	2.83 Million Baht	2.83 Million Baht

29.2 The Company holds obligation commitment according to the leased contract as follows:

29.2.1 The Company comprises obligation commitment according to the contract of land lease, contract of sublet of building area, contract of truck lease, contract of automobile lease with other persons, other company and related company. The leased fee and service fee each contract are in the rate of Baht 22,000.00 – Baht 250,000.00 per month. As of June 30, 2009 and December 31, 2008, there is total leased fee value that has to repay until contract is completed as follows:

	As of June 30, 2009	As of December 31, 2008
	<u>'000 Baht</u>	<u>'000 Baht</u>
Period not exceeding 1 year	6,909	7,752
Period more 1 year – 5 year	5,812	14,432

29.2.2 As of December 31, 2008, the Company constitutes obligation commitment from the contract performance of merchandise maintenance service for the imported merchandise so as to distribute to one other company. The contract carries the life of one year. There are service fee in two credit lines, i.e. monthly, in USD 5,000.00 per month and weekly service fee in USD 1,500 per week. If in case that the merchandise is imported and carried the keeping period exceeding 7 days, the Company will have to repay monthly service fee of USD 2,500-3,500 per month. (As of June 30, 2009, the Company constitutes only obligation commitment weekly service fee in USD 1,500 per week. If in case that the merchandise is imported and carried the keeping period exceeding 7 days, the Company will have to repay monthly service fee of USD 2,500-3,500 per month.)

29.3 The Company comprises obligation commitment according to the contract of labour engagement to produce steel with one related company. The contract holds the life of one year ended on August 31, 2009. It is determined that the life is automatically renewed for the period of 1 year. The engagement fee is in the rate of Baht 350,000.00 per month and on April 1, 2009 has change the engagement fee is in rate of Baht 190,000.00 per month as of June 30, 2009 and December 31, 2008, the Company holds the total engagement fee which has to fully repay until the contract is complete in amount of Baht 0.38 million and Baht 2.80 million, respectively.

30. Forward Contracts – Buy of Foreign Currency

The Company holds risk from foreign currencies exchange rate from the foreign currencies merchandise payment. The Company hedges against risk from such foreign currencies exchange rates by performing the forward contract – buy of foreign currency as of June 30, 2009 and December 31, 2008, the Company had forward contract – buy of foreign currency as follows :

	As of June 30, 2009	As of December 31, 2008
Credit Limit for Forward Contract	4.00 Million US Dollars	20.00 Million US Dollars
Value of Forward Contract – Buy	-	3.73 Million US Dollars
Value of Forward Contract - Buy	-	131.95 Million Baht
Fair Value	-	130.28 Million Baht

Fair value of the forward contract - buy is computed by using rates determined by those counter party bank as of the date in balance sheet.

31. Subsequent Events

In accordance with the minute of the board of directors meeting no 4/2009 held on August 14, 2009, it is resolved to approve that the period of signing in the contract of shares purchasing and selling of Thai National Product Co., Ltd., is extended into within September 30, 2009 and the period of repayment of purchasing and selling of shares fee is also further extended. The Company will proceed with agreement with respect to the date the shares purchasing and selling contract is signed and repayment of purchasing and selling shares fee in literature on next time.

32. Approval of the Interim Financial Statement

These interim financial statements have been approved by authorized directors of the Company on August 14, 2009.
