

**(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 statement of financial position as of March 31, 2011, the related consolidated statements of comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flow for the three months period ended on March 31, 2011 of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary and the separate statements of comprehensive income, the separate statements of changes in shareholders' equity and the separate statements of cash flow for the three months period ended on March 31, 2011 and 2010 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 conducted my reviews 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 inquiries 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 interim 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 accompanying consolidated and separate financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiaries and also the financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED only for the year ended December 31, 2010, and expressed an unqualified opinion in my report dated February 28, 2011. The consolidated and separate statements of financial position as of December 31, 2010, 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.

As mentioned in note to the interim financial statements No 3.1, in the during the three months period ended on March 31, 2011, the Group applied the newly and revised financial reporting standards issued by The Federation of Accounting Professions for the preparation of the accompanying interim financial statements which are effective for accounting periods beginning on or after January 1, 2011. Accordingly the comparative interim the consolidated and separate financial statement for the three months period ended on March 31, 2010 and the consolidated and separate statement of financial position as of December 31, 2010, have been presented in accordance with the interim consolidated and separate financial statements for the three months period ended on March 31, 2011.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Naris Saowalagsakul)

Authorized Auditor No. 5369

Bangkok,

May 18, 2011

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION**

**As of March 31, 2011 and December 31, 2010**

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
		Unaudited	Audited	Unaudited	Audited
		Limited Review Only	Limited Review Only		
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalent		25,969	18,856	19,594	14,833
Temporary Investment	(Note 8)	605	790	605	790
Accounts and Notes Receivable Other Companies – Net	(Note 9)	1,411,155	1,831,113	1,284,990	1,691,892
Accounts Receivable Related Companies	(Note 6.2,10)	-	-	2,001	1,154
Short-Term Loans to Subsidiary Company	(Note 6.2)	-	-	25,770	5,000
Inventories-Net	(Note 11)	514,062	316,102	471,254	284,008
Other Current Assets					
Accrued Interest	(Note 12)	5,914	14,037	294	5
Advance Payment - Goods	(Note 13)	513,181	605,530	512,452	604,971
Account Receivable - Revenue Department		10,029	19,866	8,753	19,866
Other		9,222	11,531	4,872	3,417
TOTAL CURRENT ASSETS		2,490,137	2,817,825	2,330,585	2,625,936
NON-CURRENT ASSETS					
Advance Payment for Investments in Subsidiary	(Note 14)	559,778	-	559,778	-
Investment in Subsidiary Company	(Note 15)	-	-	639,478	639,478
Investment Property – Net	(Note 16)	139,872	141,133	121,430	122,573
Property, Plant and Equipment – Net	(Note 17)	735,598	752,933	124,144	127,964
Other Non-Current Assets					
Long Other Account Receivable	(Note 18)	5,133	11,133	-	-
Retention Receivable		25,733	23,975	-	-
Other		4,543	4,752	1,631	1,836
TOTAL NON-CURRENT ASSETS		1,470,657	933,926	1,446,461	891,851
TOTAL ASSETS		3,960,794	3,751,751	3,777,046	3,517,787

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 FINANCIAL POSITION**

**As of March 31, 2011 and December 31, 2010**

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
		Unaudited	Audited	Unaudited	Audited
		Limited Review Only		Limited Review Only	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Loans that Due for Repayment	(Note 20)	1,322,626	1,022,229	1,322,626	1,022,229
Bank Overdrafts and Short-Term Loans from Financial Institutions	(Note 19,21)	371,780	693,567	371,780	693,567
Accounts and Notes Payable Other Companies		378,225	384,535	333,200	311,373
Current Portion					
Liabilities under Financial Lease Agreement	(Note 22)	743	740	666	656
Loans from Related Persons	(Note 6.2)	-	316	-	-
Other Current Liabilities					
Advance Receipt for Goods		283,804	39,840	283,804	39,840
Others		59,490	59,425	44,866	32,799
TOTAL CURRENT LIABILITIES		2,416,668	2,200,652	2,356,942	2,100,464
NON-CURRENT LIABILITIES					
Liabilities under Financial Lease Agreement - Net	(Note 22)	1,943	2,153	1,729	1,899
Long Term Loans from Financial Institutions - Net	(Note 19,23)	-	-	-	-
Provision for Employee Benefit	(Note 24)	1,874	-	149	-
TOTAL NON-CURRENT LIABILITIES		3,817	2,153	1,878	1,899
TOTAL LIABILITIES		2,420,485	2,202,805	2,358,820	2,102,363

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 FINANCIAL POSITION**

**As of March 31, 2011 and December 31, 2010**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>'000 Baht</b>	<b>'000 Baht</b>	<b>'000 Baht</b>	<b>'000 Baht</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>Limited Review Only</b>		<b>Limited Review Only</b>	
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital		(Note 25)		
Authorized Share Capital				
10,000,000,000 Ordinary Share @ 0.10 Baht	-	1,000,000	-	1,000,000
1,500,000,000 Ordinary Share @ 1.00 Baht	1,500,000	-	1,500,000	-
Issued and Paid-up Share Capital				
10,000,000,000 Ordinary Share @ 0.10 Baht	-	1,000,000	-	1,000,000
1,000,000,000 Ordinary Share @ 1.00 Baht	1,000,000	-	1,000,000	-
Premiums on Share Capital	571,792	571,792	571,792	571,792
Retained Earnings (Deficit)	(31,483)	(22,846)	(153,566)	(156,368)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,540,309</b>	<b>1,548,946</b>	<b>1,418,226</b>	<b>1,415,424</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,960,794</b>	<b>3,751,751</b>	<b>3,777,046</b>	<b>3,517,787</b>

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 COMPREHENSIVE INCOME**

**For the three months period ended on March 31, 2011 and 2010**

		<b>Unaudited</b>		
		<b>Limited Review Only</b>		
		<b>CONSOLIDATED</b>	<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>	
		<b>2011</b>	<b>2011</b>	<b>2010</b>
		<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Sales		1,044,048	1,007,878	541,177
Services		22,456	114	1,961
Total Sales and Services Income		1,066,504	1,007,992	543,138
Cost of Sales		(1,009,312)	(961,615)	(530,002)
Cost of Services		(19,140)	(37)	(3,114)
Reversal Allowance of Loss from Declining in Value of Inventories		1,483	51	22,119
Total Cost of Sales and Services		(1,026,969)	(961,601)	(510,997)
<b>Gross Profit</b>		<b>39,535</b>	<b>46,391</b>	<b>32,141</b>
Revenue from Written Off Accrued Expenses		12,215	12,215	-
Others Income		2,840	2,404	2,179
Total Others Income		15,055	14,619	2,179
<b>Profit Before Expenses</b>		<b>54,590</b>	<b>61,010</b>	<b>34,320</b>
Selling Expenses		(3,489)	(2,695)	(4,538)
Administrative Expenses		(13,961)	(9,769)	(10,216)
Reversal of Doubtful Debt		3,006	3,000	6,000
Management Benefit Expenses	(Note 6.3)	(2,735)	(2,735)	(2,617)
<b>Total Expenses</b>		<b>(17,179)</b>	<b>(12,199)</b>	<b>(11,371)</b>
<b>Profit before Finance Costs and Corporate Income Tax</b>		<b>37,411</b>	<b>48,811</b>	<b>22,949</b>
Finance Costs		(46,048)	(46,009)	(10,051)
<b>Profit(Loss) before Corporate Income Tax</b>		<b>(8,637)</b>	<b>2,802</b>	<b>12,898</b>
Corporate Income Tax	(Note 27)	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>(8,637)</b>	<b>2,802</b>	<b>12,898</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(8,637)</b>	<b>2,802</b>	<b>12,898</b>
BASIC EARNINGS(LOSS) PER SHARE (BAHT)	(Note 26)	(0.009)	0.003	0.013

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 CHANGES IN SHAREHOLDERS' EQUITY**

**For the three months period ended on March 31, 2011**

**Unaudited  
Limited Review Only**

**CONSOLIDATED FINANCIAL STATEMENTS**

	<b>ISSUED AND PAID-UP SHARE CAPITAL</b>	<b>PREMIUMS ON SHARE CAPITAL</b>	<b>RETAINED EARNINGS (DEFICIT)</b>	<b>TOTAL</b>
	<b><u>'000 Baht</u></b>	<b><u>'000 Baht</u></b>	<b><u>'000 Baht</u></b>	<b><u>'000 Baht</u></b>
<b>Balance as of December 31, 2010</b>	<b>1,000,000</b>	<b>571,792</b>	<b>(22,846)</b>	<b>1,548,946</b>
Total Comprehensive Income for the Period	-	-	(8,637)	(8,637)
<b>Balance as of March 31, 2011</b>	<b>1,000,000</b>	<b>571,792</b>	<b>(31,483)</b>	<b>1,540,309</b>

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 CASH FLOW**

**For the three months period ended on March 31, 2011 and 2010**

	<b>Unaudited</b>		
	<b>Limited Review Only</b>		
	<b>CONSOLIDATED</b>	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>'000 Baht</b>	<b>'000 Baht</b>	<b>'000 Baht</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (Loss) before Corporate Income Tax	(8,637)	2,802	12,898
Adjustments to Profit (Loss) before Corporate Income Tax for Cash Received (Paid) from Operations			
Depreciation	18,666	5,008	7,900
Reversal of Doubtful Debt	(3,006)	(3,000)	(6,000)
Amortization of Prepaid Expenses	415	415	435
Amortization of Intangible Asset	91	84	84
(Gain)Loss from Unrealized of Investment in Trading Security	185	185	84
Gain from Sale of Property, Plant and Equipment	(148)	-	(509)
(Gain)Loss from Unrealized Exchange Rate	-	-	20
Loss from Declining in Value of Inventories(Reversal)	(1,483)	(51)	(22,119)
Revenue from Written Off Accrued Expenses	(12,215)	(12,215)	-
Amortization of Deferred Service Fee in Borrowing	2,191	2,191	-
Provision of Employee Benefit	1,855	147	-
Interest Revenue	-	(289)	(253)
Interest Expenses of Employee Benefits	19	2	-
Interest Expenses	43,795	43,790	10,027
Profit(Loss) from Operating Activities before Change in Operating Assets and Liabilities	41,728	39,069	2,567
(Increase) Decrease in Accounts and Notes Receivable - Other Companies	394,432	381,370	16,957
(Increase) Decrease in Accounts Receivable - Related Companies	-	(847)	323
(Increase) Decrease in Inventories	(196,477)	(187,195)	(444,066)
(Increase) Decrease in Advance Payment - Goods	92,349	92,519	237,816
(Increase) Decrease in Retention Receivable	(1,758)	-	-
(Increase) Decrease in Accounts Receivable - Revenue Department	9,837	11,113	(9,671)
(Increase) Decrease in Other Current Assets	2,818	(1,591)	(1,226)
Cash Received in Other Account Receivable from Refund of Advance Payment - Goods	-	-	37,500
Cash Received in Guarantee Against the Merchandise Order	-	-	10,000
Cash Received in Long-Term Other Account Receivable	6,000	-	-
(Increase) Decrease in Other Non-Current Assets	(2)	-	-
Increase(Decrease) in Accounts and Notes Payable - Other Companies	22,223	50,360	161,680
Increase(Decrease) in Accounts and Notes Payable - Related Companies	-	-	(1,256)
Increase(Decrease) in Advance Receipt for Goods	243,964	243,964	(2,147)
Increase(Decrease) in Other Current Liabilities	256	3,407	(26)
Cash Receipt (Paid) from Operating Activities	615,370	632,169	8,451
Cash Payment for Corporate Income Tax and Withholding Tax	(535)	(52)	(131)
Cash Received from Interest Revenue	8,122	-	253
<b>Net Cash Provided(Used) from Operating Activities</b>	<b>622,957</b>	<b>632,117</b>	<b>8,573</b>

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 CASH FLOW**

**For the three months period ended on March 31, 2011 and 2010**

	<b>Unaudited</b>		
	<b>Limited Review Only</b>		
	<b>CONSOLIDATED</b>	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>'000 Baht</b>	<b>'000 Baht</b>	<b>'000 Baht</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Cash Payment from Short-Term Loans to Subsidiary Company	-	(24,570)	-
Cash Received from Short-Term Loans to Subsidiary Company	-	3,800	-
Cash Payment for Advance Payment for Investments in Subsidiary	(559,778)	(559,778)	-
Cash Received from Sale of Property, Plant and Equipment	-	-	509
Cash Payment for Purchased of Property, Plant and Equipment	(22)	(22)	(1,016)
<b>Net Cash Provided(Used) from Investing Activities</b>	<b>(559,800)</b>	<b>(580,570)</b>	<b>(507)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase (Decrease) in Bank Overdrafts and Short - Term Loans from Financial Institutions	(8,944)	(8,944)	2,474
Cash Payment for Account Payable for Assets	(9,274)	(383)	-
Cash Payment for Liabilities under Financial Lease Agreement	(250)	(199)	(97)
Cash Payment for Long - Term Loans from Financial Institutions	(14,637)	(14,637)	(241)
Cash Payment for Loans from Related Persons	(316)	-	-
Cash Payment for Interest Expenses	(22,623)	(22,623)	(10,155)
<b>Net Cash Provided (Used) from Financing Activities</b>	<b>(56,044)</b>	<b>(46,786)</b>	<b>(8,019)</b>
<b>Effect from Changes in Exchange Rate of Cash and Cash Equivalent</b>	<b>-</b>	<b>-</b>	<b>(20)</b>
<b>NET CASH AND ITS EQUIVALENT INCREASE (DECREASE)</b>	<b>7,113</b>	<b>4,761</b>	<b>27</b>
<b>CASH AND ITS EQUIVALENT ITEMS AT BEGINNING OF THE PERIOD</b>	<b>18,856</b>	<b>14,833</b>	<b>4,165</b>
<b>CASH AND ITS EQUIVALENT ITEMS AT ENDING OF THE PERIOD</b>	<b>25,969</b>	<b>19,594</b>	<b>4,192</b>

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**

**As of March 31, 2011 (Unaudited/ Limited Review Only)**

**And December 31, 2010 (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 production and distribution of steel pipe, steel scrap and steel products with subsidiary company operated production and distribution of foundation pile plus transportation and hammer foundation pile. (The Company and its subsidiary combine the "Group".)

### **2. Basis of Preparation of the Interim Financial Statements and Accounting Policy**

- 2.1 These interim financial statements are prepared on a condensed basis in accordance with Accounting Standard No.34 (revised 2009) "Interim Financial Reporting" including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.
- 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 annual financial statements, therefore they emphasize the latest business information, new events and situations so as not to duplicate information already reported on and so they should be used in conjunction with the latest annual financial statements available.

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

2.5 The interim financial statements are prepared under the same accounting policy and calculation methods as used in the annual financial statements for the year ended on December 31, 2010. Summary of significant accounting policy additional as follows :

### 2.5.1 Employee Benefit

The Group provides for post employment benefits to or retirement indemnity employees under the labor laws applicable in Thailand. The Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by an independent actuary in accordance with the actuarial technique, and discounted benefit by the projected unit credit method. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The Group recorded provision of employee benefit is non – current liabilities. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned. The Group has recognized the additional liabilities under the employee benefits incurred in the past the accumulate until December 31, 2010, schemes in full amount through the statement of comprehensive income.

### 2.5.2 Investment Property

The Group's investment property is their owned land and building without specific purpose of use in the future and/or exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and the allowance for impairment, (if any), and calculated depreciation of building on a straight-line basis over the approximate useful-life as follows:

- Building and Construction 5 - 32 years

### **3. Adoption of New Accounting Standards, Financial Reporting Standards, Interpretation Accounting Standards and Financial Reporting Standards and Amendments to Accounting Standards**

3.1 The Company adopted the new accounting standards, financial reporting standards, interpretation accounting standard and financial reporting standards and amendments to accounting standards by the Federation of Accounting Professions has issued Notification No. 17/2010, No. 50 to No. 55/2010 and No. 8/2011. These are effective for accounting periods beginning on or after January 1, 2011, as follows :

#### **Framework for Preparation and Presentation of Financial Statements (revised 2009)**

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statements of Cash Flow
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Venture
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (revised 2009)	Business Combinations

TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
SIC 31	Revenue – Barter Transactions Involving Advertising Service

3.2 New accounting standards, interpretation accounting standard and amendments to accounting standards by the Federation of Accounting Professions has issued Notification No. 17/2010, No. 51/2010 and No. 5 to No. 7/2011. These are effective for accounting periods beginning on or after January 1, 2013, the Company does not early adopted, as follows :

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revise 2009)	The Effects of Changes in Foreign Exchange Rates
SIC 10	Government Assistance – No Specific Relation to Operation Activities
SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholder

The management of the Company has assessed the effects of accounting standards and interpretation accounting standard believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

#### **4. Changes in Accounting Policies**

The Group has firstly applied the Accounting Standard No. 19 regarding employee benefits from January 1, 2011, onwards. In respect of the changes of accounting policy, the Group has recognized the additional liabilities of the past service under the employee benefits schemes in full amount through the statements of comprehensive income to be conform to the requirement of that accounting standards and applied the Accounting Standard No.40 (revised 2009) regarding investment property, while there is affected result to the financial statements as follows:

	Consolidated Financial Statements	Separate Financial Statements
<b><u>Adjustment of Financial Statements</u></b>	<b><u>'000 Baht</u></b>	<b><u>'000 Baht</u></b>

**Statements of Financial Position as of January 1, 2011**

Non – Current Liabilities

Increase in Provision for Employee Benefits	1,818	138
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**Statements of Comprehensive Income**

**for the three months period ended March 31, 2011**

Increase in Cost of Sales and Services	991	98
Increase in Selling Expenses	619	3
Increase in Administrative Expenses	201	30
Increase in Management Benefit Expenses	7	7

**Reclassification of Accounts**

Consolidated Financial Statements

As of December 31, 2010

	Before Reclassification	Reclassification	After Reclassification
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
<b>Statements of Financial Position</b>			
Investment Property	-	141,133	141,133
Land Not Used for Operation – Net	16,276	(16,276)	-
Property, Plant and Equipment – Net	877,790	(124,857)	752,933

Separate Financial Statements

As of December 31, 2010

	Before Reclassification	Reclassification	After Reclassification
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
<b>Statements of Financial Position</b>			
Investment Property	-	122,573	122,573
Land Not Used for Operation – Net	16,276	(16,276)	-
Property, Plant and Equipment – Net	234,262	(106,298)	127,964

## 5. Basis of Preparation of the Consolidated Financial Statements

The preparation of the consolidated interim financial statements are included financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary and prepared under the same basis as use in the consolidated financial statements for the year ended on December 31, 2010, without structural changes with subsidiary in the current period.

The Company did not present the consolidated statements of comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flow for the three months period ended on March 31, 2010 compared with the consolidated financial statement for the three months period ended on March 31, 2011. Because, the Company has purchased investment in the subsidiary company on May 31, 2010 and have commenced to present the consolidated financial statements for the three months period and for the six months period ended on June 30, 2010 as the first period.

## 6. 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:

### 6.1 Inter – Revenues and Expenses

		Consolidate Financial Statements For the three months period ended on March 31,		Separate Financial Statements For the three months period ended on March 31,	
		<u>Pricing</u>	2011	2011	2010
		<u>Policy</u>	'000 Baht	'000 Baht	'000 Baht
<u>Inter - Sales</u>					
SIAM FERRO INDUSTRY CO., LTD.	(1)	-	-	-	200
THAI NATIONAL PRODUCT CO., LTD.	(1)	-	-	3,005	-
Total		-	-	3,005	200
<u>Inter – Transportation Revenue</u>					
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	-	6	-
Total		-	-	6	-

		Consolidate		Separate	
		Financial Statements		Financial Statements	
		For the three months period		For the three months period	
		ended on March 31,		ended on March 31,	
	<u>Pricing</u>	2011	2011	2010	
	<u>Policy</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	
<u>Inter – Other Revenue</u>					
THAI NATIONAL PRODUCT CO., LTD.	(3)	-	8	-	
Total		-	8	-	
<u>Inter – Subcontract</u>					
SIAM FERRO INDUSTRY CO., LTD.	(2)	-	-	2,101	
Total		-	-	2,101	
<u>Inter – Other Expenses</u>					
SIAM FERRO INDUSTRY CO., LTD.	(3)	-	-	453	
A.T. STEEL CO., LTD.	(3)	-	295	292	
Total		-	295	745	

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.

## 6.2 Inter – Assets and Liabilities

		Consolidate		Separate	
		Financial Statements		Financial Statements	
		As of	As of	As of	As of
		March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
<u>Inter – Accounts and Notes Receivable</u>					
THAI NATIONAL PRODUCT CO., LTD.		-	-	2,001	1,154
Total		-	-	2,001	1,154
<u>Inter – Other Accounts Receivable</u>					
THAI NATIONAL PRODUCT CO., LTD.		-	-	3	10
Total		-	-	3	10



	Consolidate		Separate	
	Financial Statements		Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Short-Term Loans to				
THAI NATIONAL PRODUCT CO., LTD.	-	-	25,770	5,000
Total	-	-	25,770	5,000
Accrued Interest				
THAI NATIONAL PRODUCT CO., LTD.	-	-	294	5
Total	-	-	294	5
Loans from Related Persons				
DIRECTOR	-	316	-	-
Total	-	316	-	-

For the three months ended on March 31, 2011, short-term loans to subsidiary company have movements as follows:

	As of	During the period		As of
	December 31, 2010	Increase	(Decrease)	March 31, 2011
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Subsidiary Company				
THAI NATIONAL PRODUCT CO., LTD.	5,000	24,570	(3,800)	25,770

As of March 31, 2011 and December 31, 2010, short-term loans to subsidiary company, it's borrows in loan agreement at call type and carried interest rate at 6.12% – 6.62% per annum and 6.12% per annum respectively.

For the three months ended on March 31, 2011, short-term loans from related persons have movements as follows:

	As of	During the period		As of
	December 31, 2010	Increase	(Decrease)	March 31, 2011
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Related Persons				
Director	316	-	(316)	-

### 6.3 Key Managements Personnel Compensation

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	For the three months period	For the three months period	
	ended on March 31,	ended on March 31,	
	2011	2011	2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Short-term Employee Benefits	2,728	2,728	2,617
Post-Employment Benefits	7	7	-
Total	<u>2,735</u>	<u>2,735</u>	<u>2,617</u>

### 6.4 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.
A.T. STEEL CO., LTD.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders

## 7. Non Cash Transactions

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	For the three months	For the three months	
	ended on March 31,	ended on March 31,	
	2011	2011	2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Purchases Assets in Credit	48	23	-
Sale Assets in Credit	148	-	-
Short-Term Loans from Financial Institutions Increased from			
Transfer from Loans that Due for Repayment	-	-	220,244

	Consolidate Financial Statements For the three months ended on March 31, 2011 <u>'000 Baht</u>	Separate Financial Statements For the three months ended on March 31, 2011 <u>'000 Baht</u>	2010 <u>'000 Baht</u>
Loans that Due for Repayment Increased from Transfer Out			
Short-Term Loans from Financial Institutions	300,397	300,397	-
Long-Term Loans from Financial Institutions Increased from			
Transfer out from Current Portion	-	-	29,758
Off-Set between Accounts Receivable and Accounts Payable	28,532	28,532	41,841

## 8. Temporary Investment

Consist of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of March 31, 2011 <u>'000 Baht</u>	As of December 31, 2010 <u>'000 Baht</u>	As of March 31, 2011 <u>'000 Baht</u>	As of December 31, 2010 <u>'000 Baht</u>
Investment of Trading Security – Cost Value	1,618	1,618	1,618	1,618
Unrealized Gain(Loss) in Investment of Trading Security	(1,013)	(828)	(1,013)	(828)
Investment of Trading Security – Fair Value	<u>605</u>	<u>790</u>	<u>605</u>	<u>790</u>

## 9. Accounts and Notes Receivable Other Companies - Net

Consist of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of March 31, 2011 <u>'000 Baht</u>	As of December 31, 2010 <u>'000 Baht</u>	As of March 31, 2011 <u>'000 Baht</u>	As of December 31, 2010 <u>'000 Baht</u>
Notes Receivable	173,979	191,342	171,917	191,342
Account Receivable – Return Cheques	1,003	1,009	-	-
Account Receivable	<u>1,256,623</u>	<u>1,662,218</u>	<u>1,131,978</u>	<u>1,522,455</u>
Total Accounts and Notes Receivable	1,431,605	1,854,569	1,303,895	1,713,797
<u>Less</u> Allowance for Doubtful Debt –				
Account Receivable	<u>(20,450)</u>	<u>(23,456)</u>	<u>(18,905)</u>	<u>(21,905)</u>
Net	<u>1,411,155</u>	<u>1,831,113</u>	<u>1,284,990</u>	<u>1,691,892</u>

An aging analysis of accounts and notes receivable other companies as of March 31, 2011 and December 31, 2010, are as follows:

	Consolidate Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Within credit term	600,276	1,284,402	542,812	1,159,496
Over due 1 to 90 days	780,541	503,230	712,317	490,015
Over due 91 to 180 days	21,020	42,636	21,020	42,381
Over due 181 to 365 days	8,841	-	8,841	-
Over due over 1 years	20,927	24,301	18,905	21,905
Total Accounts and Notes Receivable	1,431,605	1,854,569	1,303,895	1,713,797
<u>Less</u> Allowance for Doubtful Debt -				
Account Receivable	(20,450)	(23,456)	(18,905)	(21,905)
Net	1,411,155	1,831,113	1,284,990	1,691,892

For the three months period ended on March 31, 2011 and 2010, allowance for doubtful debt has movements as follows:

	Consolidate Financial Statements		Separate Financial Statements	
	For the three months period		For the three months period	
	ended on March 31,		ended on March 31,	
	2011	2010	2011	2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Allowance for Doubtful Debt - Beginning	(23,456)	(21,905)	(21,905)	(36,275)
<u>Add</u> Transfer from Accounts Receivable				
Related Companies	-	-	-	(9,905)
<u>Less</u> Transfer out from Received	3,006	3,000	3,000	6,000
Allowance for Doubtful Debt - Ending	(20,450)	(18,905)	(18,905)	(40,180)

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the Company factored some note receivable in amount of Baht 70.57 million and Baht 68.09 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.

## 10. Accounts Receivable Related Companies

Consist of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Account Receivable	-	-	2,001	1,154

An aging analysis of accounts receivable related companies as of March 31, 2011 and December 31, 2010, are as follows:

	Consolidate Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Within credit term	-	-	2,001	1,154
Total Accounts Receivable	-	-	2,001	1,154

## 11. Inventories - Net

Consist of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of		As of	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Finished Goods	397,730	298,343	370,556	274,954
Work in Process	427	1,074	-	-
Raw Materials	113,008	15,812	99,530	8,060
Spare Part	8,982	8,441	1,624	1,501
Total	520,147	323,670	471,710	284,515
<u>Less</u> Allowance for Declining in				
Value of Inventories	(6,085)	(7,568)	(456)	(507)
Net	514,062	316,102	471,254	284,008

For the three months period ended on March 31, 2011 and 2010, allowance for declining in value of inventories has movements as follows:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	For the three months period	For the three months period	
	ended on March 31,	ended on March 31,	
	2011	2011	2010
	'000 Baht	'000 Baht	'000 Baht
Allowance for Declining in Value of Inventories- Beginning	(7,568)	(507)	(16,122)
<u>Add</u> Increased within Period	-	-	-
<u>Less</u> Sale/Reversal	1,483	51	13,319
Allowance for Declining in Value of Inventories- Ending	<u>(6,085)</u>	<u>(456)</u>	<u>(2,803)</u>

## 12. Accrued Interest

The consolidated financial statements as of March 31, 2011 and December 31, 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.

## 13. Advance Payment – Goods

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the advance payment - goods partly in amount of Baht 330.68 million and Baht 378.43 million respectively 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 as of December 31, 2010, in amount of Baht 97.71 million (Listed in over due over 1 - 90 days) 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 three months period ended on March 31, 2011 and 2010, allowance for declining in value of inventories has movements as follows:

	Consolidate	Separate	
	Financial Statements	Financial Statements	
	For the three months period	For the three months period	
	ended on March 31,	ended on March 31,	
	2011	2011	2010
	'000 Baht	'000 Baht	'000 Baht
Allowance for Declining in Value of Inventories- Beginning	-	-	(9,202)
<u>Add</u> Increased within Period	-	-	(402)
<u>Less</u> Sale/Reversal	-	-	9,202
Allowance for Declining in Value of Inventories- Ending	-	-	(402)

#### 14. Advance Payment for Investment in Subsidiary Company

In accordance with minute of the board of directors meeting no. 8/2010 on December 23, 2010, it resolves to acquire ordinary shares in the SIAM FERRO INDUSTRY CO., LTD. (Siam Ferro) in number of 10,954,556 Shares at par value of Baht 100 per share, equivalent to proportion of 76.88% of registered capital that already repaid at the price of Baht 73.00 per share being amount of Baht 799.68 million in order to purchase asset for expand production capacity and reserve for the Company's growth in future. The financial advisor has assessed shares prices by various methods. There are fair values of the Siam Ferro holding value in the range of 280.76 - 1,109.62 million or equivalent to Baht 19.70 – 77.88 per share. However, the financial advisor has considered purpose of the Company to buy ordinary shares of the Siam Ferro and consented that the shares price appraisal by book value adjusted method via net market prices will reflect the actual value of the Siam Ferro more appropriately than price appraisal via other methods. Hereby, the stock value by book value adjusted by net market price method, the financial advisor has appraised the firm value in amount of Baht 1,109.62 million, or determined in amount of Baht 77.88 per share. The shares price appraisal by book value adjusted method via net price prices is assessing from book value of net assets or shareholders equity in accordance with the financial statements as of June 30, 2010, of the Siam Ferro and adjusted by added portion or discounted portion of fixed asset value that appraised by the independent price appraiser. However, the independent price appraiser has issued report of asset price appraisal while there is purpose to support trading, whereas there is information of price assessment as follows:

Assets	Cost Acquired	Book Value	Unit: Million Baht
			Appraised Prices
Land	284	208	216
Buildings	582	49	439
Machinery and Fixture	753	16	447
Total	1,619	273	1,102

Later on January 4, 2011, the Company and the seller have prepared memorandum to buy and to sell shares of the SIAM FERRO INDUSTRY CO., LTD., which there is important term as follows:

1. The Company agrees to repay the first portion of trading price in amount of Baht 559.78 million equivalents to 70% of trading price within completely shares transfer date.
2. The Company will repay trading price of the outstanding portion in amount of Baht 239.90 million, equivalent to 30% of trading prices via repayment installments in number of 3 installments at Baht 79.97 million per installment commenced from the shares transfer date. However, the Company will deliver posted date cheques for repayment of outstanding portion of trading prices on the completely shares transfer date.
3. The Company and the seller agree to transfer ownership in ordinary shares so that the trading is perfectly effective within March 31, 2011, which expand to April 1, 2011.

Later, the Company is arrangement that the appraiser prepares newly version price appraisal report for public purpose, which there is important term as follows:

Assets	New Appraised Prices	Original Appraisal	Unit: Million Baht
			Increase(Decrease)
Land	220	216	4
Buildings	428	439	(11)
Machinery and Fixture	429	447	(18)
Total	1,077	1,102	(25)

Appraisal of this new evaluation report from a decline in value of the appraised value of the original appraisal report of 25.00 million, which is primarily due to an increase in accumulated depreciation of assets at the time of evaluation the new evaluation, the Company and financial advisor has taken the appraisal value in new report to calculate for Siam Ferro's share price evaluation by adjusted book value approach (calculated from the financial statement as of June 30, 2010) that result to the share price by adjusted book value approach equivalent to 77.57 baht per share where as Siam Ferro's share price evaluation referred to the previous report value of 77.88 baht per share which is decreased from the previous report 0.23 baht per share or equivalent to 0.40%, that still also higher than the purchased share price of 73 baht per share. However, the considering purchases ordinary shares. The



company has been considering for the performance of Siam Ferro in 2007-2009 and 6 months in 2010 stated net loss continually due to in such period Siam Ferro still being in their rehabilitation plan that cannot procure any working capital to operate their business in normal level. Siam Ferro has to operate only on production service. Nevertheless, Siam Ferro has already quit from the rehabilitation plan according to Central Bankruptcy Court's order. If the Company invest and manage the business in a manner of produce goods and sale in the normal business level. The Company expected that the operating result will be improved. The financial advisor has arranged financial projections for such cases to Board of Directors for consideration which found that payback period to the company will be within 7-8 year

As of March 31, 2011, the Company had paid for shares in the first portion of Baht 559.78 million is complete and the Company has transferred all shares of 10,954,556 shares (100% of the shares purchased), already on April 1, 2011, and Siam Ferro Industries Co., Ltd, has registered the Company as shareholder in Siam Ferro Industries Co., Ltd, with the Registrar, Business Development Department, Ministry of Commerce and obtained Siam Ferro's List of Shareholders (BOJ. 5) on April 4, 2011.

## 15. Investment in Subsidiary Company

Consist of:

Company's Name	Paid-Up Share Capital	Percentage of Shareholdings		Separate Financial Statements Cost Method		Dividend For the three months period ended on
		As of March 31, 2011	As of December 31, 2010	As of March 31, 2011	As of December 31, 2010	March 31, 2011
	'000 Baht	%	%	'000 Baht	'000 Baht	'000 Baht
Thai National Product Co., Ltd.	261,006	100.00	100.00	639,478	639,478	-
				<u>639,478</u>	<u>639,478</u>	<u>-</u>

## 16. Investment Property - Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Beginning Book Value – Net	141,133	132,744	122,573	132,744
<u>Add</u> Increased from Purchase Business	-	18,837	-	-
<u>Less</u> Depreciation for portion shown in				
Statements of Comprehensive Income	(1,261)	(4,913)	(1,143)	(4,636)
Transfer out to Settle Debts	-	(3,150)	-	(3,150)
Allowance for Impairment	-	(2,385)		(2,385)
Ending Book Value - Net	<u>139,872</u>	<u>141,133</u>	<u>121,430</u>	<u>122,573</u>

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the Group's investment property is their owned land and building without specifies purpose of use in future and exploiting for rental income, which its investment property had the fair value did appraise by an independence appraiser in the during year 2010, that provides the fair value of a land by market comparison approach method and the fair value of a building by cost approach method, According to appraisal report during on January and July, 2010, which had the total of fair value as in the consolidate financial statement amount of Baht 152.32 million, and as in separate financial statement amount of Baht 135.95 million.

The consolidated and separate financial statement as of December 31, 2010, The Company transferred investment property part of the book value of Baht 3.15 million, to repay debts to a financial institution under the debt restructuring agreement conditions.

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the Group's investment property in the book value of Baht 118.51 million and Baht 121.12 million, respectively, as collateral for loans granted by financial institutions under Note 19.

## 17. Property, Plant and Equipment – Net

For the three months period ended on March 31, 2011, the movement was as follows:

	Consolidated Financial Statements '000 Baht	Separate Financial Statements '000 Baht
Beginning Book Value – Net	752,933	127,964
Purchases	70	45
Sales	(740)	-
Transfer out	-	-
Accumulated Depreciation for Sales Assets	740	-
Accumulated Depreciation for Transfer Out Assets	-	-
Depreciation for Portion Shown in Statement of Comprehensive Income	(17,405)	(3,865)
Ending Book Value - Net	<u>735,598</u>	<u>124,144</u>

### Consolidated Financial Statements

As of March 31, 2011 and December 31, 2010, The Group mortgaged land plus building in the book value of Baht 464.26 million and Baht 465.97 million respectively, and some part machine in the book value of Baht 92.95 million and Baht 92.72 million respectively, is collateral of loans from the financial institutes with note No.19.

As of March 31, 2011 and December 31, 2010, property, plant and equipment part of the book value of Baht 94.99 million, the same two periods, the Company has temporarily disabled.

### Separate Financial Statements

As of March 31, 2011 and December 31, 2010, the Company mortgaged land plus building in the book value of Baht 57.02 million and Baht 57.24 million respectively, some part machinery in book value of Baht 38.62 million and Baht 40.78 million respectively, is collateral of loans from the financial institutes with note No.19.

As of March 31, 2011 and December 31, 2010, property, plant and equipment part of the book value of Baht 94.99 million, the same two periods, the Company has temporarily disabled.

## 18. Other Account Receivable

The consolidated financial statement as of March 31, 2011 and December 31, 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, the letter of guarantee and note receivable discount by granted the total credit line as of March 31, 2011 and December 31, 2010, in amount of Baht 1,089.10 million and Baht 1,100.56 million and credit line for forward contract in amount of Baht 33.00 million and credit line for forward contract in amount of US Dollars 4.00 million, the same two periods. 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 and beneficiary from insurance in building, machinery and equipment.

## 20. Loans that Due for Repayment

Consist of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of		As of	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Trust Receipts	495,577	371,872	495,577	371,872
Promissory Note	195,669	4,700	195,669	4,700
Long-Term Loans from Financial Institutions	636,142	650,779	636,142	650,779
<u>Less</u> Amortization of Deferred Service Fee in				
Borrowing	(4,762)	(5,122)	(4,762)	(5,122)
Total	<u>1,322,626</u>	<u>1,022,229</u>	<u>1,322,626</u>	<u>1,022,229</u>

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the whole amount of loans that due for repayment is liability from trust receipt, promissory notes and long term loans which partial payable according to the conditions stated in Borrowing Contracts by the Company which make the whole amount of loan are due for repayment. Currently, the Company is under negotiation term of new repayment with such finance institute.

## 21. Bank Overdrafts and Short-Term Loans from Financial Institutions

Consists of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of		As of	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Bank Overdrafts	10,808	10,333	10,808	10,333
Bill of Exchange and Discount Post Date Cheques	70,570	68,093	70,570	68,093
Trust Receipts	495,577	496,843	495,577	496,843
Promissory Note	488,229	498,860	488,229	498,860
<u>Less</u> Loans that Due for Repayment	(691,246)	(376,572)	(691,246)	(376,572)
Amortization of Deferred Service Fee in				
Borrowing	(2,158)	(3,990)	(2,158)	(3,990)
Net	<u>371,780</u>	<u>693,567</u>	<u>371,780</u>	<u>693,567</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 and separate financial statement as of March 31, 2011 and December 31, 2010, the Company took bill of exchange and notes receivable to discount with merchant bank are carried by interest rates of 2.75 – 6.62% and 2.50% - 6.13% per annum respectively.

21.3 The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, trust receipt is carried by interest rates of 5.37-15.00 % and 5.00 – 8.25% per annum respectively. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the merchant bank until there will be repayment of trust receipt to the merchant bank. As of March 31, 2011 and December 31, 2010, trust receipt in amount of Baht 495.58 million and Baht 371.87 million respectively, is trust receipt that due for repayment. The Company has presented the whole amount of such loan as liability that due for repayment in accordance with note No. 20.

21.4 The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 3.50 – 15.00% per annum and 3.50 – 6.13% per annum respectively. As of March 31, 2011 and December 31, 2010, promissory note in amount of Baht 195.67 million and Baht 4.70 million respectively, is promissory note that due for repayment a promissory note due the company has shown a loan due then to note No.20.

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

## 22. Liabilities under Financial Lease Agreement - Net

Consists of:

	Consolidate Financial Statements		Separate Financial Statements	
	As of		As of	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Liabilities under Financial Lease Agreement	3,050	3,275	2,663	2,863
<u>Less</u> Interest Payment from Financial Lease				
Agreement	(364)	(382)	(268)	(308)
Net	2,686	2,893	2,395	2,555
<u>Less</u> Current Portion	(743)	(740)	(666)	(656)
Net	1,943	2,153	1,729	1,899

The consolidated financial statement as of March 31, 2011 and December 31, 2010, the Group comprises asset under the financial leased agreement in the type of vehicle. The net book value of Baht 2.81 million and Baht 3.00 million and the separate financial statements as of March 31, 2011 and December 31, 2010, There is net book value by amount of Baht 2.50 million and Baht 2.68 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	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Long Term Loans from Financial Institutions	636,142	650,779	636,142	650,779
<u>Less</u> Current Portion	-	-	-	-
Amortization of Deferred Service Fee in				
Borrowing	(4,762)	(5,122)	(4,762)	(5,122)
Net	631,380	645,657	631,380	645,657
<u>Less</u> Loans that Due for Repayment	(631,380)	(645,657)	(631,380)	(645,657)
Net	-	-	-	-

For the three months period ended on March 31, 2011 and 2010, has movement of long - term loans as follows:

	Consolidate		Separate	
	Financial Statements		Financial Statements	
	For the three months period		For the three months period	
	ended on March 31,		ended on March 31,	
	2011	2010	2011	2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Balance as of Beginning	650,779	281,765	650,779	281,765
Increase During the Period	-	-	-	-
Repayment to Long-Term Loans	(14,637)	(241)	(14,637)	(241)
Balance as of Ending	636,142	281,524	636,142	281,524

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 and separate financial statement as of March 31, 2011 and December 31, 2010, the Company loan credit line of Baht 400.00 million is already repayable remaining amount of Baht 372.77 million and Baht 379.21 million respectively, 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. As of March 31, 2011 and December 31, 2010, the Company did not pay the loan terms in the contract; the Company has shown loans due for repayment for the whole amount as in note 20.

The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, partly in credit line of Baht 289.87 million is already repayable remaining amount of Baht 250.69 million and Baht 256.86 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 September, 2011, 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

As of March 31, 2011 and December 31, 2010, the Company did not pay the loan terms in the contract; the Company has shown loans due for repayment for the whole amount as in note 20.



The consolidated and separate financial statement as of March 31, 2011 and December 31, 2010, the Company loan credit line of Baht 45.00 million is already repayable remaining amount of Baht 12.68 million and Baht 14.71 million respectively. However, 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. As of March 31, 2011 and December 31, 2010, the company did not pay the loan terms in the contract; the Company has shown loans due for repayment for the whole amount as in note 20.

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

#### 24. Provision of Employee Benefit

The Group applied the accounting for post employment benefits to employees or retirement indemnity following the accounting standard No. 19 “Employee Benefits”. The provision of employee benefit will be paid to employees upon retirement from the Company. The retirement indemnity is calculated annually by a qualified actuary using the projected unit credit method in order to determine the present value of the obligation and the current service cost.

Provisions of Employees Benefit are detail as follows:

	Consolidate Financial Statements '000 Baht	Separate Financial Statements '000 Baht
Present value of the obligation as of January 1, 2011	1,818	138
Current service cost	37	9
Interest expenses	19	2
Present value of the obligation as of March 31, 2011	<u>1,874</u>	<u>149</u>

The principal assumptions used for the purposes of the actuarial valuation were as follow:

Discount rate	4.18 – 4.41% per annum
Salary increase rate	0.33 – 1.56% per annum
Mortality rate	50 - 100% of mortality from table of mortality
Disability rate	10 - 15% of mortality
Employee turnover rate	10 - 57% per annum
Retirement age	60 years old

## 25. Share Capital

Authorized share capital, issued and paid-up share capital have movement as follows:

		For the three months		For the year	
		period ended on		ended on	
		March 31, 2011		December 31, 2010	
		Par Value	Number of Share	Number of Share	Value
		(Baht)	('000 Shares)	('000 Shares)	('000 Baht)
<b>Share Capital</b>					
Ordinary Shares the Beginning					
of the Period	0.10	10,000,000	1,000,000	10,000,000	1,000,000
<u>Less</u> Change in Par Value	1.00	(9,000,000)	-	-	-
<u>Add</u> Increase Ordinary Shares	1.00	500,000	500,000	-	-
Ordinary Shares the End					
of the Period	1.00	1,500,000	1,500,000	10,000,000	1,000,000
<b>Issued and Paid-up Share Capital</b>					
Ordinary Shares the Beginning					
of the Period	0.10	10,000,000	1,000,000	10,000,000	1,000,000
<u>Less</u> Change in Par Value	1.00	(9,000,000)	-	-	-
<u>Add</u> Increase Ordinary Shares	1.00	-	-	-	-
Ordinary Shares the End					
of the Period	1.00	1,000,000	1,000,000	10,000,000	1,000,000

In accordance with the minute of the extra-ordinary shareholders meeting no. 1/2011 on February 25, 2011, it materially resolves as follows:

- Change approval of ordinary shares par value of the Company from the formerly value of Baht 0.10 per share to value of Baht 1.00 per share. As a result, the Company's ordinary shares drop from 10,000 million shares to 1,000 million shares. The Company is proceeding with register of the Company's shares value amendment and number of shares plus correcting articles of association letter to the Commercial Business Development Department of the Ministry of Commerce, completed on March 15, 2011.
- Increment approval of registered capital from the formerly 1,000 million shares to 1,500 million shares by issuing newly ordinary shares in number of 500 million shares at value of Baht 1.00 per share in order to offer to restricted persons. There is purpose to be working capital and reserve for entity expansion of the Company and subsidiary company. The Company has registered with the Ministry of Commerce, completed on March 15, 2011.

## 26. The Basic Earnings (Loss) Per Share

For the three months period ended on March 31, 2011 and 2010, the Company calculates basic earnings (loss) per share as follows.

	Consolidate Financial Statements For the three months period ended on March 31, 2011 <u>'000 Baht</u>	Separate Financial Statements For the three months period ended on March 31, 2011 <u>'000 Baht</u>	2010 <u>'000 Baht</u>
Profit (loss) for the period	(8,637)	2,802	12,898
The weighted average of number of ordinary shares ('000 shares)	1,000,000	1,000,000	10,000,000
Number of shares after the Change in Par Value from Baht 0.10 to Baht 1 ('000 shares)	-	-	1,000,000
Basic Earnings (Loss) Per Share	(0.009)	0.003	0.013

## 27. Corporate Income Tax

For the three months period ended on March 31, 2011, the Company calculates tax at 30% ( For the three months period ended on March 31, 2010, 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 three months period ended on March 31, 2011 and 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.

## 28. 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 Group was as follows:

(Unit : '000 Baht)

Consolidate Financial Statements							
For the three months period ended on March 31, 2011							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and Service	106,975	900,903	39,175	22,342	114	(3,005)	1,066,504
Profit(Loss) from Operation	3,548	42,765	(4,403)	(2,452)	77		39,535
Others Income							15,055
Common Expenses							(17,179)
Finance Costs							(46,048)
Corporate Income Tax							-
Profit(Loss) for the Period							(8,637)
Fixed Assets	124,144		611,454				735,598
Other Assets							3,225,196
Total Assets							3,960,794

(Unit : '000 Baht)

	Separate Financial Statements			
	For the three months period ended on March 31, 2010			
	Steel Business		Other	Total
		Produce and		
	Distribution of	Distribution of		
	Material	Finished Good		
Sales and Service	74,850	466,327	1,961	543,138
Profit(Loss) from Operation	3,083	30,210	(1,152)	32,141
Others Income				2,179
Common Expenses				(11,371)
Finance Costs				(10,051)
Profit(Loss) for the Period				12,898
Fixed Assets				250,329
Other Assets				2,450,744
Total Assets				2,701,073

## 29. Obligations and Contingent Liabilities

29.1 Apart from liabilities shown on the financial statements, the Group still remains other obligations and contingent liabilities with commercial banks as follows :

	Consolidate Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
- Letters of Credit				
Credit Line 498.00 Million, Credit used	-	496.84 Million Baht	-	496.84 Million Baht
Credit Line 496.54 Million, Credit used	495.58 Million Baht	-	495.58 Million Baht	-
- Letters of Guarantee for Electricity	2.83 Million Baht	2.83 Million Baht	2.83 Million Baht	2.83 Million Baht
- Notes Payable of Guarantee	2.28 Million Baht	2.28 Million Baht	-	-

29.2 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 March 31, 2011 and December 31, 2010, there is total leased fee value that has to repay until contract is completed as follows:

	Consolidate Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Period not exceeding 1 year	3,995	4,583	3,995	4,583
Period more 1 year – 5 year	3,000	3,901	3,000	3,901

29.3 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 March 31, 2011 and December 31, 2010, the Company holds the total engagement fee which has to fully repay until the contract is complete in amount of Baht 0.71 million and Baht 1.14 million, respectively.

**30. Events After the Reporting Period**

In accordance with the minute of the Annual General Shareholders' Meeting of 2011, dated on April 29, 2011, unanimously resolved to approved to compensate accumulated losses as in the separate financial statements as of December 31, 2010, in amount of Baht 156.37 million, by the premium on share capital in amount of Baht 156.37 million, to compensate accumulated losses.

**31. Approval of the Interim Financial Statement**

These interim financial statements have been approved by authorized directors of the Company on May 18, 2011.

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