

(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 accompanying consolidated and separate balance sheets as of June 30, 2010, the related consolidated statements of income for the quarter and for the six months period ended on June 30, 2010, the consolidated statements of changes in shareholders' equity and the consolidated cash flow statements for the six months period ended on June 30, 2010, of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary and the separate statements of income for the quarter and for the six months period ended on June 30, 2010 and 2009, the separate statements of changes in shareholders' equity and the separate cash flow statements for the six months period ended on June 30, 2010 and 2009, 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.

I have previously audited, in accordance with the generally accepted auditing standards, the financial statements for the year ended on December 31, 2009 of RICH ASIA STEEL PUBLIC COMPANY LIMITED and expressed an unqualified opinion in my report dated February 22, 2010. The balance sheets as of December 31, 2009, presented herein for comparison, have been derived from such financial statement which I have audited and reported on. I have not performed any other audit procedures subsequent to such report date.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Naris Saowalagsakul)

Authorized Auditor No. 5369

Bangkok,

August 10, 2010

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of June 30, 2010 and December 31, 2009

		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2010	2010
		2009	
		'000 Baht	'000 Baht
		Unaudited	Unaudited
		Limited Review Only	Limited Review Only
		'000 Baht	'000 Baht
		Unaudited	Audited
		Limited Review Only	Limited Review Only
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent		2,509	868
Temporary Investment	(Note 6)	1,266	1,266
Accounts and Notes Receivable Other Companies-Net	(Note 7)	1,137,863	1,047,817
Accounts and Notes Receivable Related Companies-Net	(Note 5.2,8)	61	35,327
Inventories-Net	(Note 9)	702,972	592,483
Other Current Assets			
Accrued Interest	(Note 10)	25,676	-
Advance Payment - Goods - Net	(Note 11)	408,179	407,139
Retention Receivable		25,013	-
Account Receivable - Revenue Department		26,785	24,122
Other		16,345	4,612
TOTAL CURRENT ASSETS		2,346,669	2,113,634
NON-CURRENT ASSETS			
Other Account Receivable from Refund of Advance Payment - Goods	(Note 12)	-	200,000
Investment in Subsidiary Company	(Note 13)	-	639,478
Property, Plant and Equipment - Net	(Note 14)	903,249	242,373
Land Not Used for Operation-Net	(Note 15)	18,661	18,661
Deposit Payment for Investment	(Note 16)	-	200,000
Other Non-Current Assets			
Guarantee Against the Merchandise Order	(Note 17)	40,000	40,000
Over Paid Corporate Income Tax Wait for Return		34,936	34,936
Long-Term Other Accounts Receivable	(Note 18)	25,133	-
Other		5,168	2,255
TOTAL NON-CURRENT ASSETS		1,027,147	977,703
TOTAL ASSETS		3,373,816	2,569,710

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of June 30, 2010 and December 31, 2009

		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2010	2010
		2009	2009
		'000 Baht	'000 Baht
		Unaudited	Unaudited
		Limited Review Only	Limited Review Only
		Audited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-Term Loans that Due for Repayment	(Note 20)	-	220,244
Bank Overdraft and Short-Term Loans from Financial Institutions	(Note 19,21)	659,620	341,140
Accounts and Notes Payable Other Companies		381,673	244,112
Accounts and Notes Payable Related Companies	(Note 5.2)	233	1,876
Current Portion			
Liabilities under Financial Lease Agreement	(Note 22)	403	311
Loans from Financial Institutions	(Note 19,23)	88,712	60,000
Other Current Liabilities			
Advance Receipt for Goods		12,525	36,803
Creditor - Shares Subscription Fee	(Note 13)	25,000	-
Others		35,291	22,085
TOTAL CURRENT LIABILITIES		1,203,457	926,571
NON-CURRENT LIABILITIES			
Liabilities under Financial Lease Agreement - Net	(Note 22)	1,278	1,145
Long Term Loans from Financial Institutions - Net	(Note 19,23)	581,938	221,765
TOTAL NON-CURRENT LIABILITIES		583,216	222,910
TOTAL LIABILITIES		1,786,673	1,149,481

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of June 30, 2010 and December 31, 2009

	CONSOLIDATED	SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	
	2010	2010	2009
	'000 Baht	'000 Baht	'000 Baht
	Unaudited	Unaudited	Audited
	Limited Review Only	Limited Review Only	
SHAREHOLDERS' EQUITY			
Share Capital			
Authorized Share Capital			
10,000,000,000 Ordinary Share @ 0.10 Baht	1,000,000	1,000,000	1,000,000
Issued and Paid-up Share Capital			
10,000,000,000 Ordinary Share @ 0.10 Baht	1,000,000	1,000,000	1,000,000
Premiums on Share Capital	571,792	571,792	571,792
Retained Earnings(Deficit)			
Unappropriated	15,351	(141,809)	(151,563)
TOTAL SHAREHOLDERS' EQUITY	1,587,143	1,429,983	1,420,229
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,373,816	3,091,337	2,569,710

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the quarter ended on June 30, 2010 and 2009

		Unaudited	
		Limited Review Only	
		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2010	2010
		2009	
		'000 Baht	'000 Baht
Sales		776,029	708,729
Services		4,202	2,176
Cost of Sales		(724,787)	(689,791)
Cost of Services		(3,646)	(1,042)
Reversal Allowance of Loss from Declining in Value of Inventories		3,120	189
Gross Profit (Loss)		54,918	20,261
Premium in Fair Value of Subsidiary Company Over Cost	(Note 13)	130,872	-
Gain on Exchange Rate		3	3
Interest Revenue		1	1
Others Income		1,827	1,536
Total Others Income		132,703	1,540
Profit(Loss) Before Expenses		187,621	21,801
Selling Expenses		(2,504)	(2,451)
Administrative Expenses		(11,045)	(10,136)
Reversal of Doubtful Debt		6,000	6,000
Management Benefit Expenses		(2,642)	(2,642)
Total Expenses		(10,191)	(9,229)
Profit(Loss) before Finance Costs and Corporate Income Tax		177,430	12,572
Finance Costs		(15,727)	(15,716)
Profit(Loss) before Corporate Income Tax		161,703	(3,144)
Corporate Income Tax	(Note 24)	(7,687)	-
PROFIT (LOSS) FOR THE PERIOD		154,016	(11,915)
BASIC EARNINGS(LOSS) PER SHARE (BAHT)		0.015	(0.000)
WEIGHTED AVERAGE ORDINARY SHARES (THOUSAND SHARES)		10,000,000	10,000,000

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the six months period ended on June 30, 2010 and 2009

Unaudited

Limited Review Only

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2010	2009	
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	
Sales	1,317,206	1,249,905	1,621,564	
Services	6,163	4,138	2,713	
Cost of Sales	(1,254,790)	(1,219,794)	(1,807,374)	
Cost of Services	(6,759)	(4,155)	(5,025)	
Reversal Allowance of Loss from Declining in Value of Inventories	25,240	22,308	175,490	
Gross Profit (Loss)	87,060	52,402	(12,632)	
Premium in Fair Value of Subsidiary Company Over Cost (Note 13)	130,872	-	-	
Gain on Exchange Rate	3	3	11,607	
Interest Revenue	254	254	10,200	
Others Income	3,752	3,462	6,937	
Total Others Income	134,881	3,719	28,744	
Profit(Loss) Before Expenses	221,941	56,121	16,112	
Selling Expenses	(7,042)	(6,989)	(13,925)	
Administrative Expenses	(21,260)	(20,351)	(26,775)	
Reversal of Doubtful Debt	12,000	12,000	14,000	
Management Benefit Expenses	(5,260)	(5,260)	(6,277)	
Total Expenses	(21,562)	(20,600)	(32,977)	
Profit(Loss) before Finance Costs and Corporate Income Tax	200,379	35,521	(16,865)	
Finance Costs	(25,778)	(25,767)	(60,090)	
Profit(Loss) before Corporate Income Tax	174,601	9,754	(76,955)	
Corporate Income Tax (Note 24)	(7,687)	-	-	
PROFIT (LOSS) FOR THE PERIOD	166,914	9,754	(76,955)	
 BASIC EARNINGS(LOSS) PER SHARE (BAHT)	 0.017	 0.001	 (0.008)	
WEIGHTED AVERAGE ORDINARY SHARES (THOUSAND SHARES)	10,000,000	10,000,000	10,000,000	

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended on June 30, 2010

Unaudited

Limited Review Only

CONSOLIDATED FINANCIAL STATEMENTS

	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUMS ON SHARE CAPITAL	RETAINED EARNINGS (DEFICIT) UNAPPROPRIATED	TOTAL
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Balance as of December 31, 2009	1,000,000	571,792	(151,563)	1,420,229
Profit(loss) for the period	-	-	166,914	166,914
Balance as of June 30, 2010	1,000,000	571,792	15,351	1,587,143

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended on June 30, 2010 and 2009

Unaudited

Limited Review Only

SEPARATE FINANCIAL STATEMENTS

	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, 2009	1,000,000	571,792	(151,563)	1,420,229
Profit(loss) for the period	-	-	9,754	9,754
Balance as of June 30, 2010	1,000,000	571,792	(141,809)	1,429,983
Balance as of December 31, 2008	1,000,000	571,792	(174,939)	1,396,853
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

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

For the six months period ended on June 30, 2010 and 2009

	Unaudited		
	Limited Review Only		
	CONSOLIDATED	SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	
	2010	2010	2009
	'000 Baht	'000 Baht	'000 Baht
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (Loss) before Corporate Income Tax	174,601	9,754	(76,955)
Adjustments to Profit (Loss) before Corporate Income Tax for Cash Received (Paid) from Operations			
Depreciation	19,970	15,427	16,624
Premium in Fair Value of Subsidiary Company Over Cost	(130,872)	-	-
Reversal of Doubtful Debt	(12,000)	(12,000)	(14,000)
Amortization of Prepaid Expenses	911	906	1,164
Amortization of Intangible Asset	171	169	169
(Gain)Loss from Unrealized of Investment in Trading Security	191	191	(291)
Gain from Sale of Property, Plant and Equipment	(509)	(509)	(2,924)
Gain from Transfer of Land Not Used for Operation with settle	(290)	(290)	-
Loss from Write Off of Property, Plant and Equipment	2	2	-
(Gain)Loss from Unrealized Exchange Rate	-	-	(4,074)
Loss from Declining in Value of Inventories(Reversal)	(25,240)	(22,308)	(175,490)
Deferred Service Fee in Borrowing	703	703	-
Interest Revenue	(254)	(254)	(10,200)
Interest Expenses	24,745	24,743	38,142
Profit(Loss) from Operating Activities before Change in Operating Assets and Liabilities	52,129	16,534	(227,835)
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(151,496)	(106,116)	(401,929)
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	370	(34,896)	(9,134)
(Increase) Decrease in Inventories	(457,083)	(454,997)	785,604
(Increase) Decrease in Advance Payment - Goods	170,947	171,168	99,074
(Increase) Decrease in Retention Receivable	10	-	-
(Increase) Decrease in Accounts Receivable - Revenue Department	(9,786)	(12,256)	44,583
(Increase) Decrease in Other Current Assets	926	(587)	204
Cash Received in Other Account Receivable from Refund of Advance Payment - Goods	200,000	200,000	-
Cash Received in Guarantee Against the Merchandise Order	60,000	60,000	-
(Increase) Decrease in Other Non-Current Assets	-	-	3
Increase(Decrease) in Accounts and Notes Payable Other Companies-Net	109,847	133,828	271,038
Increase(Decrease) in Accounts and Notes Payable Related Companies-Net	(1,643)	(1,643)	(187)
Increase(Decrease) in Advance Receipt for Goods	(24,279)	(26,241)	(18,370)
Increase(Decrease) in Other Current Liabilities	(4,822)	(2,163)	1,234
Cash Receipt (Paid) from Operating Activities	(54,880)	(57,369)	544,285
Cash Payment for Corporate Income Tax and Withholding Tax	(323)	(228)	(300)
Cash Received from Interest Revenue	1,062	254	14,535
Cash Provided(Used) from Operating Activities - Net	(54,141)	(57,343)	558,520

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

For the six months period ended on June 30, 2010 and 2009

	Unaudited		
	Limited Review Only		
	CONSOLIDATED	SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	
	2010	2010	2009
	'000 Baht	'000 Baht	'000 Baht
CASH FLOW FROM INVESTING ACTIVITIES			
Cash Payment for Purchased of Investment in Subsidiary Company	(407,011)	(410,000)	-
(Increase) Decrease in Pledged Deposit at Financial Institution	-	-	207,000
Cash Received from Other Account Receivable from Sale Assets	-	-	8,025
Cash Received from Sale of Property, Plant and Equipment	509	509	1,075
Cash Payment for Purchased of Property, Plant and Equipment	(5,453)	(1,383)	(573)
Cash Payment for Account Payable from Purchased Assets	(471)	-	-
Cash Provided(Used) from Investing Activities - Net	(412,426)	(410,874)	215,527
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in Bank Overdraft and Short-Term Loans from Financial Institutions	104,725	104,725	(707,774)
Cash Payment for Liabilities under Financial Lease Agreement	(203)	(194)	(97)
Cash Payment for Deferred Service Fee in Borrowing	(9,624)	(9,624)	-
Cash Payment for Long -Term Loans from Financial Institutions	(5,244)	(5,244)	(19,500)
Cash Received from Long -Term Loan for Financial Institutions	400,000	400,000	-
Cash Payment for Interest Expenses	(24,743)	(24,743)	(40,344)
Cash Provided (Used) from Financing Activities - Net	464,911	464,920	(767,715)
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	(1,656)	(3,297)	6,332
CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD	4,165	4,165	15,635
CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD	2,509	868	21,967
Non-cash items which are not shown in cash flows			
- Purchases Assets in Credit	633	7	31,022
- Purchases Assets in Credit under Financial Lease Agreement	-	-	1,677
- Sale Assets in Credit	801	801	32,710
- Other Account Receivable from Refund of Advance Payment - Goods Increases from Transfer out of Advance Payment - Goods	-	-	(421,000)
- Short-Term Loans from Financial Institutions Increases from Transfer out of Short- Term Loans that Due for Repayment	220,244	220,244	-
- Short-Term Loans from Financial Institutions Decrease from Transfer of Land Not Used for Operation with settle	3,440	3,440	-
Convert to Long-Term Loans	-	-	289,865
- Long-Term Loans from Financial Institutions Increases from Transfer out of Current Portion	15,000	15,000	-
- Off-Set between Accounts Receivable and Accounts Payable	103,900	103,900	-
- Investment in Subsidiary Company Increases from Transfer out of Deposit Payment for Investment	200,000	200,000	-
Prepaid for Purchased of Investment Expenses	4,478	4,478	-
- Purchases Investment in Subsidiary Companies by remain as creditor - shares subscription fee	25,000	25,000	-

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**NOTES TO FINANCIAL STATEMENTS****June 30, 2010 (Unaudited / Limited Review Only)****And December 31, 2009 (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 branch constitution.

The Company operated the distribution of steel pipe, steel scrap and steel products with subsidiary company operated the distribution of foundation pile plus transportation and hammer foundation pile. (The Company and its subsidiaries combine the "Group".)

2. The Basis of Interim Financial Statements Preparation and Accounting Policy

- 2.1 These interim financial statements are prepared in accordance with accounting standard no. 34 (revised in 2007) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheet, statement of income, statement of change in shareholders equity and statement of cash flow in the same format as that used for the annual financial statements.
- 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 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, 2009.

In period, the Company has investment in Thai National Product Co., Ltd. Therefore, the preparation of consolidated financial statements for the quarter and for the six months period ended on June 30, 2010, has summary of significant accounting policies add follows:

2.4.1 Recognition of revenues

- Foundation pile hammer service incomes are recognized when service in amount that hammers successfully.

2.4.2 Inventory for manufacture foundation pile

Inventories are stated at the lower of cost by the MOVING AVERAGE method or net realizable value.

Work in process is stated at the lower of cost or net realizable value.

2.5 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.

3. Basis of Preparation of the Consolidation Financial Statements

3.1 In preparation of the consolidated financial statements, the Company will only take its subsidiary company which is under the main control of RICH ASIA STEEL PUBLIC COMPANY LIMITED into account, after having eliminated the remaining balances and transactions among themselves, with the percentage of shareholdings in subsidiary as follows:

Company's Name	Percentage of Shareholdings	Registration	Type of Business
	As of	Thailand	
	June 30, 2010		
Thai National Product Co., Ltd.	100.00	Thai	manufacture foundation pile plus transportation and hammer foundation pile

In accordance with the minute of the board of directors meeting no. 9/2008 held on December 27, 2008, it resolves with consent to buy ordinary shares of the Thai National Product Co., Ltd., from the former shareholders in number of 26,100,600,000 shares, equivalent to 100.00% of the shares issued and called for paid-up of the Thai National Product Co., Ltd., in the price of Baht 635.00 million which the Company and counter contract party extend period of trading. There is latest period extension to be within May 31, 2010. Presently, the Company has already purchased investment in the Thai National Product Co., Ltd. There is detail regarding acquisition of investment according to note to the financial statements no. 13.

In the preparation of the consolidated financial statements for quarter and for the six months period ended on June 30, 2010, the Company has consolidated revenue, expense and operating result of such subsidiary company from June 1, 2010. (entity's acquisition date) to June 30, 2010.

- 3.2 The accounting period of subsidiary company that was one day end of RICH ASIA STEEL PUBLIC COMPANY LIMITED.
- 3.3 The preparation of consolidated financial statements was eliminated significant inter-assets and liabilities and inter-transactions.
- 3.4 Accounting policy for subsidiary company will utilize the same policy as the Company.

4. Adoption to New Accounting Standards.

The Federation of Accounting Professions has issued Notification No. 17/2553, regarding new accounting standards and financial reporting standards. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is effective immediately.

		<u>Effective date</u>
Framework for Preparation and Presentation of Financial Statements (revised 2009)		Immediately
TAS 1 (revised 2009)	Presentation of Financial Statements	1 January 2011
TAS 2 (revised 2009)	Inventories	1 January 2011
TAS 7 (revised 2009)	Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009)	Events After the Reporting Period	1 January 2011
TAS 11 (revised 2009)	Construction Contracts	1 January 2011
TAS 12	Income Taxes	1 January 2013
TAS 17 (revised 2009)	Leases	1 January 2011

		<u>Effective date</u>
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 23 (revised 2009)	Borrowing Costs	1 January 2011
TAS 24 (revised 2009)	Related Party Disclosures	1 January 2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	1 January 2011
TAS 28 (revised 2009)	Investments in Associates	1 January 2011
TAS 29	Financial Reporting in Hyperinflationary Economies	1 January 2011
TAS 31 (revised 2009)	Interests in Joint Venture	1 January 2011
TAS 33 (revised 2009)	Earnings per Share	1 January 2011
TAS 34 (revised 2009)	Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009)	Impairment of Assets	1 January 2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009)	Intangible Assets	1 January 2011
TAS 40 (revised 2009)	Investment Property	1 January 2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2011

The management of the Group Company has assessed the effect of the accounting standards and financial reporting standards believe that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

5. Business Transaction with the Related Companies

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

5.1 Inter – Revenues and Expenses

		Consolidate		Separate	
		Financial Statements		Financial Statements	
		For the quarter		For the quarter	
		ended on June 30,		ended on June 30,	
	Pricing	2010	2010	2009	
	policy	'000 Baht	'000 Baht	'000 Baht	
<u>Inter - Sales</u>					
MAHALAP METAL CO., LTD.	(1)	-	-	10,046	
HARNSAWAT LTD. PART.	(1)	-	-	368	
SIAM FERRO INDUSTRY CO., LTD.	(1)	120	120	-	
G.T. STEEL WORKS CO., LTD.	(1)	-	-	32	
Total		120	120	10,446	
<u>Inter – Other Revenue</u>					
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	3	-	
Total		-	3	-	
<u>Inter – Subcontract</u>					
SIAM FERRO INDUSTRY CO., LTD.	(2)	1,162	1,162	1,463	
Total		1,162	1,162	1,463	
<u>Inter – Other Expenses</u>					
SIAM FERRO INDUSTRY CO., LTD.	(3)	320	320	429	
A.T. STEEL CO., LTD.	(3)	291	291	293	
MISS ANGKAKARN TANTIVIROON	(3)	37	37	111	
Total		648	648	833	

		Consolidate	Separate	
		Financial Statements	Financial Statements	
		For the six	For the six	
		months period	months period	
		ended on June 30,	ended on June 30,	
	Pricing	2010	2010	
	policy	'000 Baht	'000 Baht	
		2009	2009	
		'000 Baht	'000 Baht	
<u>Inter - Sales</u>				
SIAM FERRO INDUSTRY CO., LTD.	(1)	320	320	-
P.A.P EXIM CO., LTD.	(1)	-	-	4,901
CHAISUPON CO., LTD.	(1)	-	-	2,114
MAHALAP METAL CO., LTD.	(1)	-	-	14,794
HARNSAWAT LTD. PART.	(1)	-	-	491
G.T. STEEL WORKS CO., LTD.	(1)	-	-	32
Total		320	320	22,332
<u>Inter – Income from the Employment Produces</u>				
MAHALAP METAL CO., LTD.	(3)	-	-	667
Total		-	-	667
<u>Inter – Transportation Revenue</u>				
G.T. STEEL WORKS CO., LTD.	(2)	-	-	1
Total		-	-	1
<u>Inter – Other Revenue</u>				
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	3	-
Total		-	3	-
<u>Inter – Subcontract</u>				
SIAM FERRO INDUSTRY CO., LTD.	(2)	3,263	3,263	3,678
G.T. STEEL WORKS CO., LTD.	(2)	-	-	111
Total		3,263	3,263	3,789
<u>Inter – Other Expenses</u>				
SIAM FERRO INDUSTRY CO., LTD.	(3)	774	774	778
A.T. STEEL CO., LTD.	(3)	583	583	586
MISS ANGKAKARN TANTIVIROON	(3)	181	181	179
Total		1,538	1,538	1,543

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

- (1) Price which can be comparative against outside parties.
- (2) Price is complied with the prices in accordance with the contract.
- (3) Price is complied with the prices which are mutually agreed upon.

5.2 Inter – Assets and Liabilities

	Consolidate Financial Statements	Separate Financial Statements	
	As of June 30, 2010	As of June 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Inter – Accounts and Notes Receivable			
THAI NATIONAL PRODUCT CO., LTD.	-	35,266	-
SIAM FERRO INDUSTRY CO., LTD.	61	61	53
THANASUB PAISARN CO., LTD.	-	-	9,905
P.A.P EXIM CO., LTD.	-	-	378
Total	61	35,327	10,336
<u>Less</u> Allowance for Doubtful Debt –			
THANASUB PAISARN CO., LTD.	-	-	(9,905)
Net	61	35,327	431
Inter – Other Accounts Receivable			
THAI NATIONAL PRODUCT CO., LTD.	-	3	-
Total	-	3	-
Inter – Accounts and Notes Payable			
SIAM FERRO INDUSTRY CO., LTD.	233	233	1,876
Total	233	233	1,876
Inter – Accrued Expenses and Notes Payable			
SIAM FERRO INDUSTRY CO., LTD.	69	69	301
A.T. STEEL CO., LTD.	96	96	96
MISS ANGKAKARN TANTIVIROON	7	7	11
Total	172	172	408

5.3 The Company's Relationship

Consist of:

<u>Name</u>	<u>Activities</u>	<u>Relationship</u>
THAI NATIONAL PRODUCT CO., LTD.	Production foundation pile plus transportation and hammer foundation pile	Subsidiary company by shareholding
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 (executive officer resign on November 21, 2009)
MAHALAP METAL CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders (executive officer resign on November 21, 2009)
HARN SAWAT LTD. PART.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders (executive officer resign on November 21, 2009)
P.A.P EXIM CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders (executive officer resign on November 21, 2009)
THANASUB PAISARN CO., LTD.	Distribution of shape steel	Closed cousin of executive officer are director and shareholders (executive officer resign on November 21, 2009)
A.T. STEEL CO., LTD.	Distribution of line steel	Closed cousin of executive officer are director and shareholders
FREEDOM HILL CO., LTD.	Sale Transfer and other related land, Leasehold and all of buildings	Director's company are director and shareholders
MISS ANGKAKARN TANTIVIROON		Chief Executive Officer

6. Temporary Investment

Consist of:

	Consolidate Financial Statements	Separate Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Investment of Trading Security – Cost Value	1,618	1,618	1,618
Unrealized Gain(Loss) in Investment of Trading Security	(352)	(352)	(161)
Investment of Trading Security – Fair Value	<u>1,266</u>	<u>1,266</u>	<u>1,457</u>

7. Accounts and Notes Receivable Other Companies - Net

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	'000 Baht	'000 Baht	'000 Baht
Notes Receivable	211,187	211,027	26,792
Account Receivable	962,432	870,970	1,043,084
Total Accounts and Notes Receivable	1,173,619	1,081,997	1,069,876
<u>Less</u> Allowance for Doubtful Debt -			
Account Receivable	(35,756)	(34,180)	(36,275)
Net	1,137,863	1,047,817	1,033,601

An aging analysis of accounts and notes receivable other companies as of June 30, 2010 and December 31, 2009 are as follows:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	'000 Baht	'000 Baht	'000 Baht
Within credit term	605,256	524,560	699,613
Over due 1 to 90 days	221,198	215,904	107,425
Over due 91 to 180 days	107,106	107,031	-
Over due 181 to 365 days	191,042	190,916	226,563
Over due over 1 years	49,017	43,586	36,275
Total Accounts and Notes Receivable	1,173,619	1,081,997	1,069,876
<u>Less</u> Allowance for Doubtful Debt -			
Account Receivable	(35,756)	(34,180)	(36,275)
Net	1,137,863	1,047,817	1,033,601

For the six months period ended on June 30, 2010 and 2009, allowance for doubtful debt has movements as follows:

	Consolidate Financial Statements For the six months period ended on June 30, 2010 <u>'000 Baht</u>	Separate Financial Statements For the six months period ended on June 30, 2010 <u>'000 Baht</u>	2009 <u>'000 Baht</u>
Allowance of Doubtful Debt - Beginning	(36,275)	(36,275)	(62,000)
<u>Add</u> Increased from Purchase Business	(1,576)	-	-
Transfer from Accounts Receivable Related Companies	(9,905)	(9,905)	-
<u>Less</u> Sale/Reversal	12,000	12,000	14,000
Allowance for Doubtful Debt - Ending	<u>(35,756)</u>	<u>(34,180)</u>	<u>(48,000)</u>

The consolidated financial statements as of June 30, 2010, and the separate financial statements as of June 30, 2010 and December 31, 2009, the Company factored some note receivable in amount of Baht 29.89 million and Baht 26.10 million respectively, to discount with one finance institutes according to the note no.21. 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.

The consolidated financial statements as of June 30, 2010 and the separate financial statements as of June 30, 2010 and December 31, 2009, accounts receivable over due over 181 days in amount of Baht 199.89 million and Baht 226.56 million respectively, is the merchandise sale in type of steel scrap to one client who is the producer and distributor of hot rolled coils as one of 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. While account receivable will allow debt repayment deduction by providing discount of 10 – 20% from merchandise value that the Company purchases merchandise from such account receivable. (While there is debt value as of the date the letter to notify requesting the gradually debt repayment in amount of Baht 432.47 million). However, the management of the Company believes that the Company does not have risk that will not be able to collect debt. Because the account receivable has gradual repayment continued.

8. Accounts Receivable Related Companies – Net

Consist of:

	Consolidate	Separate
	Financial Statements	Financial Statements
	As of	As of
	June 30, 2010	June 30, 2010
	December 31, 2009	
	'000 Baht	'000 Baht
Account Receivable	61	35,327
Less Allowance for Doubtful Debt	-	(9,905)
Net	61	431

An aging analysis of accounts receivable related companies as of June 30, 2010 and December 31, 2009 are as follows:

	Consolidate	Separate
	Financial Statements	Financial Statements
	As of	As of
	June 30, 2010	June 30, 2010
	December 31, 2009	
	'000 Baht	'000 Baht
Within credit term	-	32,114
Over due 1 to 90 days	61	3,213
Over due over 1 years	-	-
Total Accounts Receivable	61	35,327
Less Allowance for Doubtful Debt	-	(9,905)
Net	61	431

The consolidated financial statements and the separate financial statements as of June 30, 2010, accounts receivable and allowance for doubtful debt decreases amount of Baht 9.91 million from the reclassify to accounts receivable other companies as in note No.7 since accounts receivable related companies ended relation related companies from executive officer are closed cousin of director and shareholders of related companies resign on November 21, 2009.

9. Inventories - Net

Consist of:

	Consolidate Financial Statements	Separate Financial Statements	
	As of June 30, 2010	As of June 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Finished Goods	522,063	500,099	71,654
Work in Process	202	-	-
Raw Materials	178,875	93,036	61,261
Goods-in-Transit	-	-	5,354
Spare Part	8,841	1,674	1,543
Total	709,981	594,809	139,812
<u>Less</u> Allowance for Declining in Value of Inventories	(7,009)	(2,326)	(16,122)
Net	702,972	592,483	123,690

For the six months period ended on June 30, 2010 and 2009, allowance for declining in value of inventories has movements as follows:

	Consolidate Financial Statements	Separate Financial Statements	
	For the six months period ended on June 30,	For the six months period ended on June 30,	
	2010	2010	2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Allowance for Declining in Value of Inventories- Beginning	(16,122)	(16,122)	(211,553)
<u>Add</u> Increased from Purchase Business	(7,615)	-	-
Increased within Period	(476)	(476)	(4,987)
<u>Less</u> Sale/Reversal	17,204	14,272	133,404
Allowance for Declining in Value of Inventories- Ending	(7,009)	(2,326)	(83,136)

10. Accrued Interest Revenue

The consolidated financial statements as of June 30, 2010, the whole amount is accrued interest that derives from loan to other company while subsidiary company received of principal a complete refund, for accrued interest, account receivable constitutes the letter to notify requests for gradual payment which will be completely repayable within April 2011.

11. Advance Payment – Goods - Net

Consist of:

	Consolidate Financial Statements	Separate Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Advance Payment – Goods	408,869	407,829	578,997
<u>Less Allowance for Declining in</u>			
Value of Inventories	(690)	(690)	(9,202)
Net	<u>408,179</u>	<u>407,139</u>	<u>569,795</u>

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

The consolidated financial statements as of June 30, 2010, and the separate financial statements as of June 30, 2010 and December 31, 2009, the whole amount is other account receivable from the refund of advance payment - goods with one company of merchandise distributor overseas while the Company constitutes the letter to notify the cancellation of the purchasing and selling contract and request that the seller refunds amount of Baht 250.00 million to the Company. However, the merchandise distributor constitutes the letter to notify requests for gradual repayment of advance payment - goods to be within June 2010, whereby the Company has already received a complete refund.

13. Investment in Subsidiary Company

Consist of:

Company's Name	Separate Financial Statements			
	Paid-Up Share Capital '000 Baht	Percentage of Shareholdings	Cost Method	Dividend
		As of	As of	For the six months period
		June 30, 2010	June 30, 2010	ended on June 30, 2010
		%	'000 Baht	'000 Baht
Thai National Product Co., Ltd.	261,006	100.00	639,478	-
			639,478	-

On May 31, 2010, the Company has acquired investment in the Thai National Product Co., Ltd., while there is proportion of investment equivalent to rate of 100%. There is some repayment in amount of Baht 610.00 million (including deposit payable for investment in amount of Baht 200.00 million according to note no. 16). It remains as creditor – shares subscription fee in amount of Baht 25.00 million which the Company will be gradually repayable to be completed within November 30, 2010. However, in cost allocation of business amalgamation to asset, liability and contingent liability that derives from investment acquisition in the subsidiary company, the Company has engaged independent appraiser company in order to appraise fair value of land, plant and equipment. After cost allocation of business amalgamation, it finds that surplus of the Company's interest in net fair value of asset, liability and contingent liability that specifiable of the subsidiary company is greater than cost of investment acquisition. However, according to accounting standard no. 43 (revised in 2007) Business Combinations, it determines that the purchaser has to newly assess specification and value measurement of asset, liability and contingent liability that specifiable of business which is acquired. Moreover, it newly assesses cost of business combinations. If interest of purchaser in net fair value of such transactions is higher than cost price as of the purchased date, given the remaining surplus after newly assessment, it requires that the purchaser immediately recognizes in the statement of income. The Company has engaged newly independent appraiser in order to appraise fair value of land, plant and equipment. After newly cost allocation of business amalgamation, it finds that surplus of interest in net fair value of the subsidiary company is higher than cost in amount of Baht 130.87 million. The Company recognizes such transactions including in the consolidated statement of income for the quarter and for the six months period ended on June 30, 2010 while there is detail as follows:

Fair value of assets and liabilities of THAI NATIONAL PRODUCT CO., LTD before the merger as follows:

	Fair Value As of May 31, 2010 <u>'000 Baht</u>
Current Assets	224,437
Non-Current Assets	688,770
Current Liabilities	(142,555)
Non-Current Liabilities	(302)
Total Assets-Net as Fair Value as of Purchasing Date	<u>770,350</u>
Fair Value in Proportion as the Company Investment in the rate of 100 percent	770,350
Premium on Purchaser Interest in Fair Value of Assets and Liabilities Over Cost Price (recognized income in the consolidated statements of income)	<u>(130,872)</u>
Cost paid purchase subsidiary company (including expense for purchase in amount of Bath 4.48 million)	639,478
<u>Less</u> Prepaid for Purchase Expense	(4,478)
Deposit Payment for Investment	(200,000)
Creditor - Shares Subscription Fee	(25,000)
Cash and Cash Equivalent of Subsidiary Company	<u>(2,989)</u>
Net Cash flow paid from Purchasing Subsidiary Company	<u><u>407,011</u></u>

Apart from this, the Company has engaged one independently financial advisory company to study appropriateness of investment, benefit that the Company will receive from investment and appropriate entity value of the subsidiary company. The financial advisory company has proposed studying result to the Company board of directors while it provides appropriate entity value according to discounted cash flow method being amount of Baht 794.75 million.

14. Property, Plant and Equipment – Net

For the six months period ended on June 30, 2010, the movement was as follows:

	Consolidate Financial Statements	Separate Financial Statements
	<u>'000 Baht</u>	<u>'000 Baht</u>
Beginning Book Value - Net	257,213	257,213
Increased from Purchase Business	660,723	-
Purchases	6,086	1,390
Sales	(2,620)	(2,620)
Transfer out	(74)	(74)
Accumulated Depreciation for Sales Assets	1,819	1,819
Accumulated Depreciation for Transfer Out Assets	72	72
Depreciation for portion shown in Statement of Income	(19,970)	(15,427)
Ending Book Value - Net	<u>903,249</u>	<u>242,373</u>

Consolidated Financial Statements

As of June 30, 2010, The Group mortgaged land plus building in book value of Baht 593.27 million and some part machine in book value of Baht 97.28 million is collateral of loans from the financial institutes with note No.19.

Separate Financial Statements

As of June 30, 2010 and December 31, 2009, the Company mortgaged land plus building in book value of Baht 181.55 million, machinery in book value of Baht 40.91 million and Baht 126.53 million respectively, is collateral of loans from the financial institutes with note No.19.

15. Land not Used for Operation - Net

Consist of:

	Consolidate Financial Statements	Separate Financial Statements
	As of	As of
	June 30, 2010	June 30, 2010 December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u> <u>'000 Baht</u>
Beginning Book Value - Net	21,811	21,811 21,811
Transfer out to settle debts	(3,150)	(3,150) -
Ending Book Value - Net	<u>18,661</u>	<u>18,661</u> <u>21,811</u>

The consolidated financial statements and the separate financial statements as of June 30, 2010, the Company has transferred the land not used for operation in book value of Baht 3.15 million to settle debts to one financial institution conditional debt restructuring agreement by has the right to repurchase within two years, by the applicable rules of the financial institutes.

The consolidated financial statement as of June 30, 2010 and the separate financial statements as of June 30, 2010 and December 31, 2009, 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.

16. Deposit Payment for Investment

The separate financial statements as of December 31, 2009, the deposit payment for investments is the deposit payment for investments in Thai National Product Co., Ltd., that the board of directors meeting no 3/2010 held on April 2, 2010, it is resolved to approved extend the period of signing in the contract of shares purchasing and selling of Thai National Product Co., Ltd., to be within May 31, 2010. Presently, the Company has purchase the investments in Thai National Product Co., Ltd., held on May 31, 2010, The company has transferred the deposit to payment for investments to investments in subsidiary company according to note No. 13.

17. Guarantee Against the Merchandise Order

The consolidated financial statement as of June 30, 2010, and the separate financial statements as of June 30, 2010 and December 31, 2009, 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. Presently, the Company has already ceased business act of merchandise purchasing order from such distributor and claimed for the full amount of guarantee amount of merchandise purchasing order. The distributor requests for repayment installments of 10 installments in Baht 10.00 million per installment by issuing as posted date cheques to the Company which repayment commences from January, 1010 forwards. Moreover, there is interest carried in the rate of 0.50% per month. Such business act receives approval from the board of directors meeting no. 26/2009 held on December 29, 2009.

18. Long-Term Other Accounts Receivable

The consolidated financial statement as of June 30, 2010, the whole amount is accounts receivable from service income for consult to plan the performance of debt restructuring in 2008, while subsidiary company there is the term of settlement as installment each Baht 2.00 million per month, total in number 16 installments each are carried by interest rates of 6.00% per annum. The first installment is repayable on March 2010 ended on June 2011.

19. Credit Facilities and Guarantee

The Group has credit line from commercial bank and several financial institutions in form overdraft, trust receipts, short-term loan and note receivable discount by granted the total credit line as of June 30, 2010, in amount of Baht 715.56 million and amount of US Dollars 10.00 million and December 31, 2009, in amount of Baht 569.00 million and credit line for forward contract in amount of US Dollars 4.00 million, equally for both period. It is pledged by the Company's mortgage register of land plus building and some part machine of the Company, some part land plus building and machine of subsidiary company, land plus building of a director and related companies, notes receivable of a company and guaranteed director, related companies and subsidiary company.

20. Short-Term Loans that Due for Repayment

The separate financial statements as of December 31, 2009, the whole amount of short-term loans that due for repayment is liability from trust receipt that due for repayment. Presently, the finance institute is further extended the period of loans repayment to be on October 29, 2010, the Company has present the whole amount of such short-term loans from financial institutions in Note 21.

21. Bank Overdraft and Short-Term Loans from Financial Institutions

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	'000 Baht	'000 Baht	'000 Baht
Bank Overdraft	9,973	9,973	9,040
Discount Post Date Cheques	29,892	29,892	26,100
Trust Receipts	220,244	220,244	220,244
Promissory Note	402,560	402,560	306,000
<u>Less</u> Short-Term Loans that Due for Repayment	-	-	(220,244)
Deferred Service Fee in Borrowing	(3,049)	(3,049)	-
Net	659,620	659,620	341,140

21.1 Fees for providing loans, the fees arising from the provision of short-term borrowing limit.

For use as working capital in a period of one year by will be paid to cut financial costs by straight-line method over periods of one year loan period.

21.2 The consolidated financial statement as of June 30, 2010, and the separate financial statement as of June 30, 2010 and December 31, 2009, the Company took notes receivable to discount with merchant bank are carried by interest rates of 5.87% per annum, equally for both period.

21.3 The consolidated financial statement as of June 30, 2010, and the separate financial statement as of June 30, 2010 and December 31, 2009, trust receipt is carried by interest rates of 5.00 – 5.50% per annum. 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 to the merchant bank and as of December 31, 2009, trust receipt in amount of Baht 220.24 million is trust receipt that due for repayment. The Company has present the whole amount of such short-term loan as liability that due for repayment in accordance with note No. 20.

21.4 The consolidated financial statement as of June 30, 2010, and the separate financial statement as of June 30, 2010 and December 31, 2009, short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 3.65 – 8.00% per annum and 4.50 – 5.87% per annum respectively.

Such above loan from financial institutions constitutes collateral according to note No.19.

22. Liabilities under Financial Lease Agreement - Net

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Liabilities under Financial Lease Agreement	1,919	1,456	1,650
<u>Less</u> Interest Payment from Financial Lease Agreement	(238)	(153)	(194)
Current Portion	(403)	(320)	(311)
Net	<u>1,278</u>	<u>983</u>	<u>1,145</u>

The consolidated financial statement as of June 30, 2010, the Group comprises asset under the financial leased agreement in the type of vehicle. The net book value as of 1.98 million and the separate financial statements as of June 30, 2010 and December 31, 2009, There is net book value by amount of Baht 1.60 million and Baht 1.82 million respectively. The Group will receive ownership in such asset when the Company completely repays debt to creditors in accordance with the financial leased agreement.

23. Long Term Loans from Financial Institutions – Net

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Long Term Loans from Financial Institutions	676,521	676,521	281,765
<u>Less</u> Current Portion	(88,712)	(88,712)	(60,000)
Financing Fee Amortization Loans	(5,871)	(5,871)	-
Net	<u>581,938</u>	<u>581,938</u>	<u>221,765</u>

Movement of Long - Term Loans, As of June 30, 2010 and December 31, 2009, as follows:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	June 30, 2010	June 30, 2010	December 31, 2009
	'000 Baht	'000 Baht	'000 Baht
Balance as of Beginning	281,765	281,765	29,250
Convert from Short-Term Loans to Long-Term Loans	-	-	289,865
Increase During the Period	400,000	400,000	
Repayment to Long-Term Loans	(5,244)	(5,244)	(37,350)
Balance as of Ending	676,521	676,521	281,765

Fees for providing loans, the fees arising from the provision of long-term borrowing limit, by will be paid to cut financial costs by over the period of the borrowings by using the effective rate method.

The consolidated financial statement and the separate financial statement as of June 30, 2010, the Company loan credit line of Baht 400.00 million is already repayable remaining amount of Baht 397.45 million is loan due to one finance institute which the principal and interest is monthly repayable in number 84 installments each of which is Baht 6.20 million. The first installment is repayable on June 30, 2010, by interest is carried in the rate of SPRL+1.00 % per annum which there is interest rate equivalent to 7.75 % per annum.

The consolidated financial statement as of June 30, 2010, and the separate financial statement as of June 30, 2010 and December 31, 2009, partly in credit line of Baht 289.87 million is already repayable remaining amount of Baht 261.07 million and Baht 261.52 million respectively, which is long term loan that derived from the performance of debt restructuring contract with the creditor of finance institutes by latest version the performance of debt restructuring contract on March 26, 2010, determine that the Company has to find out securities to additionally guarantee to be completed within December, 2010, by has term of repayment as follows :

Term of the performance of debt restructuring contract (Version 2)

<u>Installment</u>	<u>Principal Repayable</u> <u>per Installment</u> (Million Baht)	<u>Interest Rates(%)</u> (Per Annum)
April 2010 – June 2010	Grace period of principle	MLR
July 2010 – December 2010	1.00	MLR
January 2011 – December 2011	5.00	MLR
January 2012 – November 2014	6.00	MLR+1
December 2014	Outstanding	MLR+1

The consolidated financial statement as of June 30, 2010, and the separate financial statement as of June 30, 2010 and December 31, 2009, the Company loan credit line of Baht 45.00 million is already repayable remaining amount of Baht 18.00 million and Baht 20.25 million respectively. However, during period the Company has arrangement the performance of debt restructuring contract with the creditor of finance institutes by latest version on March 26, 2010, which the principle is monthly repayable in number 27 installments each of which is Baht 0.75 million. The first installment is repayable on April 30, 2010. Interest is monthly repayable. Interest is carried in the rate of MLR% per annum.

Such above loan from financial institutions constitutes collateral according to note No.19.

24. Corporate Income Tax

For the quarter and the six months period ended on June 30, 2010 and 2009, the Company calculates tax at 25%, which complies with royal decree No.475 to reduce 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 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.

For the quarter and the six month period ended on June 30, 2010, the subsidiary company calculates tax at 30%. The subsidiary company computed tax of accounting net profit after adding adjusted transaction in accordance with the Revenue Code which is mainly deficit retrospect 5 years, doubtful debts, loss from declining in value of inventories and depreciation that far rate which specify in the Revenue Code etc.

25. Presentation of Financial Data Segregated by Business Sector

The Group is operating in business sector, i.e. distribution of material type steel coil, steel slit and steel billets and distribution of finished goods type steel pipe and steel products and manufacture foundation pile plus transportation and hammer foundation pile and operates 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.

The information on business sector operation of the Company was as follows:

('000 Baht)

Consolidate Financial Statements							
For the six months period ended on June 30, 2009							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution	Distribution of	Distribution	Service			
	of Material	Finished Good					
Sales and Service	156,087	1,093,818	67,300	2,026	4,138	-	1,323,369
Profit(Loss) from Operation	4,817	47,603	38,313	(578)	(18)	(3,077)	87,060
Others Income							134,881
Common Expenses							(21,562)
Finance Costs							(25,778)
Corporate Income Tax							(7,687)
Profit(Loss) for the Period							166,914
Fixed Assets	———— 242,373 ————		———— 660,876 ————				903,249
Other Assets							2,470,567
Total Assets							3,373,816

('000 Baht)

Separate Financial Statements				
For the six months period ended on June 30, 2009				
	Steel Business		Other	Total
	Distribution of	Distribution of		
	Material	Finished Good		
Sales	448,360	1,173,204	2,713	1,624,277
Profit(Loss) from Operation	36,043	(46,363)	(2,312)	(12,632)
Others Income				28,744
Common Expenses				(32,977)
Finance Costs				(60,090)
Profit(Loss) for the Period				(76,955)
Fixed Assets				273,349
Other Assets				2,453,106
Total Assets				2,726,455

26. Obligations and Contingent Liabilities

26.1 Apart from liabilities shown on the balance sheets as of June 30, 2010 and December 31, 2009, the Group still remains other obligations and contingent liabilities with commercial banks as follows :

	Consolidate Financial Statements As of June 30, 2010	Separate Financial Statements As of June 30, 2010	As of December 31, 2009
- Letters of Credit			
Credit Line 223.0 Million, Credit used	220.24 Million Baht	220.24 Million Baht	220.24 Million Baht
- Letters of Guarantee for Electricity	2.83 Million Baht	2.83 Million Baht	2.83 Million Baht
- Notes payable of Guarantee	1.52 Million Baht	-	-

26.2 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 companies and related companies. The leased fee and service fee each contract are in the rate of Baht 96,000.00 – Baht 250,000.00 per month. As of June 30, 2010 and December 31, 2009, there is total leased fee value that has to repay until contract is completed as follows:

	Consolidate Financial Statements As of June 30, 2010 <u>'000 Baht</u>	Separate Financial Statements As of June 30, 2010 <u>'000 Baht</u>	As of December 31, 2009 <u>'000 Baht</u>
Period not exceeding 1 year	4,459	4,459	4,967
Period more 1 year – 5 year	1,352	1,352	3,234

26.3 The Company comprises obligation commitment according to the contract of labor engagement to produce steel with one related company. The contract holds the life of one year ended on August 31, 2010 and 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 190,000.00 per month. As of June 30, 2010 and December 31, 2009, 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 1.52 million, respectively.

27. Approval of the Interim Financial Statement

These interim financial statements have been approved by authorized directors of the Company on August 10, 2010.
