

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

Interim Financial Statements

For the Period Ended March 31, 2012

and Report of Independent Auditor

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY INDEPENDENT AUDITOR

To the Shareholders and the Board of Directors of Rich Asia Steel Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Rich Asia Steel Public Company Limited and its subsidiaries as at March 31, 2012, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three - month period ended March 31, 2012 and 2011, and condensed notes to financial statements, and I have also reviewed the accompanying statement of financial position of Rich Asia Steel Public Company Limited as at March 31, 2012, the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three - month period ended March 31, 2012 and 2011 and condensed notes to financial statements. The management is responsible for the preparation and fair presentation of this interim financial information in accordance with Accounting Standard No.34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

The Statements of Financial Position as at December 31, 2011 for Comparative Purpose

I have previously audited the consolidated financial statements of Rich Asia Steel Public Company Limited and its subsidiaries, and the separate financial statements of Rich Asia Steel Public Company Limited for the year ended December 31, 2011 in accordance with auditing standards and expressed an unqualified opinion on those statements, under my report dated February 29, 2012. The consolidated and separate statements of financial position as at December 31, 2011, as presented herein for comparative purposes, are parts of those financial statements. I have not performed any other audit procedures subsequent to the date of that report.

(Mr. Naris Saowalagsakul)
Certified Public Accountant
Registration No. 5369

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
May 14, 2012

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2012 AND DECEMBER 31, 2011

		In Thousand Baht			
		Consolidated		The Company Only	
		March	December	March	December
		31, 2012	31, 2011	31, 2012	31, 2011
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	9,845	14,421	2,810	14,103
Temporary investment	8	226	259	226	259
Trade accounts and notes receivable-other companies - net	9	1,322,672	1,322,776	983,839	1,019,829
Trade accounts receivable and other receivable - related companies	5	-	-	176	159
Short-term loans to subsidiary company	5	-	-	6,487	4,180
Inventories - net	10	837,560	407,972	701,191	295,961
Other current assets					
- Advance payment for goods	11	268,078	539,381	267,137	521,127
- Account receivable - revenue department		40,740	13,091	33,949	7,170
- Asset held for sales		-	8,081	-	8,081
- Other receivable from sale of fixed assets		18,725	-	18,725	-
- Others		15,092	13,623	10,206	9,517
Total Current Assets		2,512,938	2,319,604	2,024,746	1,880,386
NON- CURRENT ASSETS					
Investment in subsidiary companies - net	12	-	-	1,147,526	1,199,191
Investment property - net	13	122,739	124,014	107,246	108,401
Property, plant and equipment - net	14	1,662,636	1,688,819	102,832	97,827
Other - non current assets					
- Other Account Receivable-Advance Payment for Goods - net	15	135,535	161,236	135,535	161,236
- Retention Receivable		13,200	11,784	-	-
- Others		9,341	12,336	427	1,710
Total non - current assets		1,943,451	1,998,189	1,493,566	1,568,365
TOTAL ASSETS		4,456,389	4,317,793	3,518,312	3,448,751

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2012 AND DECEMBER 31, 2011

		In Thousand Baht			
		Consolidated		The Company Only	
		March	December	March	December
		31, 2012	31, 2011	31, 2012	31, 2011
		“Unaudited”		“Unaudited”	
<i>Notes</i>		“Reviewed”	“Audited”	“Reviewed”	“Audited”
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Loans that due for repayment	17	1,725,997	745,720	1,725,997	745,720
Bank overdrafts and short-term loans from financial institutions	18	122,004	217,541	122,004	213,819
Trade accounts and notes payable - other companies		590,864	449,475	442,197	373,367
Trade accounts payable - subsidiary and related companies	5	8,647	8,647	10,363	10,226
Current portion					
- Liabilities under finance lease agreement	20	786	775	709	698
- Loans from financial institutions	21	-	19,665	-	19,665
Short-term loans from other persons and companies	19	300,000	300,000	-	-
Other current liabilities					
- Accrued interest		103,345	44,021	94,606	39,225
- Advance received for goods		16,487	40,679	58,542	82,733
- Accrued expenses		17,817	16,084	6,216	5,509
- Other non-current assets		18,803	14,753	6,333	5,844
Total current liabilities		2,904,750	1,857,360	2,466,967	1,496,806
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreement - net	20	1,158	1,358	1,020	1,202
Long - term loans from financial institutions - net	21	-	840,691	-	840,691
Provision for employee benefit		5,144	3,852	2,606	1,335
Others		81	81	-	-
Total non current liabilities		6,383	845,982	3,626	843,228
TOTAL LIABILITIES		2,911,133	2,703,342	2,470,593	2,340,034
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 1,5000,000,000 shares, Baht 1 par value		1,500,000	1,500,000	1,500,000	1,500,000
Issued and fully paid - up share capital - 1,500,000,000 shares, Baht 1 par value		1,000,000	1,000,000	1,000,000	1,000,000
Premium on share capital		415,423	415,423	415,423	415,423
Retained Earning (Deficit)		(362,707)	(255,704)	(367,704)	(306,706)
Other component of equity		38,436	30,420	-	-
Total equity attributable to owners of the parent		1,091,152	1,190,139	1,047,719	1,108,717
Non - controlling interests		454,104	424,312	-	-
Total Shareholders' equity		1,545,256	1,614,451	1,047,719	1,108,717
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,456,389	4,317,793	3,518,312	3,448,751

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated		The company Only	
Notes		2012	2011	2012	2011
REVENUES					
		691,948	1,044,048	539,655	1,007,878
		19,306	22,456	-	114
		-	12,215	-	12,215
		18,080	-	17,609	-
	12	-	-	5,329	-
		3,675	2,840	2,049	2,404
		<u>733,009</u>	<u>1,081,559</u>	<u>564,642</u>	<u>1,022,611</u>
EXPENSES					
		732,756	1,007,829	549,786	961,564
		20,836	19,140	-	37
		3,076	3,489	2,029	2,695
		18,918	13,961	12,333	9,769
		2,000	(3,006)	-	(3,000)
	5	2,700	2,735	2,700	2,735
		<u>780,286</u>	<u>1,044,148</u>	<u>566,848</u>	<u>973,800</u>
		(47,277)	37,411	(2,206)	48,811
		(78,911)	(46,048)	(58,792)	(46,009)
		(126,188)	(8,637)	(60,998)	2,802
	22	-	-	-	-
		(126,188)	(8,637)	(60,998)	2,802
		-	-	-	-
		<u>(126,188)</u>	<u>(8,637)</u>	<u>(60,998)</u>	<u>2,802</u>
Profit (loss) for the period attributable to :					
		(107,003)	(8,637)	(60,998)	2,802
		(19,185)	-	-	-
		<u>(126,188)</u>	<u>(8,637)</u>	<u>(60,998)</u>	<u>2,802</u>
Total comprehensive income (loss) for the period attributable to :					
		(107,003)	(8,637)	(60,998)	2,802
		(19,185)	-	-	-
		<u>(126,188)</u>	<u>(8,637)</u>	<u>(60,998)</u>	<u>2,802</u>
BASIC EARNINGS PER SHARE (LOSS)					
		(0.107)	(0.009)	(0.061)	0.003

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

"REVIEWED"

In Thousand Baht							
Consolidated							
Notes	Issued and fully paid - up share capital	Premium on share capital	Retained earning (Deficit)	Other component of equity	Total equity attributable to owners of the parent	Non - controlling interests	Total shareholders' equity
				Other comprehensive income (loss)			
				Excess from change in equity interest			
Balance as at January 1, 2012	1,000,000	415,423	(255,704)	30,420	1,190,139	424,312	1,614,451
Adjust for change in equity interest in subsidiaries	-	-	-	179	179	(179)	-
Change in equity interest in subsidiaries	12	-	-	7,837	7,837	(7,837)	-
Non - controlling interests	-	-	-	-	-	56,993	56,993
Total comprehensive loss for the period	-	-	(107,003)	-	(107,003)	(19,185)	(126,188)
Balance as at March 31, 2012	<u>1,000,000</u>	<u>415,423</u>	<u>(362,707)</u>	<u>38,436</u>	<u>1,091,152</u>	<u>454,104</u>	<u>1,545,256</u>
Balance as at January 1, 2011	1,000,000	571,792	(22,846)	-	1,548,946	-	1,548,946
Total comprehensive loss for the period	-	-	(8,637)	-	(8,637)	-	(8,637)
Balance as at March 31, 2011	<u>1,000,000</u>	<u>571,792</u>	<u>(31,483)</u>	<u>-</u>	<u>1,540,309</u>	<u>-</u>	<u>1,540,309</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

Note	In Thousand Baht				
	The Company Only				
	Issued and fully paid - up share capital	Premium on share capital	Unappropriated (deficit)	Other comprehensive income (loss)	Total shareholders' equity
Balance as at January 1, 2012	1,000,000	415,423	(306,706)	-	1,108,717
Total comprehensive loss for the period	-	-	(60,998)	-	(60,998)
Balance as at March 31, 2012	<u>1,000,000</u>	<u>415,423</u>	<u>(367,704)</u>	<u>-</u>	<u>1,047,719</u>
Balance as at January 1, 2011	1,000,000	571,792	(156,368)	-	1,415,424
Total comprehensive income for the period	-	-	2,802	-	2,802
Balance as at March 31, 2011	<u>1,000,000</u>	<u>571,792</u>	<u>(153,566)</u>	<u>-</u>	<u>1,418,226</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated		The company Only	
	2012	2011	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	(126,188)	(8,637)	(60,998)	2,802
Adjustments for				
Depreciation	34,075	18,666	4,491	5,008
Doubtful account (reversal)	2,000	(3,006)	-	(3,000)
Unrealized (gain) loss from investment in trading security	32	185	32	185
Gain on sale of investment in subsidiary company	-	-	(5,329)	-
Loss on sale of fixed assets	491	-	491	-
Gain on sale of property, plant and equipment	(18,080)	(148)	(17,609)	-
Loss from declining in value of inventories (Reversal)	4,228	(1,483)	3,714	(51)
Revenue from written-off accrued expenses	-	(12,215)	-	(12,215)
Amortization of deferred finance charge in borrowing	5,835	2,191	5,835	2,191
Provision for employee benefit	1,272	1,855	1,258	147
Interest income	(137)	-	(130)	(289)
Interest expenses of employee benefits	20	19	13	2
Interest expenses	64,391	43,795	52,797	43,790
Profit (loss) from operating activities before change in operating assets and liabilities	(32,061)	41,222	(15,435)	38,570
Decrease in trade accounts and notes receivable - other companies	372	394,432	35,990	381,370
Increase in trade accounts receivable and other receivable - related companies	-	-	(29)	(847)
Increase in inventories	(434,008)	(196,477)	(409,136)	(187,195)
Decrease in advance payment for goods	271,496	92,349	254,183	92,519
(Increase) Decrease in account receivable-revenue department	(27,648)	9,837	(26,779)	11,113
(Increase) Decrease in other current assets	(2,639)	3,233	(1,735)	(1,176)
Cash received from refund of advance payment for goods from other account receivable	25,701	-	25,701	-
Cash received in other long-term accounts receivable	-	6,000	-	-
Increase in retention receivable	(1,415)	(1,758)	-	-
Decrease in other non-current assets	2,995	89	1,283	84
Increase in trade accounts and notes payable - other companies	141,655	22,223	68,830	50,360

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTHS PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated		The company Only	
	2012	2011	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES (CONTINUED)				
Increase in trade accounts payable - subsidiary and related companies	-	-	137	-
Increase (Decrease) in advance receive for goods	(24,191)	243,964	(24,191)	243,964
Increase in other current liabilities	4,972	256	552	3,407
Cash received (paid) from operating activities	(74,771)	615,370	(90,629)	632,169
Cash payment for corporate income tax and withholding tax	(127)	(535)	(36)	(52)
Cash received from interest income	209	8,122	-	-
Net Cash Provided by (Used in) from Operating Activities	(74,689)	622,957	(90,665)	632,117
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sale of investment in subsidiary company	-	-	56,994	-
Cash received from short-term loans to subsidiary company	-	-	20,356	3,800
Cash payment for short-term loans to subsidiary company	-	-	(22,663)	(24,570)
Cash payment for purchase of investment in subsidiary company	-	(559,778)	-	(559,778)
Cash payment for purchase of property, plant and equipment	(339)	(22)	-	(22)
Net Cash Provided by (Used in) from Investing Activities	(339)	(559,800)	54,687	(580,570)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from sale of investment in subsidiary company	56,994	-	-	-
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	39,385	(8,944)	43,107	(8,944)
Cash payment for account payable for assets	-	(9,274)	-	(383)
Cash payment for liabilities under finance lease agreement	(190)	(250)	(171)	(199)
Cash payment for long-term loans from financial institutions	-	(14,637)	-	(14,637)
Cash payment for short - term loan from related persons	-	(316)	-	-
Cash payment for interest expenses	(25,737)	(22,623)	(18,251)	(22,623)
Net Cash Provided (Used in) from Financing Activities	70,452	(56,044)	24,685	(46,786)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,576)	7,113	(11,293)	4,761
Cash and Cash Equivalents - Beginning of Period	14,421	18,856	14,103	14,833
CASH AND CASH EQUIVALENT AT ENDING OF THE PERIOD	9,845	25,969	2,810	19,594

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on May 14, 2012.

1. GENERAL INFORMATION

The Company has registered as the Company Limited in accordance with the Civil and Commercial Law Code on May 10, 1999, with the registered number 0107549000050, and registered as the Public Company Limited on March 27, 2006, with its registered head office at 272 Watchannog Lane, Rama III Road, Bangkoleam, Bangkok with the five following branches:

The Company and its subsidiaries operate in the business of distribution of steel pipe, steel scrap and steel products and operates in foundation pile manufacturing, distribution, delivery and hammering. (The Company and its subsidiaries are called as "the Group".)

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

These interim financial statements are prepared in accordance with the Accounting Standard No. 34 "Interim Financial Reporting" and Regulations of The Stock Exchange of Thailand (SET) relating to accounting.

The interim financial statements are prepared as updated information to the financial statements for the year ended December 31, 2011 with an emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2011.

The accompanying financial statements are prepared in Thai Baht and in the Thai language in conformity with generally accepted accounting principles in Thailand. The accompanying financial statements are intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Thailand.

For the convenience of the reader, an English translation of financial statements has been prepared from the statutory Thai language financial statements which are issued for domestic reporting purposes.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The consolidated financial statements as at March 31, 2012 and December 31, 2011, include the accounts of The Company and its subsidiaries which the Company has controlling power or directly on this subsidiaries as follows:

Name of Companies	Type of business	In Million Baht		Percentage of direct and indirect holding (%)	
		Paid-up share capital			
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery and hammering	261	261	100	100
Siam Ferro Industry Co., Ltd	Production and distribution of steel production and all steel pip and engagement of steel	442	442	51.88	56.88

As at April 1, 2011, the Company has an investment in Siam Ferro Co., Ltd., since the consolidate financial statement for the quarter ended March 31, 2011 are excluded the result of operating of such subsidiary company

All significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with generally accepted accounting principles. Accounting policies that have been applied in the preparation of the interim financial statements for the three-month periods ended March 31, 2012 are similar to those which have been applied to the financial statements for the year ended December 31, 2011

4. NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 Operating Segments that is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that the above accounting standard will not have any significant impact on the financial statements for the year when it is initially applied.

5. RELATED PARTIES TRANSACTIONS

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Types of relationship of related companies are as follows:

Name of Companies	Type of business	Type of relationship
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery and hammering	Subsidiary
Siam Ferro Industry Co., Ltd	Production and distribution of steel production and all steel pipe and engagement of steel	Subsidiary since April 1, 2011
A.T. STEEL Co., Ltd.	Distribution of steel	Closed cousin of executive officer are director and shareholders
G.T. STEEL WORKS Co., Ltd.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders

Pricing policies for each transactions are described as follows:

Type of transactions	Pricing policies
Revenues from sale	Price can be comparative against outside parties
Other income	Mutual agreement/Contract price
Purchases of goods	Price can be comparative against outside parties
Cost of service	Mutual agreement/Contract price
Interest income	Interest rate 6.62% - 7.25% per annum
Interest expense	Interest rate 6.87% - 7.25% per annum

Significant revenues and expenses derived from transactions with related parties for the three-month periods ended March 31, 2012 and 2011 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Revenues from sale				
Thai National Product Co., Ltd	-	-	548	3,005
Siam Ferro Industry Co., Ltd	-	-	31	-
Total	-	-	579	3,005
Revenues from transportation				
Thai National Product Co., Ltd	-	-	-	6
Other income				
Thai National Product Co., Ltd	-	-	6	8
Siam Ferro Industry Co., Ltd	-	-	1	-
Total	-	-	7	8

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Interest income				
Thai National Product Co., Ltd	-	-	130	-
Purchases of goods				
Siam Ferro Industry Co., Ltd	-	-	561	-
Expenses from subcontracting				
Siam Ferro Industry Co., Ltd	-	-	2,924	
Others expense				
A.T.Steel Co.,Ltd	-	295	-	295
Siam Ferro Industry Co., Ltd	-	-	63	-
Total	-	295	63	295

The balances of receivables from and payables to related parties as of March 31, 2012 and December 31, 2011 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Trade and Other account receivable				
Thai National Product Co., Ltd	-	-	174	159
Siam Ferro Industry Co., Ltd	-	-	2	-
Total	-	-	176	159
Other accounts receivable from share capital decrease				
Siam Ferro Industry Co., Ltd	-	-	5,296	5,296
Loan to				
Thai National Product Co., Ltd	-	-	6,487	4,180
Accrued interest income				
Thai National Product Co., Ltd	-	-	136	5
Trade account payable				
G.T. STEEL WORKS Co., Ltd.	8,647	8,647	8,647	8,647
Siam Ferro Industry Co., Ltd	-	-	1,716	1,579
Total	8,647	8,647	10,363	10,226
Other payable				
A.T.Steel Co.,Ltd	-	-	742	
Siam Ferro Industry Co., Ltd	-	-	49	131
Total	-	-	791	131
Prepaid cheque				
A.T.Steel Co.,Ltd	-	143	-	143

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Advance received for goods				
Siam Ferro Industry Co., Ltd	-	-	42,055	42,055
Accrued interest expense				
Thai National Product Co., Ltd	-	-	-	204

For the three-month periods ended March 31, 2012 and 2011 the movements of short-term loans to related party are as follows:

	In Thousand Baht			
	The Company Only			
	December 31, 2011	Increase	Decrease	March 31, 2012
Short-term loans to related party				
Thai National Product Co., Ltd	4,180	22,663	20,356	6,487

	In Thousand Baht			
	The Company Only			
	December 31, 2010	Increase	Decrease	March 31, 2011
Short-term loans to related party				
Thai National Product Co., Ltd	5,000	24,570	3,800	25,770

As of December 31, 2011 and 2010, the short-term loans to subsidiary company were in type of promissory notes with the repayment when it is called, carried interest rate at 6.62% – 7.25% per annum and 6.12% per annum, respectively

For the three-month periods ended March 31, 2012 and 2011, Key Managements Personnel Compensation are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Key Managements Personnel Compensation				
Short-term Employee Benefits	2,646	2,728	2,646	2,728
Post-Employment Benefits	54	7	54	7
	2,700	2,735	2,700	2,735

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

6. NON - CASH TRANSACTIONS

For the three-month periods ended March 31, 2012 and 2011 significant non-cash transactions are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Purchase of Fixed Assets with Credit	643	48	643	23
Sale of Fixed Assets with Credit	20,034	148	20,034	-
Offsetting between Trade Accounts Receivable and Trade Account Payable	266	28,532	266	28,532
Increase in Loan Due for Repayment from				
- Transferring out from Long-Term Loans from Financial Institutions	843,272	300,397	843,272	300,397
- Transferring out from Short-Term Loans from Financial Institutions	137,006	-	137,006	-
Long-Term Loans from Financial Institutions decrease by Transfer to Accrued Interest	20,836	-	20,836	-

7. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Cash	108	159	68	72
Saving account	455	2,565	437	2,550
Current account	9,282	11,697	2,305	11,481
Total	9,845	14,421	2,810	14,103

8. TEMPORARY INVESTMENT

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Investment in Trading Security				
Cost	1,608	1,618	1,608	1,618
Unrealized Loss	(1,382)	(1,350)	(1,382)	(1,350)
Less : Loss from Write Off of Investment in warrant	-	(9)	-	(9)
Fair value	226	259	226	259

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

9. TRADE ACCOUNTS AND NOTES RECEIVABLE-OTHER COMPANIES - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Notes Receivable	458,345	189,694	458,272	189,694
Account Receivable-Returned				
Cheques and under Persecution	997	997	-	-
Trade Accounts Receivable	912,638	1,179,393	535,472	840,040
Total	1,371,980	1,370,084	993,744	1,029,734
Less : Allowance for Doubtful				
Debt-Trade Accounts				
Receivable	(49,308)	(47,308)	(9,905)	(9,905)
Net	1,322,672	1,322,776	983,839	1,019,829

As at March 31, 2012 and December 31, 2011, the trade accounts and note receivable-other companies are classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Within credit term	375,385	793,031	290,030	692,647
Over due 1 to 90 days	714,523	491,230	658,989	318,246
Over due 91 to 180 days	214,101	10,400	34,820	8,936
Over due 181 to 365 days	1,808	28,157	-	-
Over due over 1 year	66,163	47,266	9,905	9,905
Total	1,371,980	1,370,084	993,744	1,029,734
Less : Allowance for Doubtful				
Debt - Trade Account				
Receivable	(49,308)	(47,308)	(9,905)	(9,905)
Net	1,322,672	1,322,776	983,839	1,019,829

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

For the three-month periods ended March 31, 2012 and 2011, the movements of allowance for doubtful debt are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Allowance for Doubtful Debt -				
Beginning	(47,308)	(23,456)	(9,905)	(21,905)
Add : Increased during the period	(2,000)	-	-	-
Less : Transferred out from				
Received	-	3,006	-	3,000
Transferred out from				
Writing-Off	-	-	-	-
Allowance for Doubtful Debt -				
Ending	(49,308)	(20,450)	(9,905)	(18,905)

In the consolidated and separate financial statements as of March 31, 2012 and December 31, 2011, the Company factored some notes receivable in the amount of Baht 27.92 million and Baht 26.87 million respectively, to discount with one financial institution according to note no.18. The Company still has to take responsibility in the notes receivable if the financial institution cannot collect debt repayment from such notes receivable.

In the consolidated as of March 31, 2012, account receivable over credit term over 1 year, partly in amount of Baht 17.48 million is account receivable who purchase goods and services from the Company's group and rendering service to government sector. Such receivable has gradually debt repayment, the management believes that no risk for debt collection.

In the consolidated and separate financial statements as of December 31, 2011, a part of trade accounts receivable in the amount of Baht 8.18 million and Baht 4.46 million, respectively, had be transferred the right of collection to one financial institution according to note no 18. The Company still has to take responsibility in the trade accounts receivable if the financial institution cannot collect debt repayment in accordance with such trade accounts receivable.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

10. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Finished Goods	599,827	161,403	543,832	84,532
Work in Process	1,623	853	-	-
Raw Materials	243,142	248,748	163,367	214,332
Spare Part	12,413	11,992	2,174	1,372
Total	857,005	422,996	709,373	300,236
<u>Less</u> Allowance for Declining in Value of Inventories	(19,445)	(15,024)	(8,182)	(4,275)
Net	837,560	407,972	701,191	295,961

For the three-month period ended March 31, 2012 and 2011, the movements of allowance for declining in value of inventories were as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Allowance for Declining in Value of inventories-Beginning	(15,024)	(7,568)	(4,275)	(507)
Add : Increased within Period	(8,182)	-	(8,182)	-
Less : Sale/Reversal	3,761	1,483	4,275	51
Allowance for Declining in Value of inventories-Ending	(19,445)	(6,085)	8,182	(456)

In the consolidated and separate financial statements as of March 31, 2012 and December 31, 2011, inventories in amount of Baht 144.03 million and in amount of Baht 201.14 million, respectively, are pledge as collateral with financial institutes according to Note no 16.

11. ADVANCE PAYMENT FOR GOODS - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Advance Payment for Goods	268,612	540,108	267,165	521,348
Less : Allowance for Declining in Value of Inventories	(534)	(727)	(28)	(221)
Net	268,078	539,381	267,137	521,127

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Interim Financial Statements (continued)

March 31, 2012 and 2011 (Reviewed)

And December 31, 2011 (Audited)

For the three-month period ended March 31, 2012 and 2011, the movements of allowance for declining in value of inventories were as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Allowance for Declining in Value of inventories-Beginning	(727)	-	(221)	(507)
Add : Increased within Period	(28)	-	-	-
Less : Sale/Reversal	221	-	193	51
Allowance for Declining in Value of inventories-Ending	<u>(534)</u>	<u>-</u>	<u>(28)</u>	<u>(456)</u>

12. INVESTMENT IN SUBSIDIARIES - NET

	The Company Only					
	In Thousand Baht					
	Percentage of direct and indirect Holding (Percent)		Paid-up capital		Investment value Cost method	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
SUBSIDIARIES						
• Thai National Product Co., Ltd	100.00	100.00	261,006	261,006	639,478	639,478
• Siam Ferro Industry Co., Ltd	51.88	56.88	441,701	441,701	536,062	587,727
Less : Provision for impairment loss of investment in subsidiaries					<u>(28,014)</u>	<u>(28,014)</u>
Net					<u>1,147,526</u>	<u>1,199,191</u>

In accordance with minute of the board of directors meeting no. 8/2011 on December 2, 2011, it resolves to dispose the investment in Siam Ferro Industry Company Limited in amount of 712,421 shares, in the price Baht 80 per share totaling Baht 56.99 million to other person. Therefore, the shareholding ratio decreases from 56.88% to 51.88% which the detail are as follows:

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Net assets value of subsidiary company that being adjusted out from selling as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Net assets value of subsidiary company that being adjusted out from selling	49,157	-
Investment value in subsidiary that being adjusted out	-	51,665
Net cash received from sale	56,994	56,994
Excess from changes of interest in subsidiary company	(7,837)	-
Gain from sale of investment in subsidiary company	-	(5,329)

However, In Consolidated, the Company recognizes discrepancy that occurs between net asset value of interest in subsidiary company that being adjusted out from selling and fair value of remuneration that received under accounting caption of excess from change of interest in the subsidiary companies and presents in shareholders' equity since the change of interest of the Company in subsidiary companies does not cause the Company losing power in controlling. In the Company only, the Company recognizes discrepancy that occurs between the investment value that being adjusted out from selling and fair value of remuneration that received under accounting caption of gain on sale investment in subsidiary.

13. INVESTMENT PROPERTY – NET

For the three-month period ended March 31, 2012, the movements of investment property were as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Net book value as at January 1, 2012 - net	124,014	108,401
Less : Depreciation for the period	(1,275)	(1,155)
Net book value as at March 31, 2012 - net	122,739	107,246

The consolidated and separate financial statements as at March 31, 2012 and December 31, 2011, the Group's investment property in the book value of Baht 107.25 million and Baht 108.40 million, respectively, as collateral for loans granted by financial institutions as in note No. 16.

The consolidated financial statements as at March 31, 2012 and December 31, 2011 the Group's investment property in the book value of Baht 7.15 million and Baht 7.20 million, respectively, as collateral for against the merchandise orders.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

14. PROPERTY, PLANT AND EQUIPMENT - NET

For the three-month period ended March 31, 2012, the movements are as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Net book value as at January 1, 2012	1,688,819	97,827
Acquisitions during the period-at cost	982	643
Disposal during the period-net	(10,976)	-
Written off during the period	-	-
Accumulated depreciation for disposal	8,913	-
Accumulated depreciation for written off	-	-
Allowance for impairment for disposal	7,698	7,698
Depreciation for the period	(32,800)	(3,336)
Net book value as at March 31, 2012	<u>1,662,636</u>	<u>102,832</u>

Consolidated Financial Statements

As of March 31, 2012 and December 31, 2011, The Group mortgaged land plus building in book value of Baht 457.42 million and Baht 459.09 million respectively, and some part machine in book value of Baht 70.3 million and Baht 75.06 million respectively, is collateral of loans from the financial institutes with note No. 16

As of March 31, 2012 and December 31, 2011, The Group mortgaged land plus building in the book value of Baht 616.76 million and Baht 645.56 million, is collateral of loans from persons and other companies as in note No. 16

Separate Financial Statements

As of March 31, 2012 and December 31, 2011, the Company mortgaged land plus building in book value of Baht 56.10 million and Baht 56.33 million respectively, and some part machine in book value of Baht 28.23 million and Baht 29.95 million respectively, is collateral of loans from the financial institutes with note No. 16

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

15. NET OTHER ACCOUNT RECEIVABLE - ADVANCE PAYMENT GOODS

	In Thousand Baht	
	Consolidated and The company Only	
	March 31, 2012	December 31, 2011
Other Account Receivable-Advance Payment		
Goods	296,771	322,472
<u>Less</u> Allowance for Doubtful	(161,236)	(161,236)
Net	<u>135,535</u>	<u>161,236</u>

For the three-month period ended March 31, 2012 and 2011, the movement of allowance for doubtful accounts are as follows :

	In Thousand Baht	
	Consolidated and The Company Only	
	March 31, 2012	December 31, 2011
Allowance for Doubtful Accounts - Beginning	161,236	-
<u>Add</u> Increased during the period	-	-
<u>Less</u> Reversed / written off	-	-
Allowance for Doubtful Accounts - Ending	<u>161,236</u>	<u>-</u>

The consolidated and separate financial statements, as at March 31, 2012 and December 31, 2011, the whole amount is other account receivable from the Company had made the advance payment for goods to a hot-rolled coil steel producer and distributor which it had pledged the machines, in accordance with the machines pledging agreement on October 4, 2010. During 2011, the management has re-assessed the fair value of such machinery by the independent appraiser according to the report of appraisal in November 2011. The machinery has the fair value in amount of Baht 898.98 million and the force sell value in amount of Baht 500.00 million. Presently, such debtor company is in the process of company restructuring and it has not delivered the goods to the Company as agreed so the Company had temporarily ceased the business transaction and requested such company to repayment the advance to the Company. However, on November 1, 2011, the debtor company has issued the letter of request for gradually debt repayment, (the debt as of the letter of request for gradually debt repayment date was in amount of Baht 328.07 million, and such debt was exclude value added tax.) Which the debtor will lead the cash from increased capital from investors or the financial institute which suppose to finish within April 2012, to pay the Company in amount not less than 50% of the outstanding debt and debtor will gradually repay remainder debt as per month, by settle during November – December 2011 in amount of Baht 3.00 million per month, during January – March 2012 in amount of Baht 6.00 million per month, during April – December 2012 in amount of Baht 10.00 million per month, during January - March 2013 in amount of Baht 11.00 million per month and April 2013 for the remaining.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Later, the debtor is unable to restructure the company as planned which may cause it is unable to repay the debt as the term and condition in the letter of request gradually repayment dated November 1, 2011. However, in April 2012, debtor has submit the compromise agreement to the Company to propose the new condition for repayment, Currently, the Company's management are considering such compromise agreement. However, the Company's management has recognize a part of allowance for doubtful accounts in amount of Baht 161.24 million and believe that such allowance is proper and adequate for the loss which may incur. However, the Company will retain the right to force on pledged machinery until the debtor has repaid to the Company completely.

16. CREDIT FACILITIES AND GUARANTEE

The Group has credit line from commercial bank and several financial institutions in form overdraft, trust receipts, short-term and long-term loan, the letter of guarantee, note receivable discount and factoring and by granted the total credit line as at March 31, 2012 and December 31, 2011, in amount of Baht 1,972.70 million and Baht 1,374.56 million respectively, and credit line for forward contract in amount of US Dollars 4.00 million, equally for both 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 and inventories of a company, by a part of deposit at bank and guaranteed director, related companies and subsidiary company and beneficiary from insurance in building, machinery and equipment to commercial bank and financial institutions.

17. LOANS THAT DUE FOR REPAYMENT

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Trust Receipts	515,438	104,391	515,438	104,391
Promissory Note	575,399	379,900	575,399	379,900
Long-Term Loans from Financial Institutions	635,160	261,429	635,160	261,429
<u>Less</u> Amortization of Deferred Service Fee in Borrowing	-	-	-	-
Total	<u>1,725,997</u>	<u>745,720</u>	<u>1,725,997</u>	<u>745,720</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The loans that due for repayment is loans from two financial institutions as follows:

The first financial institution

The consolidated and separate financial statements as at March 31, 2012, the loan which due to payment was arisen from trust receipt, promissory notes, and long-term loan in amount of Baht 980.28 However, the Company had entered into debt restructuring agreement dated August 16, 2011, However, as of March 31, 2012, the Company did not completely repay the debt in accordance with the debt restructuring agreement, thence reclassified such debt as the loan which due to payment, the Company is under negotiation of new repayment term with such finance institute.

The second financial institution

The consolidated and separate financial statements as at March 31, 2012 and December 31, 2011, the loan which due to payment was arisen from trust receipt, promissory notes, and long-term loan in amount of Baht 745.72 million equally for two period, However, the Company had entered into debt restructuring agreement dated September 30, 2011, such agreement had relented the terms and conditions of debt repayment to the Company. However, as of March 31, 2012 and December 31, 2011, the Company did not completely repay the debt in accordance with the debt restructuring agreement, thence reclassified such debt as the loan which due to payment, the Company is under negotiation of new repayment term with such finance institute.

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Bank Overdrafts	10,423	10,584	10,423	10,584
Bill of Exchange and Discount Post				
Date Cheque	27,920	26,872	27,920	26,872
Account Payable Factoring	-	8,179	-	4,457
Trust Receipts	478,708	262,381	478,708	262,381
Promissory Note	16,000	395,900	16,000	395,900
<u>Less</u> Loans that Due for Repayment	(411,047)	(484,292)	(411,047)	(484,292)
Amortization of Deferred Service				
Fee in Borrowing	-	(2,083)	-	(2,083)
Net	122,004	217,541	122,004	213,819

18.1 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, the Company took bill of exchange and notes receivable to discount with merchant bank are carried by interest rates of 7.13 - 7.25 and 6.75% - 7.25% per annum, respectively.

18.2 The consolidated and separate financial statement as at December 31, 2011, account payable factoring arisen from the Company took account receivable to discount with merchant bank are carried by interest rates of 8.75% - 8.87% per annum.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

18.3 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, trust receipt is carried by interest rates of 8.25% - 9.25% per annum. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the merchant bank until there will be repayment of trust receipt to the merchant bank.

As at March 31, 2012 and December 31, 2011, partly trust receipt in amount of Baht 411.05 million and Baht 104.39 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.17

18.4 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, short term loan from the financial institutes is borrowing in form of promissory note, carried interest rate of 7.125% per annum and 5.00% – 7.125% per annum, respectively.

As of December 31, 2011, partly promissory note in amount of Baht 379.90 million, is promissory note 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.17

Such above loan from financial institutions constitutes collateral according to note No.16

19. SHORT-TERM LOANS FROM OTHER PERSONS AND COMPANIES

The consolidated financial statement as at March 31, 2012 and December 31, 2011, the whole amount is short – term loans from other persons and company, carried interest rate of 15% per annum, while the subsidiary company mortgaged land plus building is collateral of loans. By the subsidiary company and the lender makes the mortgage land contract and considered this as evidence of the loans contract, while the mortgages has term to redeem for three months (maturity date of June 21, 2011) and when due, the subsidiary company and lender agree to extension the due period for next 3 months which the borrower has charged the extension fees in the rate of 11.40% per annum and interest in the rate of 15.0% per annum.

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Liabilities under Financial Lease Agreement	2,150	2,375	1,867	2,066
<u>Less</u> Interest Payment from Financial Lease Agreement	(206)	(242)	(138)	(166)
Net	1,944	2,133	1,729	1,900
<u>Less</u> Current Portion	(786)	(775)	(709)	(698)
Net	1,158	1,358	1,020	1,202

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The consolidated financial statement as at March 31, 2012 and December 31, 2011, the Group comprises asset under the financial leased agreement in the type of vehicle. The net book value of Baht 2.02 million and Baht 2.22 million respectively, and the separate financial statements as at March 31, 2012 and December 31, 2011, There is net book value of Baht 1.80 million and Baht 1.97 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.

21. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Long Term Loans from Financial Institutions	843,272	1,104,700	843,272	1,104,700
Accrued Interest pending for waiving	20,836	20,836	20,836	20,836
<u>Less</u> Current Portion	-	(19,665)	-	(19,665)
Amortization of Deferred Service Fee in Borrowing	-	(3,752)	-	(3,752)
Net	864,108	1,102,119	864,108	1,102,119
<u>Less</u> Loans that Due for Repayment	(864,108)	(261,428)	(864,108)	(261,428)
Net	-	840,691	-	840,691

For the three-month period ended March 31, 2012 and 2011, the movement of long-term loans are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2012	2011	2012	2011
Balance as of Beginning	864,108	650,779	864,108	650,779
Transfer out from long-term loans to short-term loans	(843,272)	-	(843,272)	-
Increase During the Period	(20,836)	-	(20,836)	-
Repayment to Long-Term Loans	-	(14,637)	-	(14,637)
Balance as of Ending	-	636,142	-	636,142

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The long term loans from Financial Institutions are loans from two financial institutions as follows:

The first financial institution

- 21.1. The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, the Company loan credit line of Baht 400.00 million is already repayable remaining amount of Baht 373.73 million equally for two period, interest rates of 7.75 – 9.00% per annum, derived from the performance of debt restructuring contract with the creditor of finance institutes by latest version the performance of debt restructuring contract on August 16, 2011, by has term of repayment as follows :

Term of the performance of debt restructuring contract

<u>Installment</u>	<u>Principal Repayable per Installment (In Million Baht)</u>	<u>Interest Rates(%) (Per Annum)</u>
July 2011	5.41	SPRL+1
August 2011 – June 2012	2.54	SPRL+1
July 2012 – May 2017	6.20	SPRL+1
June 2017	Outstanding	SPRL+1

In accordance with the condition and debt restructuring agreement as above, the financial institution will bring the installment paid since July 2011 to May 2017 to settle all accrued interest payable every month, the remaining will be settled the old accrued interest payable and the principal respectively. The interest pending for waiving is in amount of Baht 0.61million.

- 21.2 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, short term loan from the financial institutes is borrowing in form of promissory note in amount of Baht 195.50 million equally for two period, carried interest rate of 7.75% – 9.00% per annum derived from the performance of debt restructuring contract with the creditor of finance institutes by latest version the performance of debt restructuring contract on August 16, 2011, by has term of repayment as follows :

Term of the performance of debt restructuring contract

<u>Installment</u>	<u>Principal Repayable per Installment (In Million Baht)</u>	<u>Interest Rates(%) (Per Annum)</u>
July 2011	2.92	SPRL+1
August 2011 – May 2013	1.37	SPRL+1
June 2013	Outstanding	SPRL+1

In accordance with the condition and debt restructuring agreement as above, the financial institution will bring the installment paid since July 2011 to May 2013 to settle all accrued interest payable every month, the remaining will be settled the old accrued interest payable and the principal respectively. The interest pending for waiving is in amount of Baht 6.09 million.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

21.3 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, trust receipt in amount of Baht 274.04 million equally for two period, is carried by interest rates of 7.75% - 9.00% per annum. The ownership of merchandise purchased from the contract performance of trust receipt is still belonged to the merchant bank until there will be repayment of trust receipt to the merchant bank derived from the performance of debt restructuring contract with the creditor of finance institutes by latest version the performance of debt restructuring contract on August 16, 2011, by has term of repayment as follows :

Term of the performance of debt restructuring contract

<u>Installment</u>	<u>Principal Repayable</u> <u>per Installment</u> (In Million Baht)	<u>Interest Rates(%)</u> (Per Annum)
July 2011	4.21	SPRL+1.25
August 2011 – May 2013	1.98	SPRL+1.25
June 2013	Outstanding	SPRL+1.25

In accordance with the condition and debt restructuring agreement as above, the financial institution will bring the installment paid since July 2011 to May 2013 to settle all accrued interest payable every month, the remaining will be settled the old accrued interest payable and the principal respectively. The interest pending for waiving is in amount of Baht 14.13 million.

As at March 31, 2012, the Company does not repay the debt as loan agreement. The Company has shown loans due for repayment for the whole amount as in note No.17

The second financial institution

21.4 The consolidated and separate financial statement as at December 31, 2011, partly in credit line of Baht 289.87 million is already repayable remaining amount of 250.70 million, 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 September 30, 2011, determine that the Company has to find out securities to additionally guarantee to be completed within March, 2012, by has term of repayment as follows :

Term of the performance of debt restructuring contract (Version 5)

<u>Installment</u>	<u>Principal</u> <u>Repayable</u> <u>per Installment</u> (In Million Baht)	<u>Interest</u> <u>Rates(%)</u> (Per Annum)
June 2011 – September 2011	Grace period	MLR+0.50
December 2011	2.00	MLR+0.50
January 2012 – September 2015	5.00	MLR+0.50
December 2015	Outstanding	MLR+0.50

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

21.5 The consolidated and separate financial statement as at March 31, 2012 and December 31, 2011, partly in credit line of Baht 45.00 million is already repayable remaining amount of Baht 10.73 million respectively. However, the Company has arrangement the performance of debt restructuring contract with the creditor of finance institutes by latest version on September 30, 2011 by has term of repayment as follows :

Term of the performance of debt restructuring contract (Version 5)

<u>Installment</u>	<u>Principal Repayable per Installment</u> (In Million Baht)	<u>Interest Rates(%) (Per Annum)</u>
July 2011 – November 2011	Grace period	MLR
December 2011 – August 2012	0.75	MLR
September 2012	Outstanding	MLR

As at December 31, 2011, the Company does not repay the debt as loan agreement; the Company has shown loans due for repayment for the whole amount as in note.17

Such above loan from financial institutions constitutes collateral according to note No.16

22. CORPORATE INCOME TAX

For the three-month period ended March 31, 2012, the Company and its subsidiaries calculates tax at 23% (For the three-month period ended March 31, 2011 calculates tax at 30%). The Company and its subsidiaries computed tax of accounting net profit after adding adjusted transaction in accordance with the Revenue Code which is mainly doubtful debt, depreciation that far rate which specify in the Revenue Code and loss from declining in value of, etc.

23. SEGMENT FINANCIAL INFORMATION

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 engagement of steel production and all steel pipe, which include in other business 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.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

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

In Thousand Baht							
Consolidated							
For the three-months period ended March 31, 2012							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service		Distribution of Material	Distribution of Finished Good
Sales and Service	64,588	582,333	46,127	19,306	2,924	(4,024)	711,254
Profit(Loss)from Operation	(600)	(22,147)	(15,567)	364	(4,388)		(42,338)
Others Income							21,755
Common Expenses							(26,694)
Finance Costs							(78,911)
Corporate Income Tax							-
Profit(Loss) for the Period							(126,188)
Fixed Assets	1,099,121		563,515				1,662,636
Other Assets							2,793,753
Total Assets							4,456,389

In Thousand Baht							
Consolidated							
For the three-months period ended March 31, 2011							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service		Distribution of Material	Distribution of Finished Good
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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements
March 31, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

24. IMPORTANT CONTRACT

On March 30, 2012, Siam Ferro Industry Company Limited (“Subsidiary”) entered to the contract to engage Max Metal Corporation Public Company to act as exclusive strategic operator who has a duty to provide services in relation to the operation and management of the business affairs of subsidiary. The service includes procurement of raw materials, financial production of products, sale, marketing promotion and distribution of product. The contract has year period with effective from April 1, 2012, which the operating fee at the rate of 20% of EBITDA Earning before interest tax, depreciation and amortization of subsidiary company.

25. OBLIGATIONS AND CONTINGENT LIABILITIES

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

	In Million Baht			
	Consolidated		The Company Only	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
- Letters of Credit Credit Line 462.00 Million, Credit used	-	91.97	-	91.97
- Letters of Guarantee for Electricity	4.97	4.97	1.99	1.99

25.2 The Company comprises obligation commitment according to the contract of labor engagement to produce steel with one company. The contract holds the life of one year ended on August 31, 2011 and 2012. It is determined that the life is automatically renewed for the period of 1 year. The engagement fee is in the rate of Baht 142,500.00 per month on August 1, 2011; it has changed the wage rate to actual wage rate and charged the handling fee with 3.50% per annum of the actual wage.