

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

Interim Financial Statements

For the three-month and six-month periods ended June 30, 2012 and 2011

and Report on Review of Interim Financial Information by 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 and separate statement of financial position of Rich Asia Steel Public Company Limited and its subsidiaries and of Rich Asia Steel Public Company Limited, respectively, as at June 30, 2012, the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2012 and 2011; the consolidated and separate statements of changes in shareholders' equity, and cash flows for the six-month periods ended June 30, 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".

Emphasis of matter

Without qualifying my review conclusion, I draw attention to note to financial statements No.27, as I have ever presented a qualified review report to the consolidated financial statements for the three-month and six-month periods ended June 30, 2011, because I cannot reviewed to be satisfied the difference between costs of purchase investment lower than interest of the Company's in fair value of net asset of the subsidiary company with report dated on August 13, 2011. However, in year 2011, the Company was assessed the accuracy of identification in fair value of net asset again and restated the consolidated financial statement. The revision is to recognize the excess of the fair value of the identifiable net assets acquired over the cost of acquisition by Baht 22.68 million in the consolidated statement of comprehensive income by retrospective adjustment to the acquisition date. As a result, my review report of the consolidated financial statements for three-month and six-month periods ended June 30, 2011 on such above subject are different from those previously report.

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
August 14, 2012

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

In Thousand Baht					
		Consolidated financial statements		Separate financial statements	
		June	December	June	December
		30, 2012	31, 2011	30, 2012	31, 2011
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
ASSETS					
CURRENT ASSETS					
	8	24,349	14,421	7,148	14,103
	9	194	259	194	259
	10	1,670,704	1,322,776	1,345,057	1,019,829
	6	-	-	35,456	5,455
	6	-	-	-	4,180
	11	564,307	407,972	453,708	295,961
	Other current assets				
	12	133,777	539,381	132,757	521,127
		8,739	13,091	1,862	7,170
		-	8,081	-	8,081
		17,248	-	17,248	-
		13,661	13,623	2,482	4,221
		<u>2,432,979</u>	<u>2,319,604</u>	<u>1,995,912</u>	<u>1,880,386</u>
	Total Current Assets				
NON- CURRENT ASSETS					
	13	-	-	1,113,526	1,199,191
	14	121,465	124,014	106,090	108,401
	15	1,630,731	1,688,819	99,895	97,827
	Other - non current assets				
	16	156,309	161,236	156,309	161,236
		9,327	11,784	-	-
		9,062	12,336	372	1,710
		<u>1,926,894</u>	<u>1,998,189</u>	<u>1,476,192</u>	<u>1,568,365</u>
		<u>4,359,873</u>	<u>4,317,793</u>	<u>3,472,104</u>	<u>3,448,751</u>
		TOTAL ASSETS			

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

In Thousand Baht						
		Consolidated financial statements		Separate financial statements		
		June	December	June	December	
		30, 2012	31, 2011	30, 2012	31, 2011	
		“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
	Loans that due for repayment	18	1,031,745	745,720	1,031,745	745,720
	Bank overdrafts and short-term loans from financial institutions	19	57,691	217,541	57,691	213,819
	Trade accounts and notes payable - other companies		477,252	449,475	440,591	373,367
	Trade accounts payable - related companies	6	65,463	8,647	10,702	10,226
	Other payable - related companies	6	1,868	-	792	-
	Current portion					
	- Liabilities under finance lease agreement	21	797	775	720	698
	- Liabilities under debt restructuring agreement	22	147,000	19,665	147,000	19,665
	Short-term loans from other persons and companies	20	300,000	300,000	-	-
	Short-term loans - subsidiary	6	-	-	443	-
	Other current liabilities					
	- Accrued interest		106,536	44,021	56,220	39,225
	- Advance received for goods		10,727	40,679	52,783	82,733
	- Accrued expenses		11,940	16,084	4,975	5,509
	- Other		25,462	14,753	14,633	5,844
	Total current liabilities		<u>2,236,481</u>	<u>1,857,360</u>	<u>1,818,295</u>	<u>1,496,806</u>
NON - CURRENT LIABILITIES						
	Liabilities under finance lease agreement - net	21	954	1,358	836	1,202
	Liabilities under debt restructuring agreement	22	653,597	840,691	653,597	840,691
	Provision for employee benefit		4,099	3,852	1,479	1,335
	Others non - current liabilities		81	81	-	-
	Total non - current liabilities		<u>658,731</u>	<u>845,982</u>	<u>655,912</u>	<u>843,228</u>
	TOTAL LIABILITIES		<u>2,895,212</u>	<u>2,703,342</u>	<u>2,474,207</u>	<u>2,340,034</u>
SHAREHOLDERS' EQUITY						
	Share capital - common shares, Baht 1 par value					
	Authorized share capital - 1,500,000,000 shares, Baht 1 par value		<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
	Issued and fully paid - up share capital - 1,000,000,000 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
	Deficit		(427,948)	(255,704)	(417,526)	(306,706)
	Other component of equity		38,436	30,420	-	-
	Total equity attributable to owners of the parent		<u>1,025,911</u>	<u>1,190,139</u>	<u>997,897</u>	<u>1,108,717</u>
	Non - controlling interests		438,750	424,312	-	-
	Total Shareholders' equity		<u>1,464,661</u>	<u>1,614,451</u>	<u>997,897</u>	<u>1,108,717</u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>4,359,873</u>	<u>4,317,793</u>	<u>3,472,104</u>	<u>3,448,751</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2012	2011	2012	2011
		Restated			
REVENUES					
	Revenues from sale	1,063,055	950,560	807,486	796,315
	Revenues from services	25,285	15,339	-	-
	Gain on sales of fixed assets	16	-	28,076	-
	Gain on a bargain purchase of subsidiary company	-	22,676	-	-
	Other incomes	4,695	3,371	2,185	1,829
	Total Revenues	1,093,051	991,946	837,747	798,144
EXPENSES					
	Cost of sales	1,064,772	958,636	797,785	772,580
	Cost of services	24,275	16,060	-	-
	Selling expenses	3,229	2,616	1,378	1,478
	Administrative expenses	16,963	21,477	10,023	12,827
	Loss on impairment of assets	-	7,698	-	7,698
	Loss on impairment of investment in subsidiary	-	-	34,000	-
13	Doubtful accounts (Reversal)	-	(4,093)	-	(3,000)
6	Management benefit expenses	2,483	3,615	2,483	3,615
	Total Expenses	1,111,722	1,006,009	845,669	795,198
	PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX	(18,671)	(14,063)	(7,922)	2,946
	Finance costs	(61,924)	(50,294)	(41,900)	(40,139)
	LOSS BEFORE INCOME TAX	(80,595)	(64,357)	(49,822)	(37,193)
	Income tax	-	-	-	-
23	LOSS FOR THE PERIOD	(80,595)	(64,357)	(49,822)	(37,193)
	Other comprehensive income (loss)	-	-	-	-
	TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(80,595)	(64,357)	(49,822)	(37,193)
Profit (loss) for the period attributable to :					
	Owners of the parent	(65,242)	(57,979)	(49,822)	(37,193)
	Non - controlling interests	(15,353)	(6,378)	-	-
		(80,595)	(64,357)	(49,822)	(37,193)
Total comprehensive loss for the period attributable to :					
	Owners of the parent	(65,242)	(57,979)	(49,822)	(37,193)
	Non - controlling interests	(15,353)	(6,378)	-	-
		(80,595)	(64,357)	(49,822)	(37,193)
BASIC LOSS PER SHARE					
	Owners of the parent (baht)	(0.065)	(0.058)	(0.050)	(0.037)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2012	2011	2012	2011
		Restated			
REVENUES					
	Revenues from sale	1,755,003	1,994,608	1,347,140	1,804,194
	Revenues from services	44,591	37,795	-	114
	Revenues from written off accrued expenses	-	12,215	-	12,215
	Gain on sales of fixed assets	18,096	-	45,685	-
13	Gain on sales of investments in subsidiary	-	-	5,329	-
	Gain on a bargain purchase of subsidiary company	-	22,676	-	-
	Other incomes	8,370	6,211	4,235	4,233
	Total Revenues	<u>1,826,060</u>	<u>2,073,505</u>	<u>1,402,389</u>	<u>1,820,756</u>
EXPENSES					
	Cost of sales	1,797,529	1,966,464	1,347,571	1,734,042
	Cost of services	45,111	35,200	-	37
	Selling expenses	6,304	6,106	3,407	4,170
	Administrative expenses	35,880	35,437	22,356	22,598
	Loss on impairment of assets	-	7,698	-	7,698
13	Loss on impairment of investment in subsidiary	-	-	34,000	-
	Doubtful accounts (Reversal)	2,000	(7,099)	-	(6,000)
6	Management benefit expenses	5,184	6,351	5,184	6,351
	Total Expenses	<u>1,892,008</u>	<u>2,050,157</u>	<u>1,412,518</u>	<u>1,768,896</u>
	PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX	(65,948)	23,348	(10,129)	51,860
	Finance costs	(140,835)	(96,342)	(100,691)	(86,147)
	LOSS BEFORE INCOME TAX	<u>(206,783)</u>	<u>(72,994)</u>	<u>(110,820)</u>	<u>(34,287)</u>
23	Income tax	-	-	-	-
	LOSS FOR THE PERIOD	<u>(206,783)</u>	<u>(72,994)</u>	<u>(110,820)</u>	<u>(34,287)</u>
	Other comprehensive income (loss)	-	-	-	-
	TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(206,783)</u>	<u>(72,994)</u>	<u>(110,820)</u>	<u>(34,287)</u>
Loss for the period attributable to :					
	Owners of the parent	(172,244)	(66,616)	(110,820)	(34,287)
	Non - controlling interests	(34,539)	(6,378)	-	-
		<u>(206,783)</u>	<u>(72,994)</u>	<u>(110,820)</u>	<u>(34,287)</u>
Total comprehensive loss for the period attributable to :					
	Owners of the parent	(172,244)	(66,616)	(110,820)	(34,287)
	Non - controlling interests	(34,539)	(6,378)	-	-
		<u>(206,783)</u>	<u>(72,994)</u>	<u>(110,820)</u>	<u>(34,287)</u>
BASIC LOSS PER SHARE					
	Owners of the parent (baht)	(0.172)	(0.067)	(0.111)	(0.034)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

In Thousand Baht								
Consolidated financial statements								
	Notes	Issued and fully paid - up share capital	Premium on share capital	Unappropriated (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	13	-	-	-	7,837	7,837	(7,837)	-
Non - controlling interests		-	-	-	-	-	56,993	56,993
Total comprehensive loss for the period		-	-	(172,244)	-	(172,244)	(34,539)	(206,783)
Balance as at June 30, 2012		<u>1,000,000</u>	<u>415,423</u>	<u>(427,948)</u>	<u>38,436</u>	<u>1,025,911</u>	<u>438,750</u>	<u>1,464,661</u>
Balance as at January 1, 2011		1,000,000	571,792	(22,846)	-	1,548,946	-	1,548,946
Decrease in premium on share capital		-	(156,368)	156,368	-	-	-	-
Non - controlling interests		-	-	-	-	-	245,714	245,714
Total comprehensive loss for the period (Restated)		-	-	(66,616)	-	(66,616)	(6,378)	(72,994)
Balance as at June 30, 2011		<u>1,000,000</u>	<u>415,424</u>	<u>66,906</u>	<u>-</u>	<u>1,482,330</u>	<u>239,336</u>	<u>1,721,666</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

	In Thousand Baht					
	Separate financial statements					
	Note	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		-	-	(110,820)	-	(110,820)
Balance as at June 30, 2012		<u>1,000,000</u>	<u>415,423</u>	<u>(417,526)</u>	<u>-</u>	<u>997,897</u>
Balance as at January 1, 2011		1,000,000	571,792	(156,368)	-	1,415,424
Decrease in premium on share capital		-	(156,368)	156,368	-	-
Total comprehensive loss for the period		-	-	(34,287)	-	(34,287)
Balance as at June 30, 2011		<u>1,000,000</u>	<u>415,424</u>	<u>(34,287)</u>	<u>-</u>	<u>1,381,137</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		Restated		
CASH FLOW FROM OPERATING ACTIVITIES				
loss before income tax	(206,783)	(72,994)	(110,820)	(34,287)
Adjustments for				
Depreciation	68,112	53,364	8,947	10,022
Doubtful account (reversal)	2,000	(7,099)	-	(6,000)
Loss of non-refundable withholding tax	1,516	-	1,298	-
Amortization of prepaid expenses	-	851	-	806
Amortization of intangible asset	-	183	-	169
Loss from write off of investment in the expired warrants	-	10	-	10
Unrealized (gain) loss from investment in trading security	65	197	65	197
Gain on sale of investment in subsidiary company	-	-	(5,329)	-
Loss on sale of fixed assets	492	-	492	-
Gain on a bargain purchase of subsidiaries company	-	(22,676)	-	-
Gain on sale of property, plant and equipment	(18,096)	(148)	(45,685)	-
Loss from impairment of investment in subsidiary company	-	-	34,000	-
Loss on impairment of assets	-	7,698	-	7,698
Loss on written-off retention	-	2,398	-	-
Loss from declining in value of inventories (Reversal)	2,793	1,523	3,177	770
Revenue from written-off accrued expenses	-	(12,215)	-	(12,215)
Amortization of deferred finance charge in borrowing	5,835	4,201	5,835	4,201
Provision for employee benefit	176	2,914	112	1,163
Interest income	(230)	(13)	(217)	(542)
Interest expenses of employee benefits	70	65	31	23
Interest expenses	134,939	91,896	94,628	81,792
Profit (loss) from operating activities before change in operating assets and liabilities	(9,111)	50,155	(13,466)	53,807
Decrease(Increase) in operating assets				
Trade accounts and notes receivable - other companies	(397,782)	719,573	(374,914)	472,086
Trade accounts receivable - related companies	-	-	(913)	1,142
Trade accounts other receivable - related companies	-	-	(1,028)	-
Inventories	(159,817)	(313,065)	(161,106)	(287,462)
Advance payment for goods	406,292	441,991	388,552	220,822
Account receivable-revenue department	4,353	1,164	5,309	97
Other current assets	(1,251)	3,187	956	(648)
Refund of advance payment for goods from other account receivable	4,927	-	4,927	-
Other long-term accounts receivable	-	11,133	-	-
Retention receivable	2,457	9,610	-	-
Other non-current assets	3,274	(77)	1,338	1
Increase(Decrease) in operating liabilities.				
Trade accounts and notes payable - other companies	69,518	(90,879)	116,909	184,021

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX - MONTHS PERIODS ENDED JUNE 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES (CONTINUED)		Restated		
Trade accounts payable - subsidiary and related companies	65,463	-	477	11
Advance receive for goods	(29,951)	12,872	(29,951)	199,581
Accrued expenses	(4,144)	(13,927)	(535)	(455)
Other current liabilities	16,474	7,637	8,576	835
Cash received (paid) from operating activities	(29,298)	839,374	(54,869)	843,838
Cash payment for corporate income tax and withholding tax	(245)	(1,596)	(36)	(96)
Cash received from interest income	439	14,050	5	547
Net Cash Provided by (Used in) from Operating Activities	(29,104)	851,828	(54,900)	844,289
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sale of investment in subsidiary company	-	-	56,994	-
Cash received from sale of property, plant and equipment	-	148	-	-
Cash payment for purchase of investment in subsidiary company	-	(769,241)	-	(769,682)
Cash received from short-term loans to subsidiary company	-	-	45,845	29,570
Cash payment for short-term loans to subsidiary company	-	-	(41,665)	(24,570)
Cash payment for purchase of property, plant and equipment	(461)	(790)	-	(93)
Net Cash Provided by (Used in) from Investing Activities	(461)	(769,883)	61,174	(764,775)
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	16,539	(46,550)	20,262	(46,550)
Cash payment for account payable for assets	-	(9,245)	-	(383)
Cash payment for liabilities under finance lease agreement	(382)	(474)	(344)	(398)
Cash payment for long-term loans from financial institutions	-	(16,576)	-	(16,576)
Cash received for loans from subsidiary company	-	-	2,635	12,500
Cash payment for loan from subsidiary company	-	-	(2,192)	-
Cash payment for loan from related persons	-	(316)	-	-
Cash received for short - term loan from other person and company	-	50,000	-	-
Cash payment for short - term loan from other person and company	-	(21,408)	-	-
Cash payment for interest expenses	(33,658)	(43,324)	(33,590)	(31,714)
Net Cash Provided (Used in) from Financing Activities	39,493	(87,893)	(13,229)	(83,121)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,928	(5,948)	(6,955)	(3,607)
Cash and Cash Equivalents - Beginning of Period	14,421	18,856	14,103	14,833
CASH AND CASH EQUIVALENT AT ENDING OF THE PERIOD	24,349	12,908	7,148	11,226

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorized for issue by the directors on August 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, Bangkokleam, Bangkok with the three 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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 *"Interim Financial Reporting"* guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

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 Thai language financial statements which are issued for domestic reporting purposes.

3. BASIS OF CONSOLIDATION

The consolidated financial statements as at June 30, 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:

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Name of Companies	Type of business	In Million Baht		Percentage of direct and indirect holding (%)	
		Paid-up share capital			
		June 30, 2012	December 31, 2011	June 30, 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 statement of comprehensive income for the six-month period ended June 30, 2011 are included the result of operating of such subsidiary company since April 1, 2011 onward.

All significant intercompany transactions between the Company and its subsidiaries are eliminated in preparing the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

5. 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.

6. 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)
June 30, 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 product	Related by closed cousin of executive officer are director and shareholders
G.T. Steel Works Co., Ltd.	Production and distribution of steel product	Related by closed cousin of executive officer are director and shareholders
Max Metal Corporation Public Co.,Ltd.	Procurement and distribution of steel product	Related by exclusive strategic operator to provide management service of business affairs
MSP Metal Co.,Ltd.	Procurement and distribution of steel product	Related via subsidiary of Max Metal Corporation Pcl.

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 6.12% - 7.25% per annum
Interest expense	Interest rate 6.87% - 7.25% per annum

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Significant revenues and expenses derived from transactions with related parties for the three-month and six-month periods ended June 30, 2012 and 2011 are summarized as follows:

	In Thousand Baht			
	Consolidated financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2012	2011	2012	2011
Transaction with related companies				
Purchase of goods	133,804	2,355	133,804	2,355
Management Fees	1,126	-	1,126	-
Others expense	-	442	-	737

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2012	2011	2012	2011
Transaction with related companies				
Purchase of goods	2	2,355	2	2,355
Others expense	-	442	-	737

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2012	2011	2012	2011
Transaction with subsidiary companies (Eliminated from consolidated financial statements)				
Revenues from sales	219	24	770	3,029
Revenues from sales of raw materials	-	61,129	-	61,129
Revenues from transportation	-	1	-	7
Interest income	81	242	212	531
Others income	15	13	50	22
Purchase of goods	-	-	561	-
Expenses from subcontracting	317	343	3,241	343
Management Fees				
Others expense	-	95	63	95
Interest expense	-	16	4	16

Significant balances as at 30 June 2012 and 31 December 2011 with related parties were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trade and Other account receivable				
Thai National Product Co., Ltd	-	-	135	159
Siam Ferro Industry Co., Ltd	-	-	35,321	5,296
Total	-	-	35,456	5,455

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Short-term loans to				
Thai National Product Co., Ltd	-	-	-	4,180
Trade account payable				
G.T. Steel Works Co., Ltd.	8,647	8,647	8,647	8,647
Siam Ferro Industry Co.,Ltd.	-	-	2,055	1,579
Max Metal Corporation Public Co.,Ltd.	17,429	-	-	-
MSP Metal Co., Ltd	39,387	-	-	-
Total	<u>65,463</u>	<u>8,647</u>	<u>10,702</u>	<u>10,226</u>
Other payable				
A.T.Steel Co.,Ltd	743	-	743	-
Siam Ferro Industry Co., Ltd	1,125	-	49	-
Total	<u>1,868</u>	<u>-</u>	<u>792</u>	<u>-</u>
Prepaid cheque				
A.T.Steel Co.,Ltd	-	143	-	143
Loan from				
Thai National Product Co., Ltd	-	-	443	-
Accrued management fees for rehabilitation plan				
Director	5,383	5,383	-	-

Movements of Short term loan to related party are as follows:

	In Thousand Baht			
	Separate financial statements			
	December 31, 2011	Increase	Decrease	June 30, 2012
Short-term loans to related party				
Thai National Product Co., Ltd	4,180	41,665	45,845	-

	In Thousand Baht			
	Separate financial statements			
	December 31, 2010	Increase	Decrease	June 30, 2011
Short-term loans to related party				
Thai National Product Co., Ltd	5,000	24,570	29,570	-

As of June 30, 2012 and December 31,2011, the short-term loans to subsidiary company were in type of promissory notes with the repayment when it is called, carried interest rate at 7.13% – 7.25% per annum and 6.12% per annum, respectively

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

Movements of Short term loan from related party are as follows:

	In Thousand Baht			
	Separate financial statements			
	December 31, 2011	Increase	Decrease	June 30, 2012
Short-term loans from related party				
Thai National Product Co., Ltd	-	2,635	2,192	443

For the three-month and six-month periods ended June 30, 2012 and 2011, Key Managements Personnel Compensation are as follows:

	In Thousand Baht			
	Consolidated financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2012	2011	2012	2011
Key Managements Personnel Compensation				
Short-term Employee Benefits	2,429	2,608	5,076	5,337
Post-Employment Benefits	54	1,007	108	1,014
Total	2,483	3,615	5,184	6,351

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2012	2011	2012	2011
Key Managements Personnel Compensation				
Short-term Employee Benefits	2,429	2,608	5,076	5,337
Post-Employment Benefits	54	1,007	108	1,014
Total	2,483	3,615	5,184	6,351

Significant contract during the Group and related parties as at June 30, 2012 are summarized as follows :

On March 30, 2012, Siam Ferro Industry Company Limited (“Subsidiary”) entered to the contract to engage Max Metal Corporation Public Company Limited 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.

Later, on July 6, 2012, the Subsidiary and Max Metal Corporation Public Company agree to terminate such Operator Service Agreement with effective from July 1, 2012.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

7. NON - CASH TRANSACTIONS

For the six-month periods ended June 30, 2012 and 2011 significant non-cash transactions are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Purchase of fixed assets with credit	1,379	347	1,005	23
Sale of fixed assets with credit	20,050	-	45,576	-
Short-term loans from financial institutions decrease from transfer investment property with settle	-	9,536	-	9,536
Transfer Long-term Loans to debt due to repayment	1,031,745	-	1,031,745	-
Offsetting between Trade Accounts Receivable and Trade Account Payable	50,389	129,918	49,685	129,918
Purchases investment in subsidiary company by remain as note payable – shares subscription fee	-	30,000	-	30,000
Cash payment for purchase investment in subsidiary company decreased from other receivable from decreased shares capital of the subsidiary company	-	5,296	-	5,296
Share capital decreased from other payable from decreased shares capital of the subsidiary Company	-	1,593	-	-
Assets and liabilities increased from business combinations				
Current assets	-	602,248	-	-
Others non current assets	-	1,082,983	-	-
Current liabilities	-	597,713	-	-
Others non current liabilities	-	669	-	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

8. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cash	126	159	51	72
Saving account	6,905	2,565	6,881	2,550
Current account	17,318	11,697	216	11,481
Total	24,349	14,421	7,148	14,103

9. TEMPORARY INVESTMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Investment in Trading Security				
Cost	1,609	1,618	1,609	1,618
Unrealized Loss	(1,415)	(1,350)	(1,415)	(1,350)
Less : Loss from amortization of investment in the warrants expired	-	(9)	-	(9)
Fair value	194	259	194	259

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Notes Receivable	293,861	189,694	277,773	189,694
Account Receivable-Returned Cheques	997	997	-	-
Trade Accounts Receivable	1,425,154	1,179,393	1,077,189	840,040
Total	1,720,012	1,370,084	1,354,962	1,029,734
Less : Allowance for Doubtful Debt-Trade Accounts Receivable	(49,308)	(47,308)	(9,905)	(9,905)
Net	1,670,704	1,322,776	1,345,057	1,019,829

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

As at June 30, 2012 and December 31, 2011, the trade accounts and note receivable-other companies are classified by aging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within credit term	827,014	793,031	712,607	692,647
Over due 1 to 90 days	312,978	491,230	303,998	318,246
Over due 91 to 180 days	349,880	10,400	305,941	8,936
Over due 181 to 365 days	174,935	28,157	22,511	-
Over due over 1 year	55,205	47,266	9,905	9,905
Total	1,720,012	1,370,084	1,354,962	1,029,734
Less : Allowance for Doubtful Debt - Trade Account Receivable	(49,308)	(47,308)	(9,905)	(9,905)
Net	1,670,704	1,322,776	1,345,057	1,019,829

For the six-month periods ended June 30, 2012 and 2011, the movements of allowance for doubtful debt are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Allowance for Doubtful Debt - Beginning	(47,308)	(59,278)	(9,905)	(21,905)
Add : Increased from Purchase Business	-	(191,976)	-	-
Increased within period	(2,000)	-	-	-
Less : Transferred out from Received	-	7,099	-	6,000
Transferred out from Writing-Off	-	-	-	-
Allowance for Doubtful Debt - Ending	(49,308)	(244,155)	(9,905)	(15,905)

In the consolidated and separate financial statements as of June 30, 2012 and December 31, 2011, the Company factored some notes receivable in the amount of Baht 24.34 million and Baht 26.87 million respectively, to discount with one financial institution according to note no.19. The Company still has to take responsibility in the notes receivable if the financial institution cannot collect debt repayment from such notes receivable.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

In the consolidated as of June 30, 2012, account receivable over credit term over 1 year, partly in amount of Baht 5.70 million is account receivable who purchase goods and services from the 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 19. 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.

11. INVENTORIES - NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Finished Goods	379,096	161,403	299,965	84,532
Work in Process	1,180	853	-	-
Good in Transit	6,890	-	6,890	-
Raw Materials	184,228	248,748	153,432	214,332
Supplies	11,418	11,992	1,055	1,372
Total	582,812	422,996	461,342	300,236
<u>Less Allowance for Declining in Value of Inventories</u>	<u>(18,505)</u>	<u>(15,024)</u>	<u>(7,634)</u>	<u>(4,275)</u>
Net	<u>564,307</u>	<u>407,972</u>	<u>453,708</u>	<u>295,961</u>

For the six-month period ended June 30, 2012 and 2011, the movements of allowance for declining in value of inventories are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Allowance for Declining in Value of inventories-Beginning	(15,024)	(7,568)	(4,275)	(507)
Add : Increased from Purchase				
Business	-	(1,918)	-	-
: Increased within Period	(7,634)	(3,283)	(7,634)	(850)
Less : Sale/Reversal	4,153	1,760	4,275	80
Allowance for Declining in Value of inventories-Ending	<u>(18,505)</u>	<u>(11,009)</u>	<u>(7,634)</u>	<u>(1,277)</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

In the consolidated and separate financial statements as of June 30, 2012 and December 31, 2011, inventories in amount of Baht 119.17 million and in amount of Baht 201.14 million, respectively, are pledge as collateral with financial institutes according to Note no 17.

12. ADVANCE PAYMENT FOR GOODS - NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Advance Payment for Goods	133,816	540,108	132,796	521,348
Less : Allowance for Declining in Value of Inventories	(39)	(727)	(39)	(221)
Net	<u>133,777</u>	<u>539,381</u>	<u>132,757</u>	<u>521,127</u>

For the six-month period ended June 30, 2012 and 2011, the movements of allowance for declining in value of inventories are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Allowance for Declining in Value of inventories-Beginning	(727)	-	(221)	(507)
Less : Sale/Reversal	688	-	182	51
Allowance for Declining in Value of inventories-Ending	<u>(39)</u>	<u>-</u>	<u>(39)</u>	<u>(456)</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

13. INVESTMENT IN SUBSIDIARIES - NET

	Separate financial statements					
	In Thousand Baht					
	Percentage of direct and indirect Holding (Percent)		Paid-up capital		Investment value Cost method	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 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					(62,014)	(28,014)
Net					<u>1,113,526</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:

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

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
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 financial statements, 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 control. In separate financial statements, 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.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The separate financial statement as at June 30, 2012, the Company recognizes provision for impairment loss of investment in Siam Ferro Industry Company Limited in amount of Bath 34 million.

14. INVESTMENT PROPERTY – NET

For the six-month period ended June 30, 2012, the movements of investment property are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2012 - net	124,014	108,401
Less : Depreciation for the period	(2,549)	(2,311)
Net book value as at June 30, 2012 - net	<u>121,465</u>	<u>106,090</u>

The consolidated and separate financial statements as at June 30, 2012 and December 31, 2011, the Group's investment property in the book value of Baht 106.09 million and Baht 108.40 million, respectively, as collateral for loans granted by financial institutions as in note No. 17.

The consolidated financial statements as at June 30, 2012 and December 31, 2011 the Group's investment property in the book value of Baht 7.1 million and Baht 7.2 million, respectively, as collateral against the merchandise orders.

The consolidated and separate financial statements as at June 30, 2012 and December 31, 2011, investment property had the fair value did appraise by an independence appraiser, that appraise the fair value of a land by market comparison approach method and the cost approach method for buildings, according to appraisal report during on January, July, 2010 and February, 2012, which had the total of fair value as in the consolidate financial statements amount of Baht 134 million and as in the separate financial statements amount of Baht 118 million.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

15. PROPERTY, PLANT AND EQUIPMENT - NET

For the six-month period ended June 30, 2012, the movements are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2012	1,688,819	97,827
Acquisitions during the period	1,840	1,005
Disposal during the period	(59,285)	(48,309)
Written off during the period	-	-
Accumulated depreciation for disposal	57,222	48,309
Accumulated depreciation for written off	-	-
Allowance for impairment for disposal	7,698	7,698
Depreciation for the period	(65,563)	(6,635)
Net book value as at June 30, 2012	1,630,731	99,895

Consolidated Financial Statements

As at June 30, 2012 and December 31, 2011, The Group mortgaged land plus building in book value of Baht 455.78 million and Baht 459.09 million respectively, and some machine in book value of Baht 65.5 million and Baht 75.06 million respectively, is collateral for loans from the financial institution with note No. 17.

As at June 30, 2012 and December 31, 2011, The Group mortgaged land plus building in the book value of Baht 609.05 million and Baht 645.56 million, is collateral for loans from other person and company as in note No. 17.

Separate Financial Statements

As of June 30, 2012 and December 31, 2011, the Company mortgaged land plus building in book value of Baht 55.87 million and Baht 56.33 million respectively, and some machine in book value of Baht 26.51 million and Baht 29.95 million respectively, is collateral for loans from the financial institution with note No. 17.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

16. OTHER RECEIVABLE – ADVANCE PAYMENT GOODS-NET

	In Thousand Baht	
	Consolidated and Separate financial statements	
	June 30, 2012	December 31, 2011
Other Receivable-Advance Payment Goods	317,545	322,472
<u>Less</u> Allowance for Doubtful	(161,236)	(161,236)
Net	<u>156,309</u>	<u>161,236</u>

The consolidated and separate financial statements, as at June 30, 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 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 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 million per month and April 2013 for the remaining.

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. Currently, the debtor has proposed compromise agreement to the Company which offer a new condition to hair cut some debt and the remaining amount will settle by converting the debt into newly issued shares of the debtor which is listed on the Stock Exchange of Thailand, in amount of 508,071,269 shares, at the price of Baht 0.50. Currently, the Company's management has agreed and accept in such compromise agreement. However, the Company's management has recognized some 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.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

17. 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 by granted the total credit line as at June 30, 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, 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.

18. LOANS THAT DUE FOR REPAYMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trust Receipts	462,514	104,391	462,514	104,391
Promissory Note	195,499	379,900	195,499	379,900
Long-Term Loans from Financial Institutions	373,732	261,429	373,732	261,429
Total	1,031,745	745,720	1,031,745	745,720

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 June 30, 2012, the loan which due to payment was arisen from trust receipt, promissory notes, and long-term loan in amount of Baht 1,031.75. However, the Company had entered into debt restructuring agreement dated August 16, 2011, However, as of June 30, 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 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 which 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 at 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. However, the Company and the financial institution have agreed to sign the debt restructuring agreement no. 5, dated June 25, 2012, so the Company reclassify such loan to the account of debt under restructuring agreement as in note no 22.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Bank Overdrafts	7,355	10,584	7,355	10,584
Bill of Exchange and Discount Post Date Cheque	24,336	26,872	24,336	26,872
Account Payable Factoring	-	8,179	-	4,457
Trust Receipts	188,473	262,381	188,473	262,381
Promissory Note	26,000	395,900	26,000	395,900
<u>Less</u> Loans that Due for Repayment	(188,473)	(484,292)	(188,473)	(484,292)
Amortization of Deferred Service Fee in Borrowing	-	(2,083)	-	(2,083)
Net	<u>57,691</u>	<u>217,541</u>	<u>57,691</u>	<u>213,819</u>

- 19.1 The consolidated and separate financial statement as at June 30, 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.
- 19.2 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.
- 19.3 The consolidated and separate financial statement as at June 30, 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 June 30, 2012 and December 31, 2011, partly trust receipt in amount of Baht 188.47 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.18.

- 19.4 The consolidated and separate financial statement as at June 30, 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 at 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.18.

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

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

20. SHORT-TERM LOANS FROM OTHER PERSON AND COMPANY

The consolidated financial statement as at June 30, 2012 and December 31, 2011, the whole amount is short – term loans from other person 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 extended the due period for next 3 months which the borrower has charged the extended fees in the rate of 11.40% per annum and interest in the rate of 15.0% per annum.

21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT – NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Liabilities under Financial Lease Agreement	1,925	2,375	1,668	2,066
<u>Less</u> Interest Payment from Financial Lease Agreement	(174)	(242)	(112)	(166)
Net	1,751	2,133	1,556	1,900
<u>Less</u> Current Portion	(797)	(775)	(720)	(698)
Net	954	1,358	836	1,202

The consolidated financial statement as at June 30, 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 1.83 million and Baht 2.22 million respectively, and the separate financial statements as at June 30, 2012 and December 31, 2011, There is net book value of Baht 1.63 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.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

22. DEBT UNDER RESTRUCTURING AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Long Term Loans from Financial Institutions	1,578,992	1,104,700	1,578,992	1,104,700
Accrued Interest pending for waiving	20,835	20,836	20,835	20,836
Accrued Interest expenses under restructuring agreement	64,878	-	64,878	-
<u>Less</u> Current Portion	(147,000)	(19,665)	(147,000)	(19,665)
Amortization of Deferred Service Fee in Borrowing	-	(3,752)	-	(3,752)
Net	1,517,705	1,102,119	1,517,705	1,102,119
<u>Less</u> Loans that Due for Repayment	(864,108)	(261,428)	(864,108)	(261,428)
Net	653,597	840,691	653,597	840,691

For the six-month period ended June 30, 2012 and 2011, the movement of long-term loans are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as of Beginning	864,108	650,779	864,108	650,779
Transfer out to loan that due for repayment	(843,272)	-	(843,272)	-
Transfer to accrued interest	(20,836)	-	(20,836)	-
Transfer from loan that due to repayment	654,864	-	654,864	-
Realized debt under restructuring agreement to reduce interest expense	(1,267)	-	(1,267)	-
Repayment	-	(16,576)	-	(16,576)
Balance as of Ending	653,597	634,203	653,597	634,203

The debt under restructuring agreement are loans from two financial institutions as follows:

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

The first financial institution

22.1. The consolidated and separate financial statement as at June 30, 2012 and December 31, 2011, the Company loan credit line of Baht 400 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 debt restructuring contract with the financial institutes dated August 16, 2011, the term of repayment are as follows :

Term of the debt restructuring contract

<u>Installment</u>	<u>Principal Repayable per Installment</u> (In Million Baht)	<u>Interest Rates(%)</u> (Per Annum)
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 of 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.

22.2 The consolidated and separate financial statement as at June 30, 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 debt restructuring contract with the financial institutes dated August 16, 2011, the term of repayment are as follows :

Term of the debt restructuring contract

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

In accordance with the condition of 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)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

22.3 The consolidated and separate financial statement as at June 30, 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 debt restructuring contract with the financial institutes dated August 16, 2011, the term of repayment are 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> <u>(Per Annum)</u>
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 of the 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 June 30, 2012, the Company does not repay the debt to comply with the debt restructuring agreement. The Company has shown the amount of loan to loans due for repayment as in note No.17

The second financial institution

22.4 The consolidated and separate financial statement as at December 31, 2011, loan in credit line of Baht 334.87 million which the outstanding loan amount of Baht 261.43 million, which is loan that derived from the debt restructuring contract dated September 30, 2011, with the creditor of finance institution. The contract determine the Company has to pledge additional securities within March, 2012, and has term of repayment according in the contract. However As at December 31, 2011, the Company did not pay the loan installment according in the contract; the Company has shown such loan amount to loans due for repayment as in note 17.

However, The consolidated and separate financial statement as at June 30, 2012, the outstanding loan amount of Baht 800.60 million, the Company and the financial institute has entered in to the debt restructuring contract no. 5 dated June, 27, 2012. The contract has define important condition such as finding additional securities, transferred assets to settle the debt. The contract has classify the debt to 3 tranches which as following :

First tranche : The principal amount of Baht 261.43 million, accrued interest amount of Baht 24.87 million, the financial institution agree to discount interest rate from default rate to former contract rate. An accrued interest after discount amount of Baht 16.82 million which agree to monthly installments in amount of Baht 500,000, commencing in January 2013 onward and will completely repayment in October 2015. The principle debt bear interest rate at MLR per annum, the principle is repayable on a monthly basis commencing on January 2013 which has term of repayment as followings :

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

<u>Installment</u>	<u>Principal Repayment per Installment</u> (Million Baht)
January 2013 - December 2013	2.0
January 2014 - November 2017	5.0
December 2017	Outstanding

Second tranche : The principal amount of Baht 262.56 million, accrued interest amount of Baht 24.10 million, the financial institution agree to discount interest rate from default rate to former contract rate. An accrued interest after discount amount of Baht 8.78 million which agree to monthly installments in amount of Baht 500,000, commencing in January 2013 onward and will completely repayment in October 2014. The principle debt bear interest rate at MLR per annum, the principle is repayable on a monthly basis commencing on January 2013 which has term of repayment as followings :

<u>Installment</u>	<u>Principal Repayment per Installment</u> (Million Baht)
January 2013 - December 2013	1.0
January 2014 - August 2015	12.0
September 2015	Outstanding

Third tranche : The principal amount of Baht 211.73 million, accrued interest amount of Baht 17.18 million, the financial institution agree to discount interest rate from default rate to former contract rate. An accrued interest after discount amount of Baht 8.85 million which agree to monthly installments in amount of Baht 500,000, commencing in January 2013 onward and will completely repayment in June 2014. The principle debt bear interest rate at MLR per annum, the principle is installment repayment for every three months and is not lower than Baht 30 million per installment, commencing September 2012 and will be completely repayment within December 2013.

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

23. CORPORATE INCOME TAX

For the six-month period ended June 30, 2012, the Group calculates tax at 23% (For the six-month period ended June 30, 2011 calculates tax at 30%). The Group 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.

24. 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)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

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

	In Thousand Baht						Total
	Consolidated financial statements						
	For the three-month period ended June 30, 2012						
	Steel Business		Business Piles		Other	Eliminate	
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and Service	14,996	988,161	60,088	25,285	317	(507)	1,088,340
Profit(Loss)from Operation	14	11,942	1,967	(5,855)	(8,775)		(707)
Others Income							4,711
Common Expenses							(22,675)
Finance Costs							(61,924)
Corporate Income Tax							-
Profit(Loss) for the Period							(80,595)
Non – Controlling Interests							15,353
Owners of the parent							(65,242)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht						
	Consolidated financial statements						
	For the three-month period ended June 30, 2011						
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and Service	296,285	692,064	23,364	15,275	407	(61,496)	965,899
Profit(Loss)from Operation	(9,573)	18,681	(10,889)	(5,242)	(1,774)		(8,797)
Others Income							26,047
Common Expenses							(31,314)
Finance Costs							(50,294)
Corporate Income Tax							-
Profit(Loss) for the Period							(64,357)
Non – Controlling Interests							6,378
Owners of the parent							(57,979)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht						
	Consolidated financial statements						
	For the six-month period ended June 30, 2012						
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and Service	79,584	1,570,494	106,215	44,590	3,241	(4,530)	1,799,594
Profit(Loss)from Operation	(1,143)	(9,649)	(13,600)	(5,490)	(13,164)		(43,046)
Others Income							26,466
Common Expenses							(49,368)
Finance Costs							(140,835)
Corporate Income Tax							-
Profit(Loss) for the Period							(206,783)
Non – Controlling Interests							34,539
Owners of the parent							(172,244)
Fixed Assets	————1,097,860 ———		————538,871 ———				1,630,731
Other Assets							2,729,142
Total Assets							4,359,873

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

	In Thousand Baht						
	Consolidated financial statements						
	For the six-month period ended June 30, 2011						
	Steel Business		Business Piles		Other	Eliminate	Total
Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service				
Sales and Service	403,260	1,592,967	62,539	37,617	521	(64,501)	2,032,403
Profit(Loss)from Operation	(6,025)	61,446	(15,292)	(7,694)	(1,696)		30,739
Others Income							41,102
Common Expenses							(48,493)
Finance Costs							(96,342)
Corporate Income							
Tax							-
Profit(Loss) for the Period							(72,994)
Non – Controlling Interests							6,378
Owners of the parent							(66,616)
Fixed Assets	————1,158,556 ———		————598,902 ———				1,757,458
Other Assets							2,573,067
Total Assets							4,330,525

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 financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
- Letters of Credit Credit Line 462.00 Million, Credit used	-	91.97	-	91.97
- Letters of Guarantee	4.97	4.97	1.99	1.99

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
June 30, 2012 and 2011 (Reviewed)
And December 31, 2011 (Audited)

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.

26. EVENTS AFTER THE REPORTING PERIOD

According to the resolution of extra shareholder meeting no 1/2012 dated July 20, 2012 and according to the resolution of the board of directors' meeting no. 5/2012 dated June 18, 2012, which could be summarized as a significant resolution as follows :

1. Had resolution to decrease the registered capital from Baht 1,500,000,000 to Baht 1,000,000,000 by deducting the unissued registered shares of 500,000,000 shares with the par value of Baht 1.00 per share.
2. Had resolution to increase the registered capital from Baht 1,000,000,000 to Baht 4,000,000,000 by issuing 3,000,000,000 new ordinary shares with the par value of Baht 1.00 per share. Currently, the Company has changed its registered capital with the Department of Business Development, Ministry of Commerce on August 1, 2012.
3. Had resolution to issue and offer 2,000,000,000 new ordinary shares with the par value of Baht 1.0 per share to the existing shareholders of the Company at ratio of 1 old share to 2 new shares (subscription over the right is allowed) at the offering price of Baht 0.50 per share (the par value of Baht 1.00 per share).
4. Had resolution to issue and offer the warrant to purchase the ordinary share of the Company to the private placement investors who support loan to the Company and/or its Subsidiaries in the amount of not more than 1,000,000,000 units with no charge. The warrant would be 3 year term. The exercise ratio would be 1 unit of warrant per 1 ordinary share and the exercise price would be at Baht 0.50 per share (the par value of Baht 1.00 per share).

27. OTHER INFORMATION

Restated of Interim Financial Statement

In quarter 2 of 2011, the Company has acquired business of Siam Ferro Industry Company Limited, The Company recognized the excess of the fair value of the identifiable net assets acquired over the cost of acquisition by Baht 36.23 million in the consolidated statement of financial position as of June 30, 2011 and September 30, 2011. However, the Company was assessed the accuracy of identification in fair value of net asset again by appointed the new independent appraiser to appraise such assets. In quarter 4 of 2011, the Company was reallocated the cost of business combination with the fair value of net assets as in the new appraisal report by retrospective adjustment to the acquisition date which according to the Financial Reporting Standards No. 3 (revised 2009) regarding Business Combinations. It finds surplus of the fair value of the identifiable net assets acquired over the cost of acquisition of the subsidiary company. The Company recognizes such surplus to gain from purchase business in the consolidated statements of comprehensive income by retrospective adjustment to the acquisition date therefore the consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2011 has gain from purchase business in amount of Baht 22.68 million.