

(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 September 30, 2010, the related consolidated statements of income for the quarter and for the nine months period ended on September 30, 2010, the consolidated statements of changes in shareholders' equity and the consolidated cash flow statements for the nine months period ended on September 30, 2010, of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary and the separate statements of income for the quarter and for the nine months period ended on September 30, 2010 and 2009, the separate statements of changes in shareholders' equity and the separate cash flow statements for the nine months period ended on September 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,

November 12, 2010

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of September 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
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent		6,108	5,577
Temporary Investment	(Note 6)	942	942
Accounts and Notes Receivable Other Companies-Net	(Note 7)	1,141,428	1,049,109
Accounts and Notes Receivable Related Companies-Net	(Note 5.2,8)	-	32,113
Inventories-Net	(Note 9)	523,672	464,473
Other Current Assets			
Accrued Interest	(Note 10)	19,796	-
Advance Payment - Goods - Net	(Note 11)	1,087,381	1,087,124
Retention Receivable		24,718	-
Other Account Receivable	(Note 12)	17,133	-
Account Receivable - Revenue Department		33,554	33,554
Other		11,563	4,957
TOTAL CURRENT ASSETS		2,866,295	2,677,849
NON-CURRENT ASSETS			
Other Account Receivable from Refund of Advance Payment - Goods	(Note 13)	-	200,000
Investment in Subsidiary Company	(Note 14)	-	639,478
Property, Plant and Equipment - Net	(Note 15)	885,091	237,388
Land Not Used for Operation-Net	(Note 16)	18,661	18,661
Deposit Payment for Investment	(Note 17)	-	200,000
Other Non-Current Assets			
Guarantee Against the Merchandise Order	(Note 18)	20,000	20,000
Over Paid Corporate Income Tax Wait for Return		34,936	34,936
Other		4,951	2,045
TOTAL NON-CURRENT ASSETS		963,639	952,508
TOTAL ASSETS		3,829,934	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 September 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	
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)	1,019,233	1,019,233	341,140
Accounts and Notes Payable Other Companies		451,095	416,287	244,112
Accounts and Notes Payable Related Companies	(Note 5.2)	-	-	1,876
Short-Term Loans from Other Company	(Note 22)	20,056	20,056	-
Current Portion				
Liabilities under Financial Lease Agreement	(Note 23)	408	325	311
Loans from Financial Institutions	(Note 19,24)	101,643	101,643	60,000
Other Current Liabilities				
Advance Receipt for Goods		56,533	56,533	36,803
Creditor - Shares Subscription Fee	(Note 14)	10,000	10,000	-
Others		40,400	21,750	22,085
TOTAL CURRENT LIABILITIES		1,699,368	1,645,827	926,571
NON-CURRENT LIABILITIES				
Liabilities under Financial Lease Agreement - Net	(Note 23)	1,174	900	1,145
Long Term Loans from Financial Institutions - Net	(Note 19,24)	553,026	553,026	221,765
TOTAL NON-CURRENT LIABILITIES		554,200	553,926	222,910
TOTAL LIABILITIES		2,253,568	2,199,753	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 September 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
	Audited	
SHAREHOLDERS' EQUITY		
Share Capital		
Authorized Share Capital		
10,000,000,000 Ordinary Share @ 0.10 Baht	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
Premiums on Share Capital	571,792	571,792
Retained Earnings(Deficit)		
Unappropriated	4,574	(141,188)
TOTAL SHAREHOLDERS' EQUITY	1,576,366	1,430,604
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,829,934	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 September 30, 2010 and 2009

Unaudited
Limited Review Only

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2010	2010	2009
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Sales	1,915,412	1,842,972	1,077,782	
Services	16,202	229	2,365	
Total Sales and Services Income	1,931,614	1,843,201	1,080,147	
Cost of Sales	(1,886,362)	(1,805,055)	(1,118,496)	
Cost of Services	(13,814)	(9)	(1,293)	
Reversal Allowance of Loss from Declining in Value of Inventories	(1,387)	(43)	72,615	
Total Cost of Sales and Services	(1,901,563)	(1,805,107)	(1,047,174)	
Gross Profit (Loss)	30,051	38,094	32,973	
Interest Revenue	1,039	1,039	16,942	
Others Income	1,299	1,166	1,852	
Total Others Income	2,338	2,205	18,794	
Profit(Loss) Before Expenses	32,389	40,299	51,767	
Selling Expenses	(6,039)	(5,389)	(6,734)	
Administrative Expenses	(13,444)	(10,429)	(10,356)	
Reversal of Doubtful Debt	6,000	6,000	4,000	
Management Benefit Expenses	(2,636)	(2,636)	(2,909)	
Total Expenses	(16,119)	(12,454)	(15,999)	
Profit(Loss) before Finance Costs and Corporate Income Tax	16,270	27,845	35,768	
Finance Costs	(27,296)	(27,223)	(11,017)	
Profit(Loss) before Corporate Income Tax	(11,026)	622	24,751	
Corporate Income Tax (Note 25)	250	-	-	
PROFIT (LOSS) FOR THE PERIOD	(10,776)	622	24,751	
 BASIC EARNINGS(LOSS) PER SHARE (BAHT)	 (0.001)	 0.000	 0.002	
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

STATEMENTS OF INCOME

For the nine months period ended on September 30, 2010 and 2009

Unaudited

Limited Review Only

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2010	2009	
	'000 Baht	'000 Baht	'000 Baht	
Sales	3,232,618	3,092,878	2,699,345	
Services	22,616	4,367	5,079	
Total Sales and Services Income	3,255,234	3,097,245	2,704,424	
Cost of Sales	(3,141,152)	(3,024,849)	(2,925,869)	
Cost of Services	(20,574)	(4,164)	(6,319)	
Reversal Allowance of Loss from Declining in Value of Inventories	23,853	22,265	248,105	
Total Cost of Sales and Services	(3,137,873)	(3,006,748)	(2,684,083)	
Gross Profit (Loss)	117,361	90,497	20,341	
Premium in Fair Value of Subsidiary Company Over Cost (Note 14)	130,872	-	-	
Gain on Exchange Rate	-	-	11,639	
Interest Revenue	1,293	1,293	27,141	
Others Income	4,801	4,627	8,467	
Total Others Income	136,966	5,920	47,247	
Profit(Loss) Before Expenses	254,327	96,417	67,588	
Selling Expenses	(13,081)	(12,378)	(20,659)	
Administrative Expenses	(34,702)	(30,778)	(36,840)	
Reversal of Doubtful Debt	18,000	18,000	18,000	
Management Benefit Expenses	(7,896)	(7,896)	(9,186)	
Total Expenses	(37,679)	(33,052)	(48,685)	
Profit(Loss) before Finance Costs and Corporate Income Tax	216,648	63,365	18,903	
Finance Costs	(53,074)	(52,990)	(71,107)	
Profit(Loss) before Corporate Income Tax	163,574	10,375	(52,204)	
Corporate Income Tax (Note 25)	(7,437)	-	-	
PROFIT (LOSS) FOR THE PERIOD	156,137	10,375	(52,204)	
BASIC EARNINGS(LOSS) PER SHARE (BAHT)	0.016	0.001	(0.005)	
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 nine months period ended on September 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	-	-	156,137	156,137
Balance as of September 30, 2010	1,000,000	571,792	4,574	1,576,366

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 nine months period ended on September 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	<u>-</u>	<u>-</u>	<u>10,375</u>	<u>10,375</u>
Balance as of September 30, 2010	<u>1,000,000</u>	<u>571,792</u>	<u>(141,188)</u>	<u>1,430,604</u>
Balance as of December 31, 2008	1,000,000	571,792	(174,939)	1,396,853
Profit(loss) for the period	<u>-</u>	<u>-</u>	<u>(52,204)</u>	<u>(52,204)</u>
Balance as of September 30, 2009	<u>1,000,000</u>	<u>571,792</u>	<u>(227,143)</u>	<u>1,344,649</u>

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 nine months period ended on September 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	163,574	10,375	(52,204)
Adjustments to Profit (Loss) before Corporate Income Tax for Cash Received (Paid) from Operations			
Depreciation	38,686	20,513	24,785
Premium in Fair Value of Subsidiary Company Over Cost	(130,872)	-	-
Reversal of Doubtful Debt	(18,012)	(18,000)	(18,000)
Amortization of Prepaid Expenses	1,458	1,431	1,550
Amortization of Intangible Asset	263	255	255
(Gain)Loss from Unrealized of Investment in Trading Security	515	515	308
Gain from Sale of Property, Plant and Equipment	(509)	(509)	(2,932)
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	7	7	1
Loss from Declining in Value of Inventories(Reversal)	(23,853)	(22,265)	(248,105)
Amortization of Deferred Service Fee in Borrowing	2,890	2,890	-
Interest Revenue	(1,293)	(1,293)	(27,141)
Interest Expenses	48,697	48,689	49,075
Profit(Loss) from Operating Activities before Change in Operating Assets and Liabilities	81,263	42,320	(272,408)
(Increase) Decrease in Accounts and Notes Receivable-Other Companies	(427,361)	(379,719)	(545,984)
(Increase) Decrease in Accounts and Notes Receivable-Related Companies	431	(31,682)	(15,160)
(Increase) Decrease in Inventories	(279,860)	(327,720)	940,634
(Increase) Decrease in Advance Payment - Goods	(507,564)	(508,127)	110,752
(Increase) Decrease in Retention Receivable	305	-	-
(Increase) Decrease in Accounts Receivable - Revenue Department	(16,555)	(21,688)	57,810
(Increase) Decrease in Other Current Assets	5,725	(893)	(7,743)
Cash Received in Other Account Receivable from Refund of Advance Payment - Goods	200,000	200,000	171,000
Cash Received in Guarantee Against the Merchandise Order	80,000	80,000	-
Cash Received in Other Account Receivable	8,000	-	-
(Increase) Decrease in Other Non-Current Assets	-	-	(623)
Increase(Decrease) in Accounts and Notes Payable Other Companies	540,606	637,413	135,527
Increase(Decrease) in Accounts and Notes Payable Related Companies	(1,876)	(1,876)	90
Increase(Decrease) in Advance Receipt for Goods	19,730	19,730	(3,196)
Increase(Decrease) in Other Current Liabilities	1,112	(431)	7,384
Cash Receipt (Paid) from Operating Activities	(296,044)	(292,673)	578,083
Cash Payment for Corporate Income Tax and Withholding Tax	(1,057)	(298)	(475)
Cash Received from Interest Revenue	7,981	1,293	31,477
Cash Provided(Used) from Operating Activities - Net	(289,120)	(291,678)	609,085

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 nine months period ended on September 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	(422,011)	(425,000)	-
(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	510	510	33,794
Cash Payment for Purchased of Property, Plant and Equipment	(6,002)	(1,492)	(31,636)
Cash Payment for Account Payable for Assets	(471)	-	-
Cash Provided(Used) from Investing Activities - Net	(427,974)	(425,982)	217,183
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in Bank Overdraft and Short-Term Loans from Financial Institutions	467,961	467,961	(760,182)
Cash Payment for Liabilities under Financial Lease Agreement	(325)	(291)	(194)
Cash Payment for Service Fee in Borrowing	(15,054)	(15,054)	-
Cash Payment for Long -Term Loans from Financial Institutions	(21,604)	(21,604)	(26,750)
Cash Received from Long -Term Loan from Financial Institutions	400,000	400,000	-
Cash Received from Short-Term Loans from Other Company	(62,970)	(62,970)	-
Cash Payment for Interest Expenses	(48,964)	(48,963)	(51,365)
Cash Provided (Used) from Financing Activities - Net	719,044	719,079	(838,491)
Effect from Changes in Exchange Rate of Cash and Cash Equivalent	(7)	(7)	(1)
CASH AND ITS EQUIVALENT INCREASE (DECREASE)-NET	1,943	1,412	(12,224)
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	6,108	5,577	3,411
Non-cash items which are not shown in cash flows			
- Purchases Assets in Credit	643	-	-
- Purchases Assets in Credit under Financial Lease Agreement	-	-	1,677
- Sale Assets in Credit	801	801	-
- 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	3,000	3,000	-
- Off-Set between Accounts Receivable and Accounts Payable	382,211	382,211	-
- Accounts Payable Decreases from Payment by Short-Term Loans from Other Company	83,026	83,026	-
- 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 Company by remain as Creditor - Shares Subscription Fee	10,000	10,000	-

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

September 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 subsidiary 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 cash flow statement 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 nine months period ended on September 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 company as follows:

Company's Name	Percentage of Shareholdings	Registration	Type of Business
	As of	Thailand	
	September 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. 14.

In the preparation of the consolidated financial statements for the quarter and for the nine months period ended on September 30, 2010, the Company has consolidated revenue, expense and operating result of such subsidiary company from June 1, 2010. (entity's acquisition date) to September 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 and No. 34/2553, 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 3 (revised 2009)	Business Combinations	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 September 30,		ended on September 30,	
	<u>Pricing</u>	2010	2010	2009	
	<u>Policy</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	
<u>Inter - Sales</u>					
THAI NATIONAL PRODUCT CO., LTD.	(1)	-	14	-	
P.A.P EXIM CO., LTD.	(1)	-	-	1,284	
MAHALAP METAL CO., LTD.	(1)	-	-	15,578	
HARNSAWAT LTD. PART.	(1)	-	-	186	
Total		-	14	17,048	
<u>Inter – Income from the Employment Produces</u>					
MAHALAP METAL CO., LTD.	(3)	-	-	110	
Total		-	-	110	
<u>Inter – Transportation Revenue</u>					
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	8	-	
Total		-	8	-	
<u>Inter – Other Revenue</u>					
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	7	-	
Total		-	7	-	
<u>Inter – Subcontract</u>					
SIAM FERRO INDUSTRY CO., LTD.	(2)	-	-	3,233	
Total		-	-	3,233	
<u>Inter – Other Expenses</u>					
SIAM FERRO INDUSTRY CO., LTD.	(3)	-	-	742	
A.T. STEEL CO., LTD.	(3)	292	292	293	
Total		292	292	1,035	

		Consolidate	Separate
		Financial Statements	Financial Statements
		For the nine	For the nine
		months period	months period
		ended on September 30,	ended on September 30,
	<u>Pricing</u>	2010	2010
	<u>Policy</u>	'000 Baht	'000 Baht
			2009
			'000 Baht
<u>Inter - Sales</u>			
THAI NATIONAL PRODUCT CO., LTD.	(1)	-	14
SIAM FERRO INDUSTRY CO., LTD.	(1)	320	320
P.A.P EXIM CO., LTD.	(1)	-	-
CHAI SUPON CO., LTD.	(1)	-	-
MAHALAP METAL CO., LTD.	(1)	-	-
HARNSAWAT LTD. PART.	(1)	-	-
G.T. STEEL WORKS CO., LTD.	(1)	-	-
Total		320	334
<u>Inter – Income from the Employment Produces</u>			
MAHALAP METAL CO., LTD.	(3)	-	-
Total		-	-
<u>Inter – Transportation Revenue</u>			
THAI NATIONAL PRODUCT CO., LTD.	(2)	-	8
G.T. STEEL WORKS CO., LTD.	(2)	-	-
Total		-	8
<u>Inter – Other Revenue</u>			
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	10
Total		-	10
<u>Inter – Subcontract</u>			
SIAM FERRO INDUSTRY CO., LTD.	(2)	3,263	3,263
G.T. STEEL WORKS CO., LTD.	(2)	-	-
Total		3,263	3,263
<u>Inter – Other Expenses</u>			
SIAM FERRO INDUSTRY CO., LTD.	(3)	773	773
A.T. STEEL CO., LTD.	(3)	875	875
Total		1,648	1,648

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	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 30, 2010	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.	-	32,113	-
SIAM FERRO INDUSTRY CO., LTD.	-	-	53
THANASUB PAISARN CO., LTD.	-	-	9,905
P.A.P EXIM CO., LTD.	-	-	378
Total	-	32,113	10,336
<u>Less</u> Allowance for Doubtful Debt –			
THANASUB PAISARN CO., LTD.	-	-	(9,905)
Net	-	32,113	431
Inter – Other Accounts Receivable			
THAI NATIONAL PRODUCT CO., LTD.	-	3	-
Total	-	3	-
Inter – Accounts and Notes Payable			
SIAM FERRO INDUSTRY CO., LTD.	-	-	1,876
Total	-	-	1,876
Inter – Accrued Expenses, Advances Received and Notes Payable			
SIAM FERRO INDUSTRY CO., LTD.	-	-	301
A.T. STEEL CO., LTD.	96	96	96
DIRECTOR	23	23	11
Total	119	119	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	Chief executive officer of Company are executive reorganization plan resign on June 22, 2010, because the court to cancel the reorganization of the management plan is successful, the plan then.
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)
HARNSAWAT 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

6. Temporary Investment

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 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	(676)	(676)	(161)
Investment of Trading Security – Fair Value	<u>942</u>	<u>942</u>	<u>1,457</u>

7. Accounts and Notes Receivable Other Companies - Net

Consist of:

	Consolidate Financial Statements	Separate Financial Statements	
	As of September 30, 2010	As of September 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Notes Receivable	119,582	118,361	26,792
Account Receivable – Return Cheques	1,021	-	-
Account Receivable	1,050,569	958,928	1,043,084
Total Accounts and Notes Receivable	1,171,172	1,077,289	1,069,876
<u>Less</u> Allowance for Doubtful Debt -			
Account Receivable	(29,744)	(28,180)	(36,275)
Net	1,141,428	1,049,109	1,033,601

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

	Consolidate Financial Statements	Separate Financial Statements	
	As of September 30, 2010	As of September 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Within credit term	820,166	736,442	699,613
Over due 1 to 90 days	303,178	296,155	107,425
Over due 91 to 180 days	15,931	15,932	-
Over due 181 to 365 days	622	580	226,563
Over due over 1 years	31,275	28,180	36,275
Total Accounts and Notes Receivable	1,171,172	1,077,289	1,069,876
<u>Less</u> Allowance for Doubtful Debt -			
Account Receivable	(29,744)	(28,180)	(36,275)
Net	1,141,428	1,049,109	1,033,601

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

	Consolidate Financial Statements For the nine months period ended on September 30, 2010 <u>'000 Baht</u>	Separate Financial Statements For the nine months period ended on September 30, 2010 <u>'000 Baht</u>	2009 <u>'000 Baht</u>
Allowance for 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	18,012	18,000	18,000
Allowance for Doubtful Debt - Ending	<u>(29,744)</u>	<u>(28,180)</u>	<u>(44,000)</u>

The consolidated financial statements as of September 30, 2010, and the separate financial statements as of September 30, 2010 and December 31, 2009, the Company factored some note receivable in amount of Baht 29.42 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 separate financial statements as of December 31, 2009, accounts receivable over due over 181 days in amount of Baht 226.56 million, 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). Presently, the Company has already received a complete refund in accordance the letter to notify requesting the gradually debt repayment.

8. Accounts Receivable Related Companies – Net

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Account Receivable	-	32,113	10,336
<u>Less</u> Allowance for Doubtful Debt	-	-	(9,905)
Net	-	32,113	431

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

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Within credit term	-	-	-
Over due 1 to 90 days	-	32,113	431
Over due over 1 years	-	-	9,905
Total Accounts Receivable	-	32,113	10,336
<u>Less</u> Allowance for Doubtful Debt	-	-	(9,905)
Net	-	32,113	431

The consolidated financial statements and the separate financial statements as of September 30, 2010, accounts receivable over due over 1 years 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 September 30, 2010	As of September 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Finished Goods	452,692	429,774	71,654
Work in Process	433	-	-
Raw Materials	70,944	35,957	61,261
Goods-in-Transit	-	-	5,354
Spare Part	8,689	1,801	1,543
Total	532,758	467,532	139,812
<u>Less</u> Allowance for Declining in Value of Inventories	(9,086)	(3,059)	(16,122)
Net	523,672	464,473	123,690

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

	Consolidate Financial Statements	Separate Financial Statements	
	For the nine months period ended on September 30, 2010	For the nine months period ended on September 30, 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	(2,836)	(1,492)	(4,987)
<u>Less</u> Sale/Reversal	17,487	14,555	206,019
Allowance for Declining in Value of Inventories- Ending	(9,086)	(3,059)	(10,521)

10. Accrued Interest Revenue

The consolidated financial statements as of September 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 September 30, 2010 <u>'000 Baht</u>	As of September 30, 2010 <u>'000 Baht</u>	As of December 31, 2009 <u>'000 Baht</u>
Advance Payment – Goods	1,087,381	1,087,124	578,997
<u>Less</u> Allowance for Declining in Value of Inventories	-	-	(9,202)
Net	<u>1,087,381</u>	<u>1,087,124</u>	<u>569,795</u>

The consolidated financial statements and the separate financial statements as of September 30, 2010, the advance payment - goods partly in amount of Baht 389.70 million is advance payment in purchasing roll steel to one client who is the producer and distributor of hot rolled coils. Moreover, the Company constitutes debt value of such company account receivable in amount of Baht 140.69 million which machinery in fair value amount of Baht 978.18 million which the price is appraised by independent appraiser pledges as surety according to machinery mortgage contract on October 4, 2010.

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

	Consolidate Financial Statements	Separate Financial Statements	
	For the nine months period ended on September 30, 2010 <u>'000 Baht</u>	For the nine months period ended on September 30, 2010 <u>'000 Baht</u>	2009 <u>'000 Baht</u>
Allowance for Declining in Value of Inventories- Beginning	(9,202)	(9,202)	(47,073)
<u>Add</u> Increased within Period	(1,092)	(1,092)	-
<u>Less</u> Sale/Reversal	10,294	10,294	47,073
Allowance for Declining in Value of Inventories- Ending	<u>-</u>	<u>-</u>	<u>-</u>

12. Other Account Receivable

The consolidated financial statement as of September 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.

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

The consolidated financial statements as of September 30, 2010, and the separate financial statements as of September 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.

14. Investment in Subsidiary Company

Consist of:

Company's Name	Paid-Up Share Capital '000 Baht	Separate Financial Statements		
		Percentage of Shareholdings	Cost Method	Dividend
		As of	As of	For the nine months period ended on
		September 30, 2010	September 30, 2010	September 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. 17). 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 property, plant and equipment. After cost allocation of business combinations, 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 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 property, plant and equipment. After newly cost allocation of business combinations, 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 nine months period ended on September 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
	As of
	May 31, 2010
	<u>'000 Baht</u>
Fair Value in Proportion as the Company Investment in the rate of 100 percent	770,350
Premium in Fair Value of Subsidiary Company Over Cost	
(recognized income in the consolidated statements of income)	(130,872)
	<hr/>
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	(2,989)
	<hr/>
Net Cash flow paid from Purchasing Subsidiary Company	<u>407,011</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.

As of September 30, 2010, creditor - shares subscription fee is remaining in amount of Baht 10.00 million.

15. Property, Plant and Equipment – Net

For the nine months period ended on September 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	6,645	1,491
Sales	(2,621)	(2,621)
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	(38,686)	(20,513)
Ending Book Value - Net	<u>885,091</u>	<u>237,388</u>

Consolidated Financial Statements

As of September 30, 2010, The Group mortgaged land plus building in book value of Baht 590.18 million and some part machine in book value of Baht 93.92 million is collateral of loans from the financial institutes with note No.19.

Separate Financial Statements

As of September 30, 2010 and December 31, 2009, the Company mortgaged land plus building in book value of Baht 179.95 million, some part machinery in book value of Baht 39.11 million and Baht 126.53 million respectively, is collateral of loans from the financial institutes with note No.19.

16. Land not Used for Operation - Net

Consist of:

	Consolidate Financial Statements	Separate Financial Statements
	As of	As of
	September 30, 2010	September 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 September 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 September 30, 2010, and the separate financial statements as of September 30, 2010 and December 31, 2009, some part land not used for operation 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.

17. 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. 14.

18. Guarantee Against the Merchandise Order

The consolidated financial statement as of September 30, 2010, and the separate financial statements as of September 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.

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, the letter of guarantee and note receivable discount by granted the total credit line as of September 30, 2010, in amount of Baht 1,100.56 million and amount of US Dollars 10.00 million and credit line for forward contract in amount of Baht 33.00 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 Financial Statements	Separate Financial Statements	
	As of September 30, 2010	As of September 30, 2010	As of December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Bank Overdraft	894	894	9,040
Discount Post Date Cheques	29,419	29,419	26,100
Trust Receipts	493,230	493,230	220,244
Promissory Note	502,362	502,362	306,000
<u>Less Short-Term Loans that Due for Repayment</u>	-	-	(220,244)
Financing Fee Amortization Loans	(6,672)	(6,672)	-
Net	<u>1,019,233</u>	<u>1,019,233</u>	<u>341,140</u>

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 September 30, 2010, and the separate financial statement as of September 30, 2010 and December 31, 2009, the Company took notes receivable to discount with merchant bank are carried by interest rates of 5.87% – 6.00% and 5.87% per annum respectively.

21.3 The consolidated financial statements as of September 30, 2010, and the separate financial statement as of September 30, 2010 and December 31, 2009, trust receipt is carried by interest rates of 5.00 – 8.25% and 5.00 – 5.50% 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 to the merchant bank and as of September 30, 2010, trust receipt partly in amount of Baht 220.24 million matures for repayment on October 29, 2010, which the Company has arranged letter dated on October 4, 2010 in order to request for asset transfer to repay debt and adjusted change of credit line type to the finance institutes while the Company proposes that it will transfer some of the Company's land in book value amount of Baht 11.92 million to repay debt on behalf of such trust receipt. Moreover, the Company requests that the finance institutes adjust to change credit facility line type to comply with present situation of the Company. Presently, it is under waiting for approval consideration result from the finance institutes. (As of December 31, 2009, trust receipt in amount of Baht 220.24 million is trust receipt that due for repayment. The Company has presented 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 September 30, 2010, and the separate financial statement as of September 30, 2010 and December 31, 2009, short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 3.70 – 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. Short-Term Loans Other Company

The consolidated financial statement and the separate financial statements as of September 30, 2010, is short-term loan from the application request of credit facility line service of one company in merchandise purchasing order. The Company has to repay service fee in the use of credit facility credit line in amount of Baht 100,000.00 per one purchasing order balance. Furthermore, the Company is responsible for interest and charge fee repayment in the use of credit facility line according to the same rates as those of the finance institutes ask for collection from such company. Such loan does not have surety guaranteed.

23. Liabilities under Financial Lease Agreement - Net

Consist of:

	Consolidate Financial Statements As of September 30, 2010 '000 Baht	Separate Financial Statements As of September 30, 2010 '000 Baht	As of December 31, 2009 '000 Baht
Liabilities under Financial Lease Agreement	1,796	1,359	1,650
<u>Less</u> Interest Payment from Financial Lease Agreement	(214)	(134)	(194)
Current Portion	(408)	(325)	(311)
Net	<u>1,174</u>	<u>900</u>	<u>1,145</u>

The consolidated financial statement as of September 30, 2010, the Group comprises asset under the financial leased agreement in the type of vehicle. The net book value of Baht 1.84 million and the separate financial statements as of September 30, 2010 and December 31, 2009, There is net book value by amount of Baht 1.49 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.

24. Long Term Loans from Financial Institutions – Net

Consist of:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 30, 2010	December 31, 2009
	'000 Baht	'000 Baht	'000 Baht
Long Term Loans from Financial Institutions	660,161	660,161	281,765
<u>Less</u> Current Portion	(101,643)	(101,643)	(60,000)
Financing Fee Amortization Loans	(5,492)	(5,492)	-
Net	553,026	553,026	221,765

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

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 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	(21,604)	(21,604)	(37,350)
Balance as of Ending	660,161	660,161	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 September 30, 2010, the Company loan credit line of Baht 400.00 million is already repayable remaining amount of Baht 386.54 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 September 30, 2010, and the separate financial statement as of September 30, 2010 and December 31, 2009, partly in credit line of Baht 289.87 million is already repayable remaining amount of Baht 257.87 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> <u>(Per Annum)</u>
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 September 30, 2010, and the separate financial statement as of September 30, 2010 and December 31, 2009, the Company loan credit line of Baht 45.00 million is already repayable remaining amount of Baht 15.75 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.

25. Corporate Income Tax

For the quarter and the nine months period ended on September 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 nine month period ended on September 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.

26. 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 nine months period ended on September 30, 2010							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and Service	992,739	2,100,139	139,754	18,249	4,367	(14)	3,255,234
Profit(Loss) from Operation	24,891	65,403	37,254	1,839	203	(12,229)	117,361
Others Income							136,966
Common Expenses							(37,679)
Finance Costs							(53,074)
Corporate Income Tax							(7,437)
Profit(Loss) for the Period							156,137
Fixed Assets	———— 237,388 ————		———— 647,703 ————				885,091
Other Assets							2,944,843
Total Assets							3,829,934

('000 Baht)

	Separate Financial Statements		
	For the nine months period ended on September 30, 2009		
	Steel Business	Other	Total
	Distribution of Material	Produce and Distribution of Finished Good	
Sales and Service	735,249	1,964,096	5,079
Profit(Loss) from Operation	49,287	(27,706)	(1,240)
Others Income			47,247
Common Expenses			(48,685)
Finance Costs			(71,107)
Profit(Loss) for the Period			(52,204)
Fixed Assets			265,228
Other Assets			2,280,864
Total Assets			2,546,092

27. Obligations and Contingent Liabilities

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

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of September 30, 2010	As of September 30, 2010	As of December 31, 2009
- Letters of Credit			
Credit Line 498.0 Million, Credit used	-	-	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	2.28 Million Baht	-	-

27.2 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 September 30, 2010 and December 31, 2009, there is total leased fee value that has to repay until contract is completed as follows:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	September 30, 2010	September 30, 2010	December 31, 2009
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Period not exceeding 1 year	3,571	3,571	4,967
Period more 1 year – 5 year	902	902	3,234

27.3 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 2011. 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 and on September 1, 2010 has change the engagement fee is in rate of Baht 142,500.00 per month as of September 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 1.57 million and Baht 1.52 million, respectively.

28. Approval of the Interim Financial Statement

These interim financial statements have been approved by authorized directors of the Company on November 12, 2010.
